PREM 19/1951/1

Part 1 of 2

PART 2 — NEW FILE COVER NT

CAB ONE

SECRET

Confidential Filing

Security of the Secret Services

Chapman Pincher's Book: "Their Trade is Treachery" and related papers including Sir Roger Hollis

SECURITY

PART ONE: May 1979

PART TWO: Oct 1981

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
9.9.86							
PART ENDS							

Material used by Official Historian DO NOT DESTROY

PREM 19/1951

Part 1 of 2

PART 2 ends:-

PM to T. Dalyell, MP 9.9.86

PART 3 begins:-

RTA to NLW (A086/2787) 3/10/86.

~~NLW to PM (& atts.)~~ 20.10.86

File

CF?

BM
cc MA
CO

10 DOWNING STREET

THE PRIME MINISTER

9 September 1986

Dear Mr Dalyell

Thank you for your letter of 17 August.

The Attorney General has applied in the New South Wales Court for an injunction to prevent publication of a book by Mr. Peter Wright. Affidavits in this matter have, at the Attorney General's request, been sworn by Sir Robert Armstrong. When the application comes before the New South Wales Court for decision, Sir Robert will be required to testify in person to his affidavits. I am advised that he is unlikely to be required by the court for very long.

As to the extension of his appointment, I have nothing to add to the Answer which I gave to your Question on 1 July (Official Record, column 451).

Yours sincerely

Margaret Thatcher

Tam Dalyell, Esq., M.P.

OA

10 DOWNING STREET

THE PRIME MINISTER

Dear Mr. Dalyell.

Thank you for your letter of 17 August.

The Attorney General has applied in the New South Wales Court for an injunction to prevent publication of a book by Mr. Peter Wright. Affidavits in this matter have, at the Attorney General's request, been sworn by Sir Robert Armstrong. When the application comes before the New South Wales Court for decision, Sir Robert will be required to testify in person to his affidavits. I am advised that ~~there is no question of his being away for a "substantial part of the autumn":~~ he is unlikely to be required by the court for ~~more than a week or so, and it could be less.~~ very long

As to the extension of his appointment, I have nothing to add to the Answer which I gave to your Question on 1 July (Official Record, column 451).

Tam Dalyell, Esq., M.P.

Ref. A086/2460

MR WICKS

The Wright Case

attached

Further to paragraph 8 of Sir Robert Armstrong's minute of 5 September, the Prime Minister may wish to be aware that news has just reached us that the Australian Government are prepared to intervene in the case by putting in an affidavit or affidavits testifying that it is against the Australian public interest for Mr Wright's book to be published. They would be ready to discuss the wording with us, probably in about three weeks' time. Sir Robert's Australian counterpart takes the view that the New South Wales Court would be unlikely to go against a clear statement by the Australian Government that publication would be contrary to the public interest.

MS

M C STARK

5 September 1986

SECRET

(40) (2)

Prime Minister

CDP 5/9.

Ref. A086/2456

MR WICKS

The Wright Case

When I saw the Prime Minister on 2 September, we discussed very briefly the developments in the Wright case that had occurred while we were both on holiday last month. I should perhaps report on the position more fully.

2. The case is still at the interlocutory stage. The two sides have been exchanging interrogatories and responses. A number of interrogatories put to the plaintiff (the British Government) by the defendants (the Australian publishers and Mr Wright) related to the various allegations contained in Mr Wright's book. We declined to respond to those interrogatories on the grounds that they were vexatious and irrelevant: our claim is based not on the truth or falsity of the allegations but on the principle of the duty of confidentiality which we assert is owed by Mr Wright and which should restrain him from publication whether the allegations are true or false.

3. The exchange of interrogatories and responses led to a further series of interlocutory proceedings in the New South Wales Court from 12 to 14 August. During the course of those proceedings it was argued, and indeed accepted by both sides, that the British Government's claim on the pleadings could be said to put in issue not merely the principle of duty of confidentiality but also the truth or falsity of the contents of the book. As I say, the issue on which we are standing is the duty of confidentiality, and the issue of truth or falsity of the contents is a side-issue. Indeed, we do not want to have to discuss in court the truth or falsity of the contents of the

book, since that would be to create the very mischief which we are seeking to avoid. It was decided on the advice of our Australian Counsel that, in order to take the issue of truth or falsity out of the proceedings, we should agree for the purposes of those proceedings only and not otherwise that the court should treat the allegations made in the book as being true. Mr Justice Powell's judgment stated that the effect of this admission was to reduce the issues outstanding for determination to the nature and extent of Mr Wright's obligation of confidentiality; the question whether the injunction ought to be refused either on the grounds that it was in the Australian public interest that the manuscript should be published or on the grounds that the Crown did not have "clean hands"; and the question whether it was open to the British Government as plaintiff to raise the issue of "public interest immunity" and (if so) whether it was contrary to the Australian public interest that the information contained in Mr Wright's manuscript be published.

4. As we saw, the reporting of this in the British press left some confusion in the minds of members of the public, and indeed Members of Parliament here, about the Government's position in relation to the allegations in Mr Wright's book and in particular about the allegation that Sir Roger Hollis was a KGB agent. The Law Officers therefore put out a statement here which made it clear that the admission made by the British Government in court had been made for the limited procedural purposes of the action; that this did not imply, and the Government did not admit, the truth of any of the allegations contained in Mr Wright's book relating to the activities or personnel of the Security Service; and in particular that the Government's position in relation to Sir Roger Hollis remained as stated by the Prime Minister in her statement in the House of Commons on 26 March 1981.

5. There the matter rests for the time being. The case is due to come to court for a final hearing on Monday 17 November, when I shall have to go to Sydney to testify to the affidavits which I have sworn.

6. In the meantime, the defendant's solicitor has put out feelers about the possibility of a settlement. He claims to be doing this because it is obvious to him that the British Government will lose the case, and that the British Government will be discredited in the process. He says that he has no desire to bring discredit on the British Government, and that his client (Mr Wright) is a patriotic man and could be persuaded to delete particular passages from the book if he were satisfied that their publication was new and damaging to the national interest. In other words, it is suggested that we should do the same sort of deal with Mr Wright as we did with Nigel West on his history of MI5. The crucial difference is, of course, that Mr West was not and Mr Wright was a member of the Security Service.

7. Our leading Australian Counsel, Mr Theo Simos QC, is coming to London later this month, and will be seeing the Attorney General on Tuesday 23 September. The Attorney General will thus be able to discuss with Mr Simos the future conduct of the the case, including the proposal for a settlement, which the Attorney General is being advised not to pursue: whatever the defendants' solicitor's stated reasons for the proposal, it may in reality reflect a lack of confidence about the outcome of the case.

8. Counsel has given an opinion that it would be of particular material value to our case if the Australian Government were able to intervene to support the argument that it is not in the Australian public interest for Mr Wright's book to be published. Indeed, I think that Counsel may go as far as to say that, given the way that proceedings in the court have developed and the way

that the Judge's mind appears to be working, we are likely to lose unless we have that support. I saw my Australian counterpart when he was here in London at the beginning of August, and left with him a letter formally asking that the Australian Government should consider intervening in support. We have reason to believe that the Australian security and intelligence agencies are keen that the Government should intervene. We know that the matter is under active consideration in Canberra. But I have had no reply and I have sent a polite "chaser" to my counterpart, via the British High Commissioner in Canberra.

9. All this has, of course, been done in close consultation with the Attorney General's Department, the Treasury Solicitor, the Foreign and Commonwealth Office and the Security Service itself.

10. When the House of Commons resumes next month, there may well be parliamentary interest in the case, and questions to the Prime Minister (or the Attorney General) about the reasons for the admission in the New South Wales Court last month that the allegations in Mr Wright's book should be treated as true.

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

We are considering how best that information could be made public, in such a way as not to call in question the admission made for procedural purposes in the New South Wales Court. One possibility is an Answer to a question to the Prime Minister. Another possibility, which has some attractions, is that Lady Hollis (who of course was upset by the press reports last month) should write to the Prime Minister for reassurance; the Prime Minister could then reply, standing by her statement on 26 March 1981 and adding the new

reasons since then which reinforce the conclusions reported in that statement. One of the things we shall discuss with Australian Counsel when he is here is whether this can be done without prejudice to the conduct of the case in Australia. I shall report further if this is a proposal which is thought right to pursue.

MS

for ROBERT ARMSTRONG

5 September 1986

05.1K

GR

1. CDP - Force

2. GR - Force

Ref. A086/2392

MR ADDISON

Mr Flesher's minute of 20 August to Mr Cloke asked for a draft reply to Mr Dalyell's letter of 17 August to the Prime Minister.

--- 2. I attach a draft.

MS

M C STARK

2 September 1986

(71) BM.

DRAFT LETTER FROM THE PRIME MINISTER TO TAM DALYELL ESQ MP, HOUSE OF COMMONS

Thank you for your letter of 17 August.

The Attorney General has applied in the New South Wales Court for an injunction to prevent publication of a book by Mr Peter Wright. Affidavits in this matter have, at the Attorney General's request, been sworn by Sir Robert Armstrong. When the application comes before the New South Wales Court for decision, Sir Robert will be required to testify in person to his affidavits. I am advised that there is no question of his being away for a "substantial part of the autumn": he is unlikely to be required by the court for more than a week or so, and it could be less .

As to the extension of his appointment, I have nothing to add to the Answer which I gave to your Question on 1 July (Official Record, column 451).

Tam DALYELL MP

3/9

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

MR. CLOKE
CABINET OFFICE

I enclose a copy of a letter the Prime Minister has received from Tam Dalyell, M.P.

I should be grateful if you could provide a draft reply for the Prime Minister to send to Mr. Dalyell, to reach me by Wednesday 3 September please.

TIM FLESHER
20 August 1986

cc MA

HOUSE OF COMMONS
LONDON SW1A 0AA

17/8/86
17/8

Dear Prime Minister,

As you know, I have asked you a number of Parliamentary Questions about Sir Robert Armstrong's position in relation to Westlands, the reasons for your bringing him back from Honolulu, where he was having important economic discussions, and the reasons for your decision to extend his term of office past the normal retiring age.

It is now widely reported in the press that Sir Robert will be required this autumn in a New South Wales Court. The hearings may last only a fortnight. But it seems more than possible that the hearings will drag on, and on, and on.

How can a Cabinet Secretary - let alone one who combines his role with that of Head of the Home Civil Service - be expected to be " down-under " for a substantial part of the autumn ? Besides, if he is to be a major witness, will not enormous preparation be required ?

HOUSE OF COMMONS
LONDON SWIA OAA

I have just re-read the Report of the Select Committee on Westland.

To put it in the mildest terms, is it not highly desirable that the Cabinet Secretary be in the country, when Parliament has a full-scale Debate in the autumn?

Or, is it your intention to whisk Sir Robert back at short notice - Court Procedings permitting, I suppose - as you did from Honolulu ?

You have made public reference to my being the late Dick Crossman's PPS.

So, may I say from experience of the 1960s, from a privileged spectator role at the centre of Government, that I doubt whether it is proper to assign so many taks to one key individual, albeit from observation of his appearance before the Select Committee on Westlands, the best stone-wall batsman there is of hostile political bowling.

Maybe the correct course would be for Sir Robert to give way to another person as Cabinet Secretary, and to spend the extra time you have given to him, concentrating on Wright and protecting your personal position on Westlands ?

Yours sincerely

Tam Dalyell

PRIME MINISTER

PETER WRIGHT

You ought to be aware that the Press are making much of the point in the case being conducted by the Government against publication of Peter Wright's book in the Australian courts. The press claim that our case concedes, amongst other things, that Roger Hollis was a spy. It does not do so: what it does do is to say that as far as the Government's case is concerned, the truth or falsity of this allegation is not something which forms a part of the argument. The Solicitor General and Sir Robert Armstrong are working on a statement making this clear which should issue later this evening. We can then point the press to your Statement in the House in 1981 as being the last and only word on this matter.

TIM FLESHER

15 August 1986

PRIME MINISTER

Telephoned to Cornwall 15/8

YOU MAY LIKE TO SEE THE FOLLOWING STATEMENT WHICH THE SOLICITOR GENERAL ISSUED THIS AFTERNOON ABOUT THE PETER WRIGHT CASE. NO DOUBT THE PRESS WILL CONTINUE TO PRINT THIS DAFT STORY SINCE IT IS VERY MUCH THE SILLY SEASON. AS YOU WILL SEE THE STATEMENT STRESSES THAT THE POSITION IN RELATION TO HOLLIS IS AS SET OUT BY YOU IN 1981.

PRESS RELEASE
HM ATTORNEY GENERAL -V- HEINEMANN PUBLISHERS AUSTRALIA PTY LIMITED AND PETER WRIGHT

IN THE COURSE OF PROCEEDINGS BROUGHT BY THE UK ATTORNEY GENERAL IN AUSTRALIA TO PREVENT THE PUBLICATION OF A BOOK BY MR WRIGHT RELATING TO HIS SERVICE AS A MEMBER OF THE BRITISH SECURITY SERVICE, HIS HONOUR MR JUSTICE POWELL HAS BEEN HEARING APPLICATIONS THAT INTERROGATORIES BE ANSWERED BY THE PLAINTIFF ABOUT THE TRUTH OR OTHERWISE OF THE CONTENTS OF MR WRIGHT'S BOOK.

THE ATTORNEY GENERAL'S ACTION WAS BROUGHT TO ENFORCE THE DUTY OF CONFIDENTIALITY WHICH THE CROWN ASSERTS IS OWED BY MR WRIGHT. ON THE 14TH AUGUST 1986, BOTH PARTIES ACCEPTED, IN COURT, THAT THE PLAINTIFF'S FORMAL CLAIM COULD BE SAID TO PUT IN ISSUE NOT MERELY THAT PRINCIPLE OF LASW W BUT ALSO THE TRUTH OR FALSITY OF THE CONTENTS OF THE BOOK. THE CROWN CONSIDERED THAT THE MAIN ISSUE COULD PROPERLY BE DECIDED WITHOUT THE NECESSITY OF A TRIAL OF THE ANCILLIARY ISSUE. ITS CONTENTION IS THAT EVEN IF EVERYTHING IN THE BOOK WERE TO BE TRUE, PUBLICATION SHOULD STIL L BE RESTRAINED.

ACCORDINGLY, FOR THE PURPOSE OF THESE PROCEEDINGS ONLY AND NOT OTHERWISE, THE CROWN ADMITTED YESTERDAY THAT THE AUSTRALIAN COURT SHOULD TREAT THE ALLEGATIONS MADE IN THE BOOK AS BEING TRUE.

EXCEPT FOR THE LIMITED PROCEDURAL PURPOSES OF THIS ACTION, THE UK GOVERNMENT DOES NOT ADMIT THE TRUTH OF ANY OF THE ALLEGATIONS IN MR WRIGHT'S BOOK RELATING TO THE ACTIVITIES OR PERSONNEL OF THE SECURITY SERVICE. IN PARTICULAR, THE GOVERNMENT'S POSITION IN RELATION TO THE LATE SIR ROGER HOLLIS REMAINS AS STATED BY THE PRIME MINISTER IN HER STATEMENT IN THE HOUSE OF COMMONS ON 26TH MARCH 1981.

MR JUSTICE POWELL HAS RESERVED HIS JUDGMENT ON THE APPLICATIONS BEFORE HIM AND, FOR THAT REASON, IT WOULD NOT BE APPROPRIATE TO MAKE ANY FURTHER COMMENT AT THE PRESENT TIME.

TF
15/8/86

AUSTRALIAN COURT CASE : BRIEFING FOR SUNDAY LOBBY

We said we understood that later in the day a Press Statement would be issued by the Law Officers' Department.

In the meantime, by way of guidance, we were able to say that an admission had been made for the limited procedural purposes of the action in Australia. This did not imply and the Government did not admit the truth of any of the allegations contained in Wright's book relating to the activities or personnel of the Security Services. In particular the Government's position in relation to the late Sir Roger Hollis remained as stated by the Prime Minister in her Statement in the House of Commons on 26 March 1981.

Copies of the PM's Statement were given to the Lobby.

Asked if Sir Robert Armstrong would give evidence in Australia, we said we thought he would agree to do so, if asked.

We said Sir Robert was on holiday at present but declined to say where.

We refused to answer further detailed questions, pointing out that this was a legal matter and that the Lobby would have to await the LOD Statement.

JIM COE
Deputy Press Secretary
15 August 1986

PRESS RELEASE

HM ATTORNEY GENERAL -v- HEINEMANN PUBLISHERS AUSTRALIA PTY LIMITED

AND PETER WRIGHT

In the course of proceedings brought by the UK Attorney General in Australia to prevent the publication of a book by Mr Wright relating to his service as a member of the British Security Service, His Honour Mr Justice Powell has been hearing applications that interrogatories be answered by the Plaintiff about the truth or otherwise of the contents of Mr Wright's book.

The Attorney General's action was brought to enforce the duty of confidentiality which the Crown asserts is owed by Mr Wright. On the 14th August 1986, both parties accepted, in Court, that the Plaintiff's formal claim could be said to put in issue not merely that principle of law but also the truth or falsity of the contents of the book. The Crown considered that the main issue could properly be decided without the necessity of a trial of the ancilliary issue. Its contention is that even if everything in the book were to be true, publication should still be restrained.

Accordingly, for the purpose of these proceedings only and not otherwise, the Crown admitted yesterday that the Australian Court should treat the allegations made in the book as being true.

Except for the limited procedural purposes of this action, the UK Government does not admit the truth of any of the allegations in Mr Wright's book relating to the activities or personnel of the Security Service. In particular, the Government's position

in relation to the late Sir Roger Hollis remains as stated by the Prime Minister in her statement in the House of Commons on 26th March 1981.

Mr Justice Powell has reserved his Judgment on the applications before him and, for that reason, it would not be appropriate to make any further comment at the present time.

PRIME MINISTER'S STATEMENT

ON

SECURITY

TO

THE HOUSE OF COMMONS

26 MARCH, 1981

PLEASE CHECK AGAINST DELIVERY

SECURITY

With permission, Mr. Speaker, I will make a statement about the security implications of the book published today which purports to give a detailed account of the investigations into the penetration of the Security Service and other parts of the public service which were undertaken following the defection of Burgess and Maclean in 1951.

The events into which those investigations were inquiring began well over 40 years ago. Many of those named or implicated in this book as having been the subject of investigation have died. Others have long since retired. None of them is still in the public service.

The extent of penetration was thoroughly investigated after the defection of Burgess and Maclean, as indeed the author of this book makes clear. The book contains no information of security significance which is new to the security authorities. And some of the material is inaccurate or distorted. All the cases and individuals referred to have been the subject of long and thorough investigation.

The investigations into the possibilities of past penetration have inevitably extended widely. They have covered not only those suspected of being guilty; but also all those who could conceivably fit the often inconclusive leads available. The fact that somebody has been the subject of investigation does not necessarily or even generally mean that he was ever positively suspected: many people have had to be investigated simply in order to eliminate them from the enquiry.

/The

The results of the investigations into Philby and Blunt are now well known. There were good reasons for suspecting a few others, but as it was not possible to secure evidence on which charges could be founded, they were required to resign or were moved to work where they had no access to classified information. Many others were eliminated from suspicion.

Apart from the main allegation, which I will come to, I do not propose to comment on the other allegations and insinuations in this book. Nor can I say which allegations are unsubstantiated or untrue - as some certainly are - since by doing so I should implicitly be indicating those which were suspected of having a degree of substance.

I must, however, comment upon the grave allegation which constitutes the main tneme of the book, that the late Sir Roger Hollis, Director General of the Security Service from 1956 to 1965, was an agent of the Russian Intelligence Service.

/The case for investigating

The case for investigating Sir Roger Hollis was based on certain leads which suggested, but did not prove that there had been a Russian Intelligence Service agent at a relatively senior level in British counter-intelligence in the last years of the war. None of these leads identified Sir Roger Hollis, or pointed specifically or solely in his direction; each of them could also be taken as pointing to Philby or Blunt. But he was among those that fitted some of them, and he was therefore investigated.

The investigation took place after Sir Roger Hollis's retirement from the Security Service. It did not conclusively prove his innocence; indeed it is very often impossible to prove innocence; that is why in our law the burden of proof is placed upon those who seek to establish guilt and not on those who defend innocence. But no evidence was found that incriminated him, and the conclusion reached at the end of the investigation was that he had not been an agent of the Russian Intelligence Service.

This view was challenged, however, by a very few of those [illegible], and in July 1974, Lord Trend, the former Secretary of the Cabinet, was asked to review in detail the investigations that had taken place into the case of Sir Roger Hollis, and to say whether they had been done in a proper and thorough manner, and whether in his view the conclusions reached were justified. He examined the files and records and he discussed the [illegible]

/ concerned,

concerned, including two people who considered that the investigation should be reopened.

Mr. Pincher's account of Lord Trend's conclusions is wrong. The book asserts that Lord Trend "concluded that there was a strong prima facie case that MI5 had been deeply penetrated over many years by someone who was not Blunt", and that he "named Hollis as the likeliest suspect". Lord Trend said neither of those things, and nothing resembling them. He reviewed the investigations of the case, and found that they had been carried out exhaustively and objectively. He was satisfied that nothing had been covered up. He agreed that none of the relevant leads identified Sir Roger Hollis as an agent of the Russian Intelligence Service, and that each of them could be explained by reference to Philby or Blunt. Lord Trend did not refer, as the book says he did, to "the possibility that Hollis might have recruited unidentified Soviet agents into MI5". Again, he said no such thing.

Lord Trend, with whom I have discussed the matter, agreed with those who, although it was impossible to prove the negative, concluded that Sir Roger Hollis had not been an agent of the Russian Intelligence Service.

I turn next to the arrangements for guarding against penetration now and in the future.

/ All Departments

All Departments and agencies of Government, especially those concerned with foreign and defence policy and with national security, are targets for penetration by hostile intelligence services. The Security Service, with its responsibilities for countering espionage and subversion, is a particularly attractive target. Recent security successes (like the expulsion of members of the Russian Intelligence Service from this country in 1971) would hardly have been achieved, if the Security Service was penetrated. The Security Service exercises constant vigilance not only against the risk of current penetration but also against the possibility of hitherto undetected past penetration which might have continuing implications. But, however great our confidence in the integrity and dedication of those now serving in the Security Service, we need to make sure that the arrangements for guarding against penetration are as good as they possibly can be, both in this area and throughout the public service.

Existing security procedures were introduced during the years following the Second World War. Burgess, Maclean, Philby and Blunt were all recruited by the Russian Intelligence Service before the Second World War, and came into the public service either before or during the war, well before existing security procedures were introduced. It was in 1948 that the then Prime Minister announced the Government's intention to bar Communists and Fascists and their associates from employment in

/ the public

the public service in connection with work the nature of which was vital to the security of the State. This led to the introduction of what came to be known as the "purge procedure". In 1952 the positive vetting procedure was instituted, with the object of establishing the integrity of civil servants employed on exceptionally secret work. In 1956 it was publicly declared that character defects, as distinct from Communist or Fascist sympathies or ...s, might affect a civil servant's posting or promotion. In 1961 security procedures and practices in the public service were reviewed by an independent Committee under the Chairmanship of the late Lord Radcliffe. The Committee's report, published in 1962, contained an account of those procedures, and made various recommendations for modifying them, which the Government accepted. These procedures, as modified in 1962, are still in operation today.

These arrangements have over the years substantially reduced the vulnerability of the public service to the threat of penetration, and have served the interests of national security well. But it is twenty years since they were last subject to independent review. In that time the techniques of penetration and the nature of the risks may have changed. We need to make sure that our protective security procedures have developed to take account of those changes.

I have therefore decided, after consultation with the right hon. Gentleman the Leader of the Opposition, to ask the Security Commission:

/ "To review the

"To review the security procedures and practices currently followed in the public service and to consider what, if any, changes are required".

These terms of reference will enable the Security Commission to review, and to make recommendations as appropriate, the arrangements and procedures used in all parts of the public service for the purposes of safeguarding information and activities involving national security against penetration by hostile intelligence services, and of excluding from appointments which give access to highly classified information both those with allegiances which they put above loyalty to their country, and those who may for whatever reason be vulnerable to attempts to undermine their loyalty and extort information by pressure or blackmail.

There are difficult balances to be struck here between the need to protect national security, the nature and cost of the measures required to do so effectively, the need for efficiency and economy in the public service, and the individual rights of members of the public service to personal freedom and privacy. The Security Commission will be able to consider how these balances ought to be

/struck in the

struck in the circumstances of the present time, as they conduct their review and prepare their recommendations. It will be my intention to make their findings known to the House in due course, to the extent that it is consistent with national security to do so.

Mr. Speaker, in conclusion I should like to emphasise once again that this statement arises out of a book which deals with investigations of matters and events which occurred many years ago. My concern is with the present and with the future. That is why I am asking the Security Commission to undertake the review which I have described.

THE NATIONAL ARCHIVES

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PERSONAL AND CONFIDENTIAL

Prime Minister

Ref. A085/3315

MR WICKS

My minute of 4 October 1985 (Ref. A085/2546) recorded the state of play on the Attorney General's injunction in the High Court of New South Wales to prevent the publication of the memoirs of Mr Peter Wright.

2. The Treasury Solicitor has informed me that Mr Wright's publishers, Heinemann, have now informed him that they will submit to the injunction and do not propose to challenge it in the courts (either here or in New South Wales). They say that they have already spent £100,000 on the matter, and it is not worth spending any more.

3. They have said, however, that they do not know whether they can carry Mr Wright with them in this course. There is in fact some reason to think that Mr Wright may also be in touch with an American publisher; and I should not be wholly surprised if Heinemann themselves had put Mr Wright in touch with such a publisher, though there are other people (including Mr Chapman Pincher) who might have done so.

4. If an American publisher did agree to take this on, I am afraid that we should be very much less likely to succeed with an injunction in the United States than in Australia or the United Kingdom.

RA

ROBERT ARMSTRONG

19 December 1985

PERSONAL AND CONFIDENTIAL

Security Pt 2

CHAHAN PINCHER

SAP-2761

PERSONAL AND CONFIDENTIAL

MCS

Prime Minister

This came to light late today. We don't know whether Lord Rothschild will use it in his statement as drafted. Just possible that if he does, it will wrongly be used as evidence of collusion between Govt and Lord R regarding the preparation of Wright's book.

N.C.L.
25.11

c- M. Mallaby

MS

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A085/3144

4 December 1985

Thank you for your letter of 11 November (Ref PF605565/DG) about Lord Rothschild's proposed statement.

Lord Rothschild came to see me early this week.

--- I handed over the attached revised version of his proposed statement, saying that, if it became necessary for him to issue a separate statement, we should be able to confirm, if asked, that we were content with it. I explained why we could not go along with the version which he originally showed me.

Lord Rothschild pocketed the revised statement, saying that he was content with it and expressing his gratitude to all concerned.

ROBERT ARMSTRONG

The Rt Hon Sir Antony Duff GCMG CVO DSO DSC

PERSONAL AND CONFIDENTIAL

Lord Rothschild joined the Security Service in World War II as their counter-sabotage officer and, as such had a small section consisting of 4-5 people. As is well known this involved him and members of his section dismantling and inactivating sabotage bombs both in the United Kingdom and elsewhere. He ceased to work for the Security Service at the end of the War.

2. When an undergraduate at Cambridge University, Lord Rothschild was a contemporary of Guy Burgess and knew him quite well. The same applied to Anthony Blunt though he was a few years senior to Lord Rothschild.

3. When Guy Burgess defected to the USSR and, later, Anthony Blunt confessed to being a Soviet agent, Lord Rothschild was among those who knew the two men and were extensively questioned by the Security Service to obtain all possible information about them. Lord Rothschild readily co-operated in this questioning.

PERSONAL AND CONFIDENTIAL

(SAP-2761)

c- M. Mallaby

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A085/3144

4 December 1985

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Mr Wicks

You should be aware that we are evidently committed to confirm that we are content with a statement by Ld. R. if he

ROBERT ARMSTRONG

The Rt Hon Sir Antony Duff GCMG CVO DSO DSC

is mentioned in the Wright book and it is published. It could be taken as

25

Lord Rothschild joined the Security Service in World War II as their counter-sabotage officer and, as such had a small section consisting of 4-5 people. As is well known this involved him and members of his section dismantling and inactivating sabotage bombs both in the United Kingdom and elsewhere. He ceased to work for the Security Service at the end of the War.

2. When an undergraduate at Cambridge University, Lord Rothschild was a contemporary of Guy Burgess and knew him quite well. The same applied to Anthony Blunt though he was a few years senior to Lord Rothschild.

3. When Guy Burgess defected to the USSR and, later, Anthony Blunt confessed to being a Soviet agent, Lord Rothschild was among those who knew the two men and were extensively questioned by the Security Service to obtain all possible information about them. Lord Rothschild readily co-operated in this questioning.

PERSONAL AND CONFIDENTIAL

S&P-2761

c- M. Mallaby

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

~~Ref.~~ A085/3144

4 December 1985

Thank you for your letter of 11 November (Ref PF605565/DG) about Lord Rothschild's proposed statement.

Lord Rothschild came to see me early this week.

I handed over the attached revised version of his proposed statement, saying that, if it became necessary for him to issue a separate statement, we should be able to confirm, if asked, that we were content with it. I explained why we could not go along with the version which he originally showed me.

Lord Rothschild pocketed the revised statement, saying that he was content with it and expressing his gratitude to all concerned.

Mr Wicks

You should be aware that we are evidently committed to confirm that we are content with a statement by Ld. R. if he

ROBERT ARMSTRONG

The Rt Hon Sir Antony Duff GCMG CVO DSO DSC

is mentioned in the Wright book and it is published. It could be taken as evidence of collusion

PERSONAL AND CONFIDENTIAL

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CONFIDENTIAL file BEMBEM BM

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

I have shown the Prime Minister your minute of 27 November (A085/3069) about the possibility of publishing a Parliamentary Question and Answer recording that information provided by recent Soviet defectors has "convincingly confirmed the conclusion that Sir Roger Hollis was not an agent of either of the Soviet Intelligence Services". The Prime Minister has also seen your minute A085/3068.

The Prime Minister does not think that there should be a Parliamentary Question and Answer on these lines. She believes that the Government cleared Sir Roger Hollis in Parliament in the Written Parliamentary Question and Answer in 1981. It would not be possible to go further without exposing the Government to the sort of difficult question outlined in paragraph 3 of your minute A085/3068 and paragraph 6 of A085/3069. You ought also to note that the Prime Minister is not entirely convinced that the new information has "amply confirmed" the conclusion that Sir Roger was not a Soviet agent. She does not believe that the information was quite as decisive as that.

27 November 1985

Robert Wicks

(38)

Ref. A085/3069

MR WICKS

The Prime Minister will remember that in March 1981 Mr Chapman Pincher published a book, entitled "Their Trade is Treachery" in which, basing himself largely on material supplied by Mr Peter Wright, he set out the case for the allegation that Sir Roger Hollis, Director General of the Security Service twenty years ago, was an agent of the Russian Intelligence Service.

2. On 26 March 1981 the Prime Minister made a statement in the House of Commons in which she said that there had been a full investigation of the allegation, and that, while the investigation could did not conclusively prove his innocence, the conclusion reached at the end of the investigation was that he had not been an agent of the Russian Intelligence Service.

3. As the Prime Minister knows, this conclusion has been confirmed by information received from recent defectors to the West, and notably from Mr Gordievsky and Mr Yurchenko. That information has amply confirmed the conclusion that Sir Roger Hollis was not a Soviet agent: there has been no evidence to suggest that he was, and clear (though indirect) evidence that he was not. Furthermore, the new information makes it clear that the KGB recognised that the publicity in this country about the allegations, although it had been neither funded or directed by them, nevertheless served their purpose better than anything they could have arranged, by casting doubts on the loyalty of the Security Service and suggesting that it might still be penetrated.

It was not quite as clear as that.

4. The Security Service would like to get this evidence formally on the record. There would be obvious advantages in doing so: it could discourage the production of further books repeating the allegation (including the memoirs of Mr Peter Wright); it would reassure present and past members of the intelligence community, not only in this country but among other intelligence allies;

and it would help to redress the feeling among members of Sir Roger Hollis's family that he has been done a grave injustice.

5. One possible objection to doing so is that to do so would be yet another breach of the principle that the Prime Minister does not answer questions about, or discuss, security and intelligence matters in the House of Commons. But I do not think that this would on its own be a conclusive objection, given that she made a statement about the Hollis affair in 1981.

6. A second possible objection is that to answer a question about this aspect of the information provided by Gordievsky and other recent defectors would lead to questions about the implications of their information for other security cases, particularly after the article in the Daily Express on 27 November --- (copy attached). Again, it would probably be possible to resist such pressures, on the grounds that the Hollis allegations had already been the subject of a Prime Minister's statement in 1981; but the ice would become a little thinner.

7. I think, and the Home Office agree, that the balance of advantage is in favour of getting this information clearly on record. If the Prime Minister agrees, this could be done by means of a Written Answer to an arranged Parliamentary Question. --- I attach a suggested draft Question and Answer, together with a background note.

8. I am sending a copy of this minute and of the draft to the Private Secretary to the Home Secretary.

RCA

ROBERT ARMSTRONG

27 November 1985

KGB moles flee Britain

Soviet defector dossier to MI5 names Labour MPs as contact

By JOHN WARDEN Political Editor

A NUMBER of Britons have fled the country after being branded as Red moles.

They were exposed by Oleg Gordievsky, the London KGB chief who defected.

He even named two Labour MPs in an astonishing list which he gave his MI5 interrogators.

Most of the 300-400 names, including the two MPs, were classified as "contacts" rather than spies. They kept the Russians in close touch with the British industrial and political scene.

But those who vanished are not thought to be in Moscow or East Europe, suggesting in their case a far more sinister involvement.

A senior official said last night: "Possibly a handful of British citizens have flown the nest. They have left of their own accord and we do not know where they are."

Some of the missing moles are believed to have held key posts in British industry.

They could have been recruited to supply details of major contracts, high technology or even the state of labour relationships and union activity in factories.

All would face questioning by our security services over allegations that they had been involved in subversive activities.

A critical yardstick used by intelligence experts assessing spying activities is whether the British contacts are paid or not for their information.

Most of the names in the possession of British security men do not fall into this bracket.

For Soviet master agent Gordievsky was known to have had a considerable network of unofficial friends and admirers whom he used as "contacts."

TOUCH

Most of the information they supplied to the urbane and socialising diplomat would not be classified as secret but would have helped to keep the Kremlin in close touch with the British scene.

The two named Labour MPs would have fallen into this category and would have kept the Russians in touch with developments in parliament without necessarily breaching any official secrets.

Gordievsky, who was appointed counsellor to the Russian embassy in London in 1982, defected two months ago.

It led to a short sharp tit-for-tat row between Mrs Thatcher and Soviet leader Mikhail Gorbachev.

Britain expelled 31 Soviet diplomats and others for subversive activities and the Kremlin retaliated by throwing out equal numbers of Britons from Moscow.

Since then the Gordievsky trail has gone surprisingly cold. The Government was criticised for mishandling the spy coup and MPs are not surprised that the follow-up is being given a low profile.

But many MPs are astonished to discover the true extent of Gordievsky's contacts book and are again asking why no further action has been taken against known British collaborators.

They have been told by Whitehall officials that the security services have investigated every aspect of the disclosures of the double agent —still being questioned in a hide away in southern England—and that no further action is envisaged by the Government.

Cord Meyer, the American CIA's former London chief, said at the time of the defection that Gordievsky could identify all Soviet intelligence officers under cover in Britain.

He could also name every British and foreign citizen recruited for espionage in the last three years.

DRAFT PARLIAMENTARY ANSWER

To ask the Prime Minister, whether there is any further evidence available to the Government bearing upon the allegation that the late Sir Roger Hollis was an agent of the Russian Intelligence Services?

ANSWER

In my statement on 26 March 1981 I told the House that, while the investigation into this allegation had not conclusively proved Sir Roger Hollis's innocence, the conclusion reached at the end of the investigation was that he had not been an agent of the Soviet intelligence service. Since that time there have been a number of important defections of Soviet intelligence officers to the West. The information they have provided has convincingly confirmed the conclusion that Sir Roger Hollis was not an agent of either of the Soviet intelligence services. It has also made it clear that, though there is no reason to suppose that the KGB had any part whatever in the stimulation of dissemination of the allegation, it had in their view, by engendering doubt about the loyalty of our security and intelligence services, served their purposes better than anything which they themselves could have arranged.

THE NATIONAL ARCHIVES

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Security

The Prime Minister (Mrs. Margaret Thatcher): With permission, Mr. Speaker, I will make a statement about the security implications of the book published today that purports to give a detailed account of the investigations into the penetration of the Security Service and other parts of the public service that were undertaken following the defection of Burgess and Maclean in 1951.

The events into which those investigations were inquiring began well over 40 years ago. Many of those named or implicated in this book as having been the subject of investigation have died. Others have long since retired. None of them is still in the public service.

The extent of penetration was thoroughly investigated after the defection of Burgess and Maclean, as, indeed, the author of this book makes clear. The book contains no information of security significance that is new to the security authorities, and some of the material is inaccurate or distorted. All the cases and individuals referred to have been the subject of long and thorough investigation.

The investigations into the possibilities of past penetration have inevitable extended widely. They have covered not only those suspected of being guilty but all those who could conceivably fit the often inconclusive leads available. The fact that somebody has been the subject of investigation does not necessarily, or even generally, mean that he has been positively suspected. Many people have had to be investigated simply in order to eliminate them from the inquiry.

The results of the investigations into Philby and Blunt are now well known. There were good reasons for suspecting a few others, but as it was not possible to secure evidence on which charges could be founded they were required to resign or were moved to work where they had no access to classified information. Many others were eliminated from suspicion.

Apart from the main allegation, to which I will come, I do not propose to comment on the allegations and insinuations in this book. Nor can I say which allegations are unsubstantiated or untrue—as some certainly are—since by doing so I should be implicitly indicating those that were suspected of having a degree of substance.

I must, however, comment upon the grave allegation that constitutes the main theme of the book—that the late Sir Roger Hollis, director general of the Security Service from 1956 to 1965, was an agent of the Russian intelligence service.

The case for investigating Sir Roger Hollis was based on certain leads that suggested, but did not prove, that there had been a Russian intelligence service agent at a relatively senior level in British counter-intelligence in the last years of the war. None of these leads identified Sir Roger Hollis, or pointed specifically or solely in his direction. Each of them could also be taken as pointing to Philby or Blunt. But Sir Roger Hollis was among those that fitted some of them, and he was therefore investigated.

The investigation took place after Sir Roger Hollis's retirement from the Security Service. It did not conclusively prove his innocence. Indeed, it is very often impossible to prove innocence. That is why, in our law, the burden of proof is placed upon those who seek to establish guilt and not on those who defend innocence. But no evidence was found that incriminated him, and the conclusion reached at the end of the investigation was that he had not been an agent of the Russian intelligence service.

This view was challenged, however, by a very few of those concerned, and in July 1974, Lord Trend, the former Secretary of the Cabinet, was asked to review in detail the investigations that had taken place into the case of Sir Roger Hollis and to say whether they had been done in a proper and thorough manner, and whether in his view the conclusions reached were justified. Lord Trend examined the files and records and he discussed the case with many of those concerned, including two people who considered that the investigation should be reopened.

Mr. Pincher's account of Lord Trend's conclusions is wrong. The book asserts that Lord Trend

"concluded that there was a strong prima facie case that MI5 had been deeply penetrated over many years by someone who was not Blunt",

and that he

"named Hollis as the likeliest suspect".

Lord Trend said neither of those things, and nothing resembling them. He reviewed the investigations of the case and found that they had been carried out exhaustively and objectively. He was satisfied that nothing had been covered up. He agreed that none of the relevant leads identified Sir Roger Hollis as an agent of the Russian intelligence service, and that each of them could be explained by reference to Philby or Blunt. Lord Trend did not refer, as the book says he did, to

"the possibility that Hollis might have recruited unidentified Soviet agents into MI5".

Again, he said no such thing.

Lord Trend, with whom I have discussed the matter, agreed with those who, although it was impossible to prove the negative, concluded that Sir Roger Hollis had not been an agent of the Russian intelligence service.

I turn next to the arrangements for guarding against penetration now and in the future.

All Departments and agencies of the Government, especially those concerned with foreign and defence policy and with national security, are targets for penetration by hostile intelligence services. The Secrurity Service, with its responsibilities for countering espionage and subversion, is a particularly attractive target. Recent security successes, such as the expulsion of members of the Russian intelligence service from this country in 1971, would hardly have been achieved if the Security Service had been penetrated.

The Security Service exercises constant vigilance not only against the risk of current penetration but against the possibility of hitherto undetected past penetration, which might have continuing implications. But, however great our confidence in the integrity and dedication of those now serving in the Security Service, we need to make sure that the arrangements for guarding against penetration are as good as they possibly can be, both in this area and throughout the public service.

Existing security procedures were introduced during the years following the Second World War. Burgess, Maclean, Philby and Blunt were all recruited by the Russian intelligence service before the Second World War and came into the public service either before or during the war, well before existing security procedures were introduced.

It was in 1948 that the then Prime Minister announced the Government's intention to bar Communists and Fascists and their associates from employment in the

public service in connection with work the nature of which was vital to the security of the State. This led to the introduction of what came to be known as the "purge procedure".

In 1952, the positive vetting procedure was instituted, with the object of establishing the integrity of civil servants employed on exceptionally secret work. In 1956, it was publicly declared that character defects, as distinct from Communist or Fascist sympathies or associations, might affect a civil servant's posting or promotion. In 1961, security procedures and practices in the public service were reviewed by an independent committee under the chairmanship of the late Lord Radcliffe.

The committee's report, published in 1962, contained an account of those procedures, and made various recommendations for modifying them, which the Government accepted. These procedures, as modified in 1962, are still in operation.

These arrangements have over the years substantially reduced the vulnerability of the public service to the threat of penetration and have served the interests of national security well. But it is 20 years since they were last subject to independent review. In that time the techniques of penetration and the nature of the risks may have changed. We need to make sure that our protective security procedures have developed to take account of those changes. I have therefore decided, after consultation with the right hon. Gentleman the Leader of the Opposition, to ask the Security Commission:

"To review the security procedures and practices currently followed in the public service and to consider what, if any, changes are required".

These terms of reference will enable the Security Commission to review, and to make recommendations as appropriate, on the arrangements and procedures used in all parts of the public service for the purposes of safeguarding information and activities involving national security against penetration by hostile intelligence services, and of excluding from appointments that give access to highly classified information both those with allegiances that they put above loyalty to their country and those who may for whatever reason be vulnerable to attempts to undermine their loyalty and to extort information by pressure or blackmail.

There are difficult balances to be struck here between the need to protect national security, the nature and cost of the measures required to do so effectively, the need for efficiency and economy in the public service, and the individual rights of members of the public service to personal freedom and privacy. The Security Commission will be able to consider how these balances ought to be struck in the circumstances of the present time, as it conducts its review and prepares its recommendations. It will be my intention to make its findings known to the House in due course, to the extent that it is consistent with national security to do so.

In conclusion, Mr. Speaker, I should like to emphasise once again that this statement arises out of a book that deals with investigations of matters and events that occurred many years ago. My concern is with the present and with the future. That is why I am asking the Security Commission to undertake the review that I have described.

M. Michael Foot (Ebbw Vale): Although it is not always the custom to make statements to the House on such matters, I am sure that the right hon. Lady was right to do so in this instance. The House and the country will be grateful to her for having done so. In different parts of her statement she emphasised the fact that some of the material in the book is unsubstantiated, untrue, inaccurate and distorted. That must be taken into account. Individuals can be grossly misjudged and defamed by such material. People should take account of such matters, whether they are writing about the dead or the living.

Some of the newspaper reports included material that, in the right hon. Lady's words, was "inaccurate or distorted", as if it were proven and unchallengeable. Such reports could also lead to grave injustices. In addition to the extremely important security questions involved, those matters must be taken into account.

When the right hon. Lady put the proposal to me that we should have a commission of investigation, with the suggested terms of reference, I thought that that was the right course for the Government and the House to take. I certainly support it. I should like to call the attention both of the House and of the right hon. Lady to the statement made by my right hon. Friend the Member for Cardiff, South-East (Mr. Callaghan), the previous leader of the Labour Party. When these matters were debated in the House on 21 November 1979 he made a recommendation to the Government concerning the appointment of an inquiry. He did so following the changes in security arrangements that my right hon. Friend the former Home Secretary had made as a result of certain revelations.

My right hon. Friend the Member for Cardiff, South-East proposed that there should be an inquiry. He said:

"We could discuss how it were done, what its terms of reference were and who would conduct it. It would report back on whether any change were needed in relations between Ministers and the heads of the services, or whether Parliament could be involved more, not in the decisions, but in the rules and in the way in which they were applied and observed".—[*Official Report*, 21 November 1979; Vol. 974, c. 511.]

I hope that the right hon. Lady will take into account all my right hon. Friend's recommendations. I agree that the House should be primarily concerned with the present and the future rather than the past. It is right that the House should adopt the recommendation that she has made and I certainly hope that it will be adopted.

The Prime Minister: I am grateful to the right hon. Gentleman for what he said and for the spirit in which he said it. I especially agree with some of his earlier comments. I remember when my predecessor, the former Prime Minister, made some comments in the debate on Blunt. I have now made references to the Security Commission. During that debate I announced certain changes in accountability between the director general of the service and Ministers. It would be best to rest on those new arrangements for the time being.

Sir Harold Wilson (Huyton): Is the right hon. Lady aware—I think that she is—that with her agreement I refreshed my memory about what I was told about Sir Roger Hollis' pre-Civil Service connections at university and elsewhere? There were reasons for anxiety. However, two other persons—either Philby or Blunt, or both—would have been a sufficient cause for anxiety. The right hon. Lady referred to the Trend inquiry, which I set up in 1975. Will she confirm that Lord Trend spent nearly a year on that inquiry and felt that what successive Governments had done had been thoroughly and objectively investigated? There was certainly nothing that could substantiate any accusation of a cover-up. He agreed with the conclusions of those who were satisfied that

[Sir Harold Wilson]

Hollis had not been a spy, although, according to the report, the inquiry's members felt that they would not be able to prove that 100 per cent. Will the right hon. Lady confirm that although Sir Roger Hollis operated during seven premierships—including my own—I was the first to set up an independent inquiry? Indeed, I am very glad that she is setting up this inquiry.

The Prime Minister: The date of the inquiry—I think that it was July 1974—shows that the right hon. Gentleman set up the Trend inquiry. Lord Trend certainly took a full year on it. It was an exhaustive inquiry, in that it examined all the documents and also interviewed people. There is no doubt about its conclusion, as the right hon. Gentleman said. Since the premiership of the right hon. Gentleman, all Prime Ministers and Home Secretaries have been told of the results of that inquiry.

Sir Derek Walker-Smith (Hertfordshire, East): Does my right hon. Friend appreciate that thinking people will give the Prime Minister a warm welcome both for her reference to the Security Commission—under the distinguished and objective chairmanship of Lord Diplock—and for her characteristically full and frank statement? It was at least equal to, and probably superior to, any statement made on security matters within the recollection of the House.

Will my right hon. Friend continue to have regard to the importance of not prejudicing the work of the Security Service? Does she recognise that a Prime Minister of this country is under no duty to canvass on the Floor of the House every allegation or insinuation made by private persons against people—regardless of whether those people are alive or dead, whether the allegations are made orally or in print, and whether or not they are made for gain?

The Prime Minister: I entirely agree with everything that my right hon. and learned Friend said. It would be appalling if we had defamation by allegation in the House. We should be very careful not to do it. I am grateful to my right hon. and learned Friend for pointing out that it is unusual to have a statement in such detail as this on security matters. There is not much that I can usefully add, because, as my right hon. and learned Friend pointed out, in an open society we must have security services and they must necessarily operate partially in secret. We must protect them in doing that.

Mr. Speaker: Order. I propose to call three hon. Members from either side and then to move on to other business.

Mr. A. E. P. Duffy (Sheffield, Attercliffe): Is the Prime Minister aware that the House has heard assurances and denials on national security before, but scandals and rumblings of scandals have endured? The House understands her contention that in any assessment of the integrity of a security officer it is impossible to prove the negative, but is she satisfied that none of the achievements of those years when Philby and Blunt were operating, or when their influence was pessisting—the Portland naval spy ring, Blake, Blunt, Vassall and Philby—were merecover-ups of even greater scandals affecting national security? Will she impress upon the Security Commission the importance, in future and recent recruitment, of selecting a different type of officer, from a different social background—someone who is well aware of the social conditions of the entire country and not one part of it? She may stumble, and the House may stumble, on a more patriotic, dependable and reliable officer.

The Prime Minister: With respect, I do not think that the hon. Gentleman's words do full justice to our security services, in whom I have the greatest confidence. The events referred to in the book published today were events of 20 to 40 years ago, by a group that was recruited just before or during the war. I am concerned now with the future. I am sure that the hon. Gentleman will agree with that. I assure the hon. Gentleman that security services recruit from all social backgrounds. They are anxious to obtain those most suitable and appropriate for the difficult work that they have to do. I hope that the hon. Gentleman will join the rest of us in paying tribute to and recognising the value of that difficult work.

Mr. Julian Amery (Brighton, Pavilion): Does my right hon. friend agree that in the perennial clandestine war there are bound to be casualties on both sides, but that the number of defections to our side has been considerably greater than the other way? Will she take the opportunity to pay tribute to the remarkable successes of our intelligence and counter-intelligence organisations, which, for obvious reasons, cannot be publicised.

The Prime Minister: My right hon. Friend is pointing out that the defections the other way have far exceeded any defections from this country to Soviet Russia and, indeed, have given us a great deal of information. The successes of the security services, even the known ones, have been very considerable. The Lonsdale case, and the cases concerning Houghton and Gee, the Krogers, Vassall and Blake was all successes, and so were the expulsion of over 100 spies from the Soviet embassy in the early 1970s.

Mr. Richard Wainwright (Colne Valley): Does the Prime Minister accept that the review that she has just announced, welcome though it is, is unlikely to provide full reassurance to the public unless it is known that the commission is examining carefully every possibility of making the Security Service more responsible to Ministers? In that connection will she bear in mind that the Security Commission at present contains no one who has ever b een elected to public office? Will she consider the possibility of adding to the commission, for the review, one or more suitable persons who have b een Members of the House?

The Prime Minister: No, Sir. The Security Commission has been set up and has been in existence for some time. During the Blunt debate I announced changes that made the director-general of the Security Service more responsible to Ministers. I think it is best if we let those work for a time.

Mr. Raymond Whitney (Wycome): I add my congatulations to my right hon. Friend on the way that she has responded to this difficult problem. Does she agree that we as a nation should be playing into the hands of our adversaries—who have succeeded on occasions in the past in subverting elements in our security services—if we allowed our natural concern about those successes, generations or decades ago, to damage the present morale or operating efficiency of our services today or in the future?

The Prime Minister: I agree with my hon. Friend. The security services are a vital part of the defence of our country. It is important that we enable them to continue to do their work properly.

Mr. Leo Abse (Pontypool): Is there not a clear need to strengthen still further the rigours of the Security Service selection board which was introduced in 1977, so that the motivation of candidates is probed in depth. The dangers are increasing. We face dangers in admitting those whose private heterosexual infidelities bear witness to their incapacity for loyalty, or those whose disturbed homosexuality—following a long line of spies from Marlowe, to Casement, to Burgess and Blunt—means that they are compulsively disloyal. Surely it is time that we sophisticated our procedures and brought in psychoanalysts and psychiatrists to be attached to the board, so that we do not use out-of-date, old-fashioned, rule-of-thumb methods of selection. If the Prime Minister is looking to the future as she says, surely it is time that we made certain that our selection procedures were worthy of the twentieth century and not the nineteenth century.

The Prime Minister: That is exactly what the terms of reference will enable the commission to do, among other things. The terms of reference are:

"To review the security procedures and practices currently followed in the public service and to consider what, if any, changes are required."

What the hon. Gentleman said will be within the terms of reference.

Mr. Kenneth Warren (Hastings): I welcome the Prime Minister's statement. Will she give an a sssurance to the House that she is well aware of the disinformation practices of the KGB, which seek to undermine the credibility of loyal citizens and thus draw fire away from secret agents still in position? I feel that that might mistakenly be inherent in some of the statements in the book.

The Prime Minister: I am very well aware of the disinformation practices of the KGB. That is one of the difficulties with which the security services have to contend. Beyond what I have said, I do not wish to comment further on the allegations in the book.

Mr. Dennis Canavan (West Stirlingshire): On a point of order, Mr. Speaker. I was the first hon. Member to table a question to you about this matter——

Mr. Speaker: Order. The hon. Gentleman is his customary self, but he must obey the rules of the House.

Business of the House

Mr. Michael Foot (Ebbw Vale): Does the Leader of the House have a statement to make about the business for next week?

The Chancellor of the Duchy of Lancaster, Paymaster General and Leader of the House of Commons (Mr. Francis Pym): Yes, Sir. The business for next week will be as follows:

MONDAY 30 MARCH—Supply [14th Allotted Day]: Debate on unemployment in the Midlands, on a motion for the Adjournment of the House.

Remaining stages of the Parliamentary Commissioner (Consular Complaints) Bill *[Lords]*.

TUEDSAY 31 MARCH—Remaining stages of the Forestry Bill and the Criminal Attempts Bill.

Motions relating to the National Health Service (Dental and Optical Charges and Remission of Charges) Regulations.

WEDNESDAY 1 APRIL—Remaining stages of the British Telecommunications Bill.

THURSDAY 2 APRIL—Remaining stages of the Energy Conservation Bill *[Lords]*.

Motion on EEC Document 4460/80 on research and development in biomolecular engineering, and on the Department of Industry's Supplementary Memorandum of 8 December 1980.

Motion on Queen's University of Belfast (Northern Ireland) Order.

The Chairman of Ways and Means has set down opposed private business for consideration at 7 o'clock.

FRIDAY 3 APRIL—Private Members' motions.

MONDAY 6 APRIL—Remaining stages of the Insurance Companies Bill.

The House will wish to know, Mr. Speaker, that it will be proposed that the House should rise for the Easter Adjournment on Thursday 16 April until Monday 27 April.

[Debate on the European Community document relating to biomolecular engineering. The relevant Reports of the European Legislation &c. Committee are: 21st Report 1979-80, H/C 159-xxii para. 5; 38th Report 1979-80, H/C 159-xxxviii para. 2; and the 9th Report 1980-81 H/C 32-ix para. 1]

Mr. Foot: The terrifying unemployment figure is the main domestic question facing the nation. The time for Monday's debate is provided by the Opposition. I urge the Leader of the House to take into account my request for Government time for continuous debates on that subject, which the House must have to deal with the matter properly. I hope that the Government will provide the time to debate next month's unemployment figures.

I wish to raise three other matters. When will we have the debate on public expenditure that the right hon. Gentleman promised last week? When will we have a debate on the Government's energy policy, for which we have asked on a number of occasions? Will the right hon. Gentleman confirm that the Petroleum and Continental Shelf Bill, about which the Government have becom properly bashful, has been abandoned for this Session? We hope that it will be abandoned altogether. Will he assure the House that he will not introduce it this Session?

Mr. Pym: I note the right hon. Gentleman's first point. Since the new year the Government have provided

020

Prime Minister 37

● We cleared him in Parliament.

i. Do you agree the PQ at Flag?

Ref. A085/3068 We cannot go further without exposing ourselves to other questions as in para 3 & 4 of this minute

MR WICKS

ii. Including the last sentence.

iii. Do you want to discuss first with R.T.A.? N.L.W.

Balance- I attach a minute proposing that the Prime Minister should, MP in an arranged Answer to a Written Parliamentary Question, put clearly on record that information provided by recent defectors decisively confirms the conclusion that Sir Roger Hollis (Director General of the Security Service twenty years ago) was not, as Chapman Pincher and others have alleged, an agent of the Russian Intelligence Service. 27.11

2. It would indeed be very agreeable to get this information clearly and formally on record, for the reasons stated in my minute, and on balance I favour doing so.

3.

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

4. On balance, therefore, the view is that this risk, such as it is, is outweighed by the advantages of getting the information on the record. The risk could be further reduced, if the Prime Minister preferred, by omitting the last sentence of the draft Answer which indicates that the publicity given to the allegations about Sir Roger Hollis served the purposes of the KGB. The sentence is true, and it is worth saying; but it is not essential to say it.

5. I should of course be ready to come and discuss all this with the Prime Minister, if she would like me to do so.

RA

ROBERT ARMSTRONG

27 November 1985

V

PERSONAL AND CONFIDENTIAL

S+P - 2761

70 WHITEHALL, LONDON SW1A 2AS

c- M. Mallaby

01-233 8319

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A085/2830

5 November 1985

We had a word about Victor Rothschild and the statement he wishes to issue, if Peter Wright's book is published and Victor Rothschild is mentioned in it.

How would it be if we suggested:

- adding the following sentence to the end of the first paragraph: "Lord Rothschild left [or perhaps ceased to work for] the Security Service at the end of [or shortly after] the end of the war.";

- amending the third paragraph as in my letter of 26 September; and

- deleting the last paragraph entirely?

ROBERT ARMSTRONG

The Rt Hon Sir Antony Duff GCMG CVO DSO DSC

PERSONAL AND CONFIDENTIAL

(STT-2761)

Annex B

c - Mr. Mallaby.

Lord Rothschild joined the Security Service in World War II as their counter-sabotage officer and, as such, had a small section consisting of 4-5 people. As is well known, this involved him and members of his section dismantling and inactivating sabotage bombs both in the United Kingdom and elsewhere.

When an undergraduate at Cambridge University, Lord Rothschild was a contemporary of Guy Burgess and knew him quite well. The same applied to Anthony Blunt though he was a few years senior to Lord Rothschild.

When Guy Burgess defected to the USSR and later, Anthony Blunt confessed to being a Soviet agent, all those who knew these two spies, including Lord Rothschild, were extensively questioned by the Security Service to obtain all possible information about them.

Apart from this questioning, after World War II Lord Rothschild neither had nor has any connection with the Security Service.

PERSONAL AND CONFIDENTIAL

S+P - 2761

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PERSONAL AND CONFIDENTIAL

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file

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10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

The Prime Minister has seen and noted the minute which you sent me on 4 October about progress with the Attorney General's application for an injunction in the High Court of New South Wales to prevent the publication of the memoirs of Peter Wright.

Nigel Wicks

7 October 1985

Prime Minister 2

Ref. A085/2546

MR WICKS

The Prime Minister will remember that it was agreed that the Attorney General should apply for an injunction in the High Court of New South Wales to prevent the publication of the memoirs of Peter Wright, the retired member of the Security Service who was the source of the material incorporated in Chapman Pincher's two books.

2. It was further agreed that the application for an injunction should be based on an affidavit to be sworn by me, as the Prime Minister's principal official adviser on security and intelligence matters. One advantage of this arrangement was that it would avoid the need for an appearance in court by a member of the Security Service.

3. I have duly sworn my affidavit, and a supplementary affidavit. Affidavits are now being prepared by the defence.

4. The defence have agreed that there is no need for interlocutory proceedings: they are content to proceed straight to a final hearing, and to allow the interim injunction to stand in the meantime. They are clearly in no great hurry; and we wonder whether Mr Wright's book has actually been completed.

5. Australian Counsel have informed us that the rules of the Court in New South Wales will require my attendance in person for the hearing, to depone to my affidavits and to submit to cross-examination. I shall have to seek the Prime Minister's permission to go to Australia for this purpose; but it now looks as if I shall not be required to do so until the New Year.

RA

ROBERT ARMSTRONG

4 October 1985

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PERSONAL AND CONFIDENTIAL

S1P-2761

RTA spoke to Sir A Duff.

c - M. Mallaby

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A085/2456

26 September 1985

My dear Tony,

Victor Rothschild came to see me on 24 September.

It had come to his notice that Peter Wright was planning to publish an autobiography. For two reasons Lord Rothschild thought that Peter Wright might not name him: because (he said) he had taken Peter Wright's part in trying to remedy the "injustice" which Peter Wright felt he had suffered in relation to his pension, and partly because, when Anthony Blunt first came under suspicion in 1963, Victor Rothschild had co-operated very fully in Peter Wright's inquiries.

Nevertheless there remained the possibility that Peter Wright would mention Lord Rothschild and his connnection with the Security Service. Victor recalled that he had had an understanding that, if at any time it was decided to disclose Blunt's record, somebody would see him shortly before and would advise him on the line to take. He felt that my predecessor had failed to honour that pledge, and had treated him badly in the matter. On this occasion he wanted there to be no misunderstanding. He would like to agree with me in advance, on a contingency basis, the text of something which we were both content could be said by way of a public statement, if he was mentioned in Peter Wright's book.

I told Victor Rothschild that we were in the process of legal proceedings to try to prevent publication of such a book, both in this country and in Australia; we could not be sure, of course, that these proceedings would be successful. I said that

/I should be

The Rt Hon Sir Antony Duff GCMG CVO DSO DSC

I should be prepared to consider with him in advance a text of something which he himself might use, if his name was mentioned in such a book. I was sure that we should not wish to put out any such statement ourselves, but we could be in a position to say that we could confirm, or had no reason to dissent from, a statement issued by Victor himself.

X Victor left with me a text, of which I attach a copy. I said that I should want to consider it and be in touch with him again. At first sight, I thought that I might want to suggest two changes, though there might well be others after the text has been considered with greater care. The two changes I immediately had in mind were to amend the third and fourth paragraphs as follows:

> "When Guy Burgess defected to the USSR and, later, Anthony Blunt confessed to being a Soviet agent, Lord Rothschild was among those who knew the two men and were extensively questioned by the Security Service to obtain all possible information about them. Lord Rothschild readily co-operated in this questioning.
>
> Lord Rothschild has had no connection with the Security Service since he was questioned about Anthony Blunt."

Perhaps we could have a word about all this next time you are here.

Yours ever

Robert

PERSONAL AND CONFIDENTIAL

S+P-2761

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70 WHITEHALL, LONDON SW1A 2AS

c - M. Mallaby.

01-233 8319

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Perhaps we could have a word about all this next time you are here.

Yours ever

Robert

SECRET

36

10 DOWNING STREET

From the Private Secretary

MR HATFIELD

The Prime Minister has now seen Sir Robert Armstrong's minute of 7 August about the publication of Mr Peter Wright's memoirs. She has approved the procedure set out in Sir Robert's minute and would be grateful if he could now take the necessary steps.

I am sending copies of this to Mr Ricketts (Foreign and Commonwealth Office), Mr Taylor (Home Office) and to Mr Steel (Law Officers' Department).

Tim Flesher

8 August 1985

SECRET

Para Number: 35 1

Ref. A085/2100

Agree to proceed as proposed by Sir Robert Armstrong?

MR FLESHER

Mr Peter Wright

7/8

The purpose of this minute is to seek the Prime Minister's agreement to the next steps in the legal process to prevent the publication of Mr Peter Wright's memoirs. My minute to Mr Butler of 25 June (A085/1721) sets out the background to this case.

2. The first step will be for the Treasury Solicitor to write to William Heinemann Limited in this country to remind them that it would be a breach of Mr Wright's duty of confidentiality for him to record or seek to publish information concerning his activities as a member of the Security Service and to ask them to confirm that they are considering becoming or have become a party to arrangements for the publication or distribution of Mr Wright's memoirs. A similar letter will also be sent to the Australian company and probably to Mr Wright himself. These letters will be sent towards the end of next week.

3. After allowing a reasonable period for Heinemann's to reply (at least seven clear days), and assuming that either there is no reply or that the reply is unsatisfactory, we should proceed to seek an ex parte injunction in the High Court. Treasury Counsel is satisfied that we shall gain an injunction against Heinemann's before the High Court in this country and Australian Counsel has agreed to apply to the High Court in Sydney 24 hours later when we know the outcome of the English application.

4. The Treasury Solicitor has also drafted, in consultation with the Law Officers' Department and the Security Service, an opening Affidavit which he advises is likely to be most

effective if it is sworn by myself as Secretary of the Cabinet and the Prime Minister's principal official adviser on matters of security and intelligence. This need not be done until the very end of August or the first week in September and will need to take account of any reply from Heinemann's. He also advises that I should be prepared to be cross-examined on the affidavit both here and in Australia, although I hope that it may be possible for someone to do so on my behalf in Sydney.

5. I should be grateful for the Prime Minister's agreement, subject to there being no unforeseen developments, to our proceeding as described.

6. I am sending copies of this minute to the Private Secretaries to the Foreign and Commonwealth Secretary and the Home Secretary and to the Legal Secretary to the Law Officers.

RTA

ROBERT ARMSTRONG

7 August 1985

SECRET

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(14)

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

Thank you for your minute of 25 June (A085/1721) about the book which Mr. Peter Wright is now believed to be preparing. The Prime Minister is content with the proposed action outlined in your minute.

I am copying this minute to Mr. Appleyard (Foreign and Commonwealth Office), Mr. Taylor (Home Office) and Mr. Steel (Law Officers' Department).

(F.E.R. BUTLER)

26 June 1985

PERSONAL AND CONFIDENTIAL

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PERSONAL AND CONFIDENTIAL

Prime Minister
Content with their
proposed action?

FCRB
25.6

Ref. A085/1721

MR BUTLER

The Prime Minister will remember that there was reason to believe that much of the material on which Chapman Pincher based his two books about Russian penetration of the security and intelligence services, and in particular about the late Sir Roger Hollis, was derived from material supplied to him by Mr Peter Wright, a disaffected former member of the Security Service now living in retirement in Australia.

2. The Prime Minister will also remember that last summer Mr Wright sent a dossier to Sir Anthony Kershaw, who in turn passed it on to me. Both Mr Pincher's book and the Wright dossier were very thoroughly examined, but there was no new information of any significance, and both the books and the dossier contained a considerable number of false deductions and wrongly recollected "facts".

3. We know that Mr Wright (like Mr Pincher) has been disappointed by the relative failure of his attempts to get public recognition of his views on the Hollis affair and Government action accordingly. Recent press reports make it clear that Mr Peter Wright is now intending to publish a volume of memoirs. It is likely that this will not be confined to the Hollis affair and investigation, but cover the whole of Mr Wright's time with the Security Service. Its publication would be a clear breach of Mr Wright's duty of confidentiality, as well as of the Official Secrets Acts. It could well contain a considerable amount of information, the publication of which would be embarrassing if not damaging to national security.

PERSONAL AND CONFIDENTIAL

SECAAN

4. There is reason to believe that Mr Wright has entered into arrangements with a co-author - Mr Paul Greengrass, the Editor of the World in Action programme - and with the publishers William Heinemann Limited. In order to frustrate any attempt by the British authorities to prevent publication by legal means, those concerned are planning to publish the book in the first instance in Australia, and then to bring copies to a warehouse in the Netherlands, from which it will be distributed in this country.

5. I have discussed this matter with the Director General of the Security Service and the Permanent Under Secretary of State at the Home Office, and also with the Treasury Solicitor and the Legal Secretary to the Law Officers. We all consider that the Government should endeavour to prevent Mr Wright and his associates from publishing this book. Counsel's opinion has been taken, and Counsel is clearly of the view that we should stand a very good chance of obtaining an injunction against Mr Wright's co-author, literary agent and publisher in this country. Preparations are being made to apply for an interlocutory injunction accordingly.

6. Counsel advises that, though we should in any case stand a good chance in the English courts, our chances would be improved if we were also to take proceedings against Mr Wright and his Australian publisher in the Australian courts. We are therefore takng steps to obtain the advice of Australian counsel both as to the possibility of taking such proceedings and as to the likelihood of success in them.

7. Once we have the advice of Australian counsel, it is proposed to proceed to apply for injunctions. The intention will be so far as possible to proceed simultaneously in this country and in Australia, so as to foreclose on any attempt by Mr Wright or his publishers to defeat our objectives by accelerating publication in Australia.

8. I am sending copies of this minute to the Private Secretaries to the Foreign and Commonwealth Secretary and the Home Secretary and to the Legal Secretary to the Law Officers.

Approved by
ROBERT ARMSTRONG
and signed in his absence.

25 June 1985

NBPM

Ref. A084/2991

MR BUTLER

Security Service: Mr Wright's Allegations

I reported in my minute of 6 November that Sir Anthony Kershaw MP did not now propose to make a speech in the Debate on the Address about the security and intelligence services and Mr Peter Wright's allegations, but that, if some other MP (eg Mr Peter Archer or Mr Alfred Dubs) was persuaded by Mr Chapman Pincher to make a speech, he would feel bound to intervene.

--- 2. In case this should happen I now attach notes for a reply to a speech on the lines which Sir Anthony Kershaw would be likely to follow. These notes have been agreed with the Home Office and the Security Service, and essentially follow the lines of the Prime Minister's letter of 8 October to Sir Anthony Kershaw.

3. I am sending copies of this minute and of the speech notes to the Private Secretary of the Home Secretary; and, since any intervention would probably come in the course of the Foreign Affairs Debate, I am also sending the Private Secretary to the Foreign and Commonwealth Secretary copies of this minute and the speech notes, together with copies of the draft speech which Sir Anthony Kershaw sent me on 2 October and of the letter which the Prime Minister sent to Sir Anthony Kershaw on 8 October.

RCA

ROBERT ARMSTRONG

8 November 1984

DRAFT PARAGRAPHS FOR GOVERNMENT SPOKESMAN'S REPLY TO SIR ANTHONY KERSHAW

My Hon Friend the Member for Stroud during his interesting and thoughtful intervention raised a number of questions about the security and intelligence services, and specifically about the Security Service.

I should in any case be obliged to reply only fairly briefly on these matters, since our long-established convention is not to discuss security and intelligence matters in any detail in this House.

My Hon Friend was dealing mainly with the possibility of penetration of the security and intelligence services. He referred to the material on this that he was sent by Mr Peter Wright, a former member of the Security Service, who gave wider currency to his views in a television programme last July. My Hon Friend was good enough to make this material available for study. The House will obviously not expect me to comment in detail upon the results of that study. I can say, however, that Mr Wright's thesis and the "evidence" adduced in support of it contain much that appears in the book which Mr Chapman Pincer published in 1981, entitled "Their Trade is Treacery". Furthermore, his memorandum contains many factual inaccuracies. Many of the inferences he seeks to make do not follow from the material on which he seeks to base them. And he seems to shift his ground from one utterance to the next.

It is of course eight years since he was officially concerned with these matters, and his account indicates that there were gaps in his information even then.

None of those known to have been Soviet agents since 1945 were members of the Security Service. A few people believe, like Mr Wright, that there is evidence that the Security Service was penetrated at a senior level at least until 1965, and that the available information points in the direction of Sir Roger Hollis. Many others, who have taken a more responsible attitude towards their obligations of confidentiality but have had no less access to the relevant material, take an opposite view with no less conviction. They do not agree that there is evidence to prove that the Security Service has been penetrated since 1945, they are convinced that Hollis was not a Soviet agent, and they think that Mr Wright's material does not begin to justify the view that he was. They regard Mr Wright's case as nothing but speculation completely unsupported by factual evidence.

Because it is usually impossible to prove a negative, it has not been possible to dispose conclusively of the allegation that Sir Roger Hollis was a Soviet agent. But the whole matter has been the subject of exhaustive investgation, inquiry and review over many years. There is nothing in Mr Wright's memorandum, or in any of the various statements which Mr Wright

has made to the press, which would lead my Rt Hon Friend the Prime Minister to withdraw or alter anything that she said in the statement she made in the House of Commons on 26 March 1981, following the publication of Mr Pincher's book. There is no reason to believe that any further inquiry could offer any prospect of further clarification, let alone certainty, unless some totally new information were to become available.

Now of course we have had another book from Mr Chapman Pincher. That book was published only ten days ago. it is nerely 600 pages long, and contains many details which did not appear in his previous book. The book is being studied intensively and in detail. That will take some time, and anything I say now is inevitably in the nature of an interim report. But I can say that at first sight it seems as if:

a. the book repeats, with additional detail, the general thesis of Mr Pincher's earlier book;

b. it appears to rely heavily onthe material that was in Mr Peter Wright's dossier, and to that extent in subject to the same shortcomings;

c. as in Mr Wright's case, his inferences are based a circumstantial evidence, and do not follow from the material on which he seeks to base them;

d. in each case where Mr Pincher claims to have new information to support his thesis that the late Sir Roger Hollis was probably recruited

as an agent of the Russian Intelligence Service, the information is in fact either not new to the security authorities; or is known to be inaccurate; or is not germane to the central argument. Furthermore, his information is either deficient or incorrect in certain key respects which invalidate his case;

e. unless further study suggests otherwise, I believe that the conclusion is one again likely to be that there is nothing in the book which would lead my Rt Hon Friend the Prime Minister to withdraw or alter anything that she said in the statement she made in this House on 26 March 1981 following the publication of Mr Pincher's first book.

In this context I have noted with interest my Hon Friend's view that a further inquiry by the Security Commission would not be the right response to Mr Pincher's latest book. In my Hon Friend's view, what is needed is not another external inquiry but a permanent presence within the security and intelligence services, to keep an eye on the possible threats of penetration and the steps taken to provide against them.

We have, of course, to ensure as my Rt Hon Friend said in the House in March 1981, that the arrangements for guarding against penetration are as good as they can possibly be, both in the area of the security and intelligence services and throughout the public service. These arrangements are kept constantly under review. They were comprehensively reviewed and strengthened in 1962; and again in 1982, with a review by the Security Commission and implementation of its recommendations. Further changes were made in the light of the Prime case, again following a report by the Security Commission. Bettaney's attempt to enlist as a Soviet agent was fortunately frustrated before any serious damage could be done; but the circumstances of that case are also being reviewed by the Security Commission, who will be able to say whether there should be further modifications of recruitment, personnel management or protective security procedures in the Security Service.

In addition to these general arrangements for guarding against penetration, we have special standing arrangements for reviewing all available information concerning threats of penetration in the security and intelligence services. The House will not expect me to go into detail about these arrangements, but they include an element of regular oversight from outside the services as well as the use of specialist analytical and investigative capacity within them.

Mr Speaker, the Government are not convinced that any wider system of external monitoring would be appropriate in this field, or indeed possible without in some degree putting at risk the security which the services are there to protect. The security and intelligence services are accountable to Ministers Invarious statements in the House my Rt Hon Friend the Prime Minister has set out the arrangements for accountability in some detail, and Minisers who have speical responsibilities in these matters take those responsiblities very seriously. It remains our view that this accountability to Ministers, together with the arrangements for guarding against peentration and the provisions for review of particular breaches of security by the Security Commission, strike the right balance between the need for those services to operate in secreecy and the importance of guarding against the risks of penetration.

SECRET AND PERSONAL

34

Prime Minister
for information
at this stage.
FERB
6.11.

Ref. A084/2976

MR BUTLER

Security Service: Mr Peter Wright's Allegations

In your minute of 29 October you told me that the Prime Minister was content that I should write to Sir Anthony Kershaw on the lines proposed in my minute of 24 October (Ref. A084/2819), subject to certain amendments.

2. I wrote to Sir Anthony Kershaw accordingly on 30 October. will request (if required)

3. Sir Anthony Kershaw responded today to my invitation to him to come and see me.

4. He said that he had been thinking further about his proposal to make a speech in the Debate on the Address. He supposed that, if he made such a speech, the Government would reply on the basis of the letter which the Prime Minister sent him on 8 October. That was a very clear letter; and the effect of it was to turn down the proposal he had made for a "permanent external presence" to oversee the Security Service and in particular the threat of penetration. He supposed that the references in the Prime Minister's letter of 8 October to the existing arrangements were to K7 in the Security Service, and he did not regard that as sufficient. What he wanted was something like a standing Security Commission (not a Parliamentary body). If his idea was publicly rejected in a speech in the House of Commons, it would go no further at this stage. He therefore proposed to pursue it in further correspondence with the Prime Minister and not to make a speech in the House of Commons.

5. He had so informed Mr Chapman Pincher, who was very angry and had said that he would try and get somebody else to raise the subject on the floor of the House of Commons: he had in mind Mr Peter Archer MP or Mr Alfred Dubs MP. Sir Anthony Kershaw did

SECRET AND PERSONAL

not know whether he would succeed in persuading either of them to raise the matter, either in the Debate on the Address or on some other occasion. If the matter was raised in the House by somebody else, Sir Anthony Kershaw said that he would have no alternative but himself also to speak.

6. He had been envisaging that he would make his speech during the course of the foreign affairs debate on Friday 9 November.

7. So we are in the slightly unsatisfactory position of not knowing whether these matters will be raised during the course of the Debate on the Address. On the whole I think it seems likely that they will not; but I have draft notes for a reply nearly ready, in case they are required. I hope in a day or two to submit them to the Prime Minister and the Home Secretary, with copies to the Foreign and Commonwealth Secretary in case these matters are raised in the foreign affairs debate.

8. You will have seen that the Sunday Times, having published three extracts from Chapman Pincher's latest book, are next week going to publish an article entitled "The Case for Hollis". I have not yet seen the article, but those who have tell us that it is a pretty effective hatchet job on Chapman Pincher.

9. I am sending a copy of this minute to the Private Secretary to the Home Secretary.

R

Approved by
ROBERT ARMSTRONG
and signed in his absence

6 November 1984

SECRET AND PERSONAL

File

33

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

SECURITY SERVICE: MR. PETER WRIGHT'S ALLEGATIONS

Thank you for your minute of 24 October (A084/2819) covering a draft of Sir Anthony Kershaw's speech for the Debate on the Address and of the letter which you propose to send him.

The Prime Minister is content that you should write to Sir Anthony on the lines you propose, subject to the following suggestions:-

(i) Page 3, last sentence of (3):

Substitute "done" for "been in a position to do".

(ii) Page 3, first sentence of (4):

Amend to read:-

"Your paragraph about Lord Trend is not quite right. He reviewed all the investigations ..."

(iii) Page 4, last sentence of (4):

Amend to read:-

"And I wonder if I may ask you to reconsider your rather derogatory remarks about Lord Trend. He was a very distinguished public servant who will be deeply wounded by what you have said. Do you really think you are being fair?"

(iv) Page 7, last sentence of (8):

Delete the words after "fairly numerous". The Prime Minister comments that if we are complaining about his snide comments on Lord Trend, we should not retaliate with snide comments about others.

I am copying this minute to Mr. Taylor (Home Office).

FERB

29 October 1984

SECRET AND PERSONAL

1

Prime Minister

Agree that Sir Robert Armstrong should write to Sir Anthony Kershaw as he proposes?

FERB

25.10.

Ref. A084/2819

MR BUTLER

I have made a few comments on it

Security Service: Mr Peter Wright's Allegations

You will remember from my minute of 28 September (Ref A084/2600) that, when I saw Sir Anthony Kershaw on 24 September, he asked whether it would be helpful if he were to make a speech in the Debate on the Address, in which he would suggest the need for a monitoring system, and the Minister replying to the Debate could in his response refer to the fact that such a system already existed.

2. He told me that he would send me a copy of a draft of his speech. He was as good as his word and sent me the draft on 2 October before he had received your letter of 8 October.

3. The wording of Sir Anthony Kershaw's draft speech suggests that he has been advised by Mr Chapman Pincher in its preparation.

4. Whether such a speech will serve a useful purpose is difficult to judge until we have seen the whole of Mr Pincher's new book. The extracts from that book now being serialised in the Sunday Times are being analysed by the Security Service, and I will offer detailed comment on them when that analysis is available. My first impression of the first article last Sunday, however, was that there was quite a lot of hitherto unpublished information but very little new information in the article. Pincher does, however, claim that the Security Service did not know and that he has now discovered that Sir Roger Hollis was friendly in China with a known German Communist called Ewert, and he suggests that Ewert would certainly have been under instructions to look for potential agents for the RIS.

5. I think that we must reserve judgment on whether a speech by Sir Anthony Kershaw would be useful, and discuss that with him when we have read and digested the book as a whole. I propose to

reply to the letter which Sir Anthony Kershaw sent me on 2 October accordingly. I propose also to make a number of comments on the draft at this stage. These comments have been agreed with the Home Office and the Security Service.

6. I attach a copy of Sir Anthony Kershaw's draft speech and of the letter which I now propose to send him. I should be grateful to know whether the Prime Minister is content that I should write accordingly. The draft has been agreed with the Home Office and the Security Service.

7. I am sending a copy of this minute and of its annexes to the Private Secretary to the Home Secretary.

RCA

ROBERT ARMSTRONG

24 October 1984

DRAFT LETTER FROM SIR ROBERT ARMSTRONG TO SIR ANTHONY KERSHAW MC MP, HOUSE OF COMMONS

Thank you for your letter of 2 October, enclosing a draft of a speech which you would wish to make in the Debate on the Address.

You will know from the Prime Minister's letter of 8 October the sort of line that the Government spokesman would be likely to take in reply.

Whether or not this is going to be a useful and appropriate way of proceeding is perhaps a little difficult to determine in advance of the publication of Chapman Pincher's book, which will I understand precede the Opening of Parliament by a few days. Do you think that we could meet and review the matter in the first few days of November?

On your draft as it stands, I have the following comments:

(1) A minor point which arises in the first and third paragraphs on page 1, the fifth paragraph on page 2, and the second paragraph on page 5: where you refer to "the security services" it would be more accurate to refer to "the security and intelligence services".

(2) In the second paragraph on page 2, you state that the RIS "have repeatedly been able to plant so-called defectors who have fed wrong information to us". That is certainly believed by some to be the case; but I do not think that it can be supported by hard evidence. If you want to keep the point, you could try saying something like: "Some people believe that they have been able to plant so-called defectors" etc.

(3) You have been at some pains to be very balanced in the paragraph that spans the bottom of page 2 and the top of page 3, not coming down on one side or the other of the argument about Sir Roger Hollis. Then

suddenly the last sentence moves from the hypothetical to the direct: "he did immense harm". Would it preserve the balance if this sentence read: "But it is plain that if there had been such a spy he would have been in a position to do immense harm to his country"?

(4) Your paragraph about Lord Trend does not accurately report what he did and the conclusion to which he came. He did not reinvestigate the case; he reviewed all the investigations that had taken place, and found that they had been carried out exhaustively and objectively. He did not conclude that the case had not been proved; he "agreed with those who, although it was impossible to prove the negative, concluded that Sir Roger Hollis had not been an agent of the Russian intelligence service" (OR 26 March 1981, col 1080).

Lord Trend was of course not a "professional security man". But his knowledge of the Security Service and of its people, and his familiarity with this particular set of problems, was considerably greater than that of almost anybody else outside the Security Service. He took a year to conduct his review.

I do not think that it is fair to call his competence in question: no-one outside the Security Service - certainly not a judge - could have brought to his task a greater degree of knowledge, greater thoroughness, or a more objective approach. And I wonder in any case whether, since you say that it would not be profitable to sift through the evidence again, it helps your argument to "rubbish" Lord Trend. The speech would stand perfectly well without this paragraph.

if I may ask you to reconsider your rather derogatory remarks about Lord Trend. He was a very distinguished ~~man~~ ~~lady~~ public servant who will be deeply wounded by what you have said. Do you really think you are being fair?

(5) The next paragraph talks of Chapman Pincher making available "a mass of information which has since proved accurate". His book

certainly made a lot of information public for the first time. In so far as it was accurate, however, it was not new to the security authorities (as the use of the word "since" might seem to imply); and it was by no means all accurate. Perhaps the first sentence could simply read: "In 1981, when Mr Harry Chapman Pincher published his book Their Trade is Treachery, my Rt Hon Friend the Prime Minister ...".

(6) The last sentence of that same paragraph suggests that "the new revelations will require a rewriting of Lord Diplock's terms of reference". The inquiry into security procedures and practices by the Security Commission under Lord Diplock's chairmanship which was announced by the Prime Minister on 26 March 1981 was not a continuing review: it was a "one-off" inquiry. The Commission reported some months later and as much of its findings as could be disclosed were published in

a White Paper (Cmnd 8540) in May 1982. By that report the Commission discharged the remit given to it in March 1981. If it felt that a further review of security procedures and practices was called for, that would require a new reference to the Commission. Furthermore, Lord Diplock retired as Chairman of the Security Commission after the completion of that report; his successor is Lord Bridge of Harwich. Perhaps the sentence could be altered to read: "No doubt the Government is considering whether Mr Pincher's latest book calls for a further reference to the Security Commission".

(7) In the second paragraph of page 4, the second sentence appears to imply that Bettaney had been suspect throughout his eight years of service. As you know, he has dated the beginning of his process of "conversion" to his time in Northern Ireland. There is no evidence or suggestion that his loyalty or motives were suspect

before then. Perhaps the sentence could read: "Bettaney was eight years in the Service and underwent two possitive vettings ...".

(8) In the first paragraph of your last page, I have to say that I think that "solid and fairly numerous" is an exaggeration. I don't think that the number of professionals who take the view described is "fairly numerous"; and "solid" is a word which I would hesitate to apply to some of them.

N.B If we are complaining about this small comment by Lord Rees, we cannot retain it this way!

DRAFT SPEECH SIR ANTHONY KERSHAW MC, MP

Mr Speaker, Sir,

I raise this afternoon the question of our Security Services. I do so with some reluctance, though no hesitation, because I as well as other Hon. Members realise that public debate about our security services is not always to the public interest and is seldom welcome to the Government of the day because the Government is not able to defend itself to its own satisfaction, because of the reticences which the maintenance of security impose upon it and because people like myself outside the magic circle of the initiates may blurt our in our ignorance truths which Governments must keep hidden.

However, Sir, I shall not, I hope refer to any facts which have not been made known to the public, facts which when they were so made known did not attract any legal censure or rebuke.

I therefore raise the matter of our security because I believe that the security services are of great and growing importance to the safety of our country. There are those who argue that the importance of these services is exaggerated, who say for example that the exact dimensions of a bomb or the weapons of a ship are no longer so vital, given the vast and saturating capability in weapons which some countries, including our own, may possess.

This is not true. The increasing power of weapons means that the ways of countering them, of stifling their destructive capability is more not less important than it was in the days of the rifle and the Maxim gun.

Furthermore, it is not merely a matter of hardware. Detecting the intentions and influencing the policies of possible enemies can be even more significant than that. The art of disinformation, of supplying wrong or misleading facts to one's opponent so that he misreads the situation which faces him can neutralis or disarm an enemy.

/For many.....

For many years the Soviet Union has been concentrating on the practice of disinformation. They seek to bring about a climate of opinion favourable to themselves. They have collected information about individuals to silence them or to influence them, they have fed wrong information about their own resources and intentions and about those of our allies.

They have been startlingly successful. Not many years back they prevented the deployment of the neutron bomb by the U.S.A. by entirely specious arguments which, nevertheless, caught the imagination of an alarmed European public. They have repeatedly been able to plant so-called defectors who, recommended or endorsed by Western security authorities, have fed wrong information to us.

They have recently achieved another success. By infiltration into the Labour Party, they have after 40 years of trying, succeeded in getting the Labour Party to adopt a defence policy which must be much more to their taste than the previous one.

One way, and a very good way, to spread disinformation is by spies. We know that the Soviet Union maintains many spies in this country, masquerading as trade officials and the like, some trying to persuade, some to find out secrets, some black-mailing and so on.

The best and most productive way to spy is to have your man actually in the security services of your opponent and, to the shame of those involved and to the shame of the country, that is what as we all know the Russians successfully did with people like Burgess, Maclean, Philby, Blunt and probably Ellis, all of whom were traitors, who should have been brought to book before they were.

We also know that allegations have been made by those who should have been in a position to know, that there was another spy who was never unmasked. It would not be profitable for me to sift once again through all the evidence about this. But I

/have been....

have been sent a mass of evidence about it. I know there are different views about the value of this evidence, and that many, probably the majority of those in the inner circles of knowledge of these matters strongly maintain that allegations about an undiscovered spy are wrong. But it is plain that if there was a spy he did immense harm to this country.

In 1974 an enquiry by Lord Trend, an immediate past Secretary to the Cabinetm came to the conclusion that the case had not been proved. Some of us were surprised. Some of us wondered how one man, not a professional security man, could adequately ferret through 30 years of files and secrets and be sure that he had missed nothing and had been fully informed by those whom he questioned.

In 1981 when Mr Harry Chapman Pincher made available in his book "Their Trade is Treachery" a mass of information which has since proved accurate and which he has now added to by his new book, my Right Honourable Friend the Prime Minister set up another enquiry under the noble and learned Lord, Lord Diplock to review the security procedures and practices currently followed in the public service and to consider what, if any, changes are required. No doubt the new revelations will require a re-writing of Lord Diplock's terms of reference.

I venture to query whether such an enquiry is th right sort of enquiry to have. Judges are used to dealing with rules of evidence, with strict procedures designed basically to protect the accused against unfairness. They do not deal in the dirty lights of a world of confessions inadmissible in Court, of balance of probabilities, in which the benefit of the doubt is not given, in which fear, intimidation and self-interest are common coin. Of course Judges know the seamier side of life, how could they avoid it, but they try to deal with it by legal rules and not by other rules, of which the first is how to stay alive.

Can we be sure that even if the case for the fifth man was not proven, that the new precautions set up were on the

/basis.....

basis that he had existed. Surely that was the only safe, indeed the only sensible way to proceed. We do not know. All that we have is a statement that the procedures taken seemed to be working well. But were they?

After these enquiries, after the setting up of the new procedures we had Prime and Betanney. Betanney was discovered, but only after 8 years in the service and two positive vettings, which he sailed through without difficulty. Was it only at the end of his service that he exhibited character defects which should have ruled him out of security employment?

I am bound to admit that he was caught. But Prime, who was a spy of very great importance to the Russians, would never have been discovered at all if his wife had not denounced him after he had ceased spying.

These two cases must call into question the judgement that the present precautions are working well. It is not enough to say that there will always be one rotten apple in a barrel. In a barrel of this small size it would be possible to make sure there is not a single bad one.

And there is a further point which should be made. Assuming that there was a spy and I have said that, whether he was or not, one should in designing precautions, assume that there was, surely one must assume that one very important task for him as he neared retirement would be to ensure that he had a replacement spy. How do we know whether he succeeded or not?

It seems to me that these questions are not to be resolved by spasmodic enquiries by the great and the good. What is needed is a permanent presence within the institutions themselves, a sort of Inspectorate-General, keeping a professionally-informed eye upon the practices and personalities. Only such a procedure will calm the anxieties which exist.

/These.....

These anxieties, which are widely felt, are not fuelled by idle or prurient curiosity, intent on producing a quick paper back in time for holiday reading, or making a speech in the House to catch a headline, These anxieties are expressed by a solid and fairly numerous band of professionals who themselves worked in the departments concerned, who were not satisfied by what they saw and learned, and who are not today satisfied that enough has been done to prevent such things happening again. These anxieties are expressed by those who have spent years of study on these matters and are widely regarded as both patriotic and deeply informed.

We do not expect to be told all the details. We do not want, at least I do not want, Parliamentary control such as they have in the U.S.A. and which has done great harm to their security services.

But we do want and are entitled to have, firmer and more convincing assurances than we have had hitherto, and I believe this House will continue to press H.M.G. until we get them and will be right to do so.

2nd October. 1984.

Je vsc
c Press Office

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

Security Service: Mr. Peter Wright's Allegations

The Prime Minister has now signed the letter to Sir Anthony Kershaw and it has been delivered to his office. Sir Anthony Kershaw is away until the beginning of next week. I have told his secretary that we will not be giving any publicity to the letter in the meantime but that, if we are asked whether the Prime Minister has sent comments on Mr. Wright's memorandum to Sir Anthony Kershaw, our Press Office will confirm that she has.

I am copying this minute and attachment to Mr. Taylor (Home Office).

F.E.R.B.

8 October 1984

PM JBD
c Press Office
CO
HO

10 DOWNING STREET

THE PRIME MINISTER

8 October 1984

Dear Anthony,

Following the recent Granada TV programme, Mr. Peter Wright sent you a copy of his memorandum on the allegations against Sir Roger Hollis and their implications, and you agreed to make a copy of the memorandum available for study by the security authorities here.

That study has now been undertaken, and its results have been submitted to me.

You will obviously not expect me to comment in detail upon it in this letter. I can say, however, that both Mr. Wright's thesis and the "evidence" adduced in support of it are basically the same as in Mr. Chapman Pincher's book "Their Trade is Treachery". Furthermore, his memorandum contains many factual inaccuracies. Many of the inferences he seeks do not follow from the material on which he seeks to base them. And he seems to shift his ground from one utterance to the next. It is, of course, eight years since he was officially concerned with these matters, and his account indicates that there were gaps in his information even then.

None of those known to have been Soviet agents since the Second World War were members of the Security Service. A few people believe, like Mr. Wright, that there is evidence that the Security Service was penetrated at a senior level at least until 1965, and that the available

information points in the direction of Sir Roger Hollis. Many others, who have taken a more responsible attitude towards their obligations of confidentiality but have had no less access to the relevant material, take an opposite view with no less conviction. They do not agree that there is evidence to prove that the Security Service has been penetrated since the Second World War, they are sure that Hollis was not a Soviet agent, and they think that there is not a shred of justification in Mr. Wright's material for the view that he was. They regard Mr. Wright's case as nothing but circumstantial innuendo completely unsupported by factual evidence.

Because it is usually impossible to prove a negative, it has not been possible to dispose conclusively of the allegation that Sir Roger Hollis was a Soviet agent. But the whole matter has been the subject of exhaustive investigation, inquiry and review over many years. There is nothing in Mr. Wright's memorandum, or in any of the various statements which Mr. Wright has made to the press, which would lead me to withdraw or alter anything that I said in the statement I made in the House of Commons on 26 March 1981, following the publication of Mr. Pincher's book. I do not believe that any further inquiry could offer any prospect of further clarification, let alone certainty, unless some totally new information were to become available.

Given my responsibilities for security and intelligence, I must also have regard for the need to maintain the effectiveness of the Security Service its primary role of safeguarding national security. The activities of Mr. Wright and one or two other former members of the security and intelligence services are, to say the least, unhelpful and damaging to morale. It would not be right for me to impose on the Service the additional burden and distraction that a further inquiry would entail, unless there were some very good reason (which there is not) to believe that it would serve a

useful purpose. In a matter of this kind there has to come a time for finality, to draw a line at the bottom of the account and close it. In my view that time has now come in respect of the Hollis allegations.

So much for the past. We have, of course, to ensure, as I said in the House in March 1981, that the arrangements for guarding against penetration are as good as they can possibly be, both in the area of the security and intelligence services and throughout the public service. These arrangements are kept constantly under review. They were comprehensively reviewed and strengthened in 1962; and again in 1982, with a review by the Security Commission and implementation of its recommendations. Further changes were made in the light of the Prime case, again following a report by the Security Commission. Bettaney's attempt to enlist as a Soviet agent was fortunately frustrated before any serious damage could be done; but the circumstances of that case are also being reviewed by the Security Commission, who will be able to say whether there should be further modifications of recruitment, personnel management or protective security procedures in the Security Service.

In addition to these general arrangements for guarding against penetration, we have special standing arrangements for reviewing all available information concerning threats of penetration in the security and intelligence services. You will not expect me to go into detail about these arrangements, but they include an element of regular oversight from outside the services as well as the use of specialist analytical and investigative capacity within them.

I do not believe that any wider system of external monitoring would be appropriate in this field, or indeed possible without in some degree putting at risk the security which the services are there to protect. The security and intelligence services are accountable to Ministers. In

various statements in the House I have set out the arrangements for accountability in some detail, and my colleagues and I who have special responsibilities in these matters take those responsibilities very seriously. It remains my view that this accountability to Ministers, together with the arrangements for guarding against penetration and the provisions for review of particular breaches of security by the Security Commission, strike the right balance between the need for those services to operate in secrecy and the importance of guarding against the risks of penetration.

Yours ever

Margaret

Sir Anthony Kershaw, MC, MP.

10 DOWNING STREET

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Sir Roger Hollis. ~~There are~~ Many others, who have taken a more responsible attitude towards their obligations of confidentiality but have had no less access to the relevant material, ~~who~~ take an opposite view with no less conviction. They do not agree that there is evidence to prove that the Security Service has been penetrated since ~~the end of~~ the Second World War, they are ~~in no doub~~ sure t that Hollis was not a Soviet agent, and they think that there is not a shred of justification in Mr. Wright's material for the view that he was. They regard Mr. Wright's case as nothing but circumstantial innuendo completely unsupported by factual evidence.

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serve a useful purpose. In a matter of this kind there has to come a time for finality, to draw a line at the bottom of the account and close it. In my view that time has now come in respect of the Hollis allegations.

So much for the past. ~~It might be said that, even if we are satisfied that the probability is that Sir Roger Hollis was not a Soviet agent, even if there is no evidence that the Security Service was penetrated in the years after the War, we must assume that it has been, and continues to be, a target for penetration and~~ we have of course to ensure, as I said in the House in March 1981, make sure that the arrangements for guarding against penetration are as good as they can possibly be, both in the area of the security and intelligence services and throughout the public service.

These arrangements are kept constantly under review. They were comprehensively reviewed and strengthened in 1962; and again in 1982, with a review by the Security Commission and implementation of its recommendations. Further changes were made in the light of the Prime case, again following a report by the Security Commission. Bettaney's attempt to enlist as a Soviet agent was fortunately frustrated before any serious damage could be done; ~~none the less~~ but the circumstances of that case are ~~now~~ also being reviewed by the Security Commission, who will be able to say whether there should be further modifications of recruitment, personnel management or protective security procedures in the Security Service.

In addition to these general arrangements for guarding against penetration, we have special standing arrangements for ~~keeping under continuous review~~ reviewing all available information concerning threats of penetration in the security and intelligence services. You will not expect me to go into detail about these arrangements, but they include an element of regular oversight from outside the services as well as the use of specialist analytical and investigative capacity within them.

I do not believe that any wider system of external monitoring would be appropriate in this field, or indeed possible without in some degree putting at risk the security which the services are there to protect. The security and intelligence services are accountable to Ministers. In various statements in the House I have set out the arrangements for accountability in some detail, and ~~I can assure you that~~ my colleagues and I who have special responsibilities in these matters take those responsibilities very seriously. It remains my view that this accountability to Ministers, together with the arrangements for guarding against penetration and the provisions for review of particular breaches of security by the Security Commission, strike the right balance between the need for those services to operate in secrecy and the importance of guarding against the risks of penetration.

Sir Anthony Kershaw, MC, MP.

Retyped 1/10 RB

10 DOWNING STREET

THE PRIME MINISTER

September 1984

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// Of the people revealed as traitors to this country in the post-war period, none were members of the Security Service.

~~There are~~ A few people ~~besides Mr. Wright who think~~ believe, like Mr. Wright, that there is evidence that the Security Service was also penetrated at a senior level at least until 1965, and that the available information points in the direction of

Surely it was - Philby? Was he the other Soviet spy? This point will be endorsed to the Security Service

An

~~No one has ever been established that the Security Service was penetrated by people disloyal to this country:~~ in the post-war period by someone

~~Philby, Burgess, Maclean and Blunt were not, of course,~~ members

Sir Roger Hollis. ~~There are~~ Many others, who have taken a more responsible attitude towards their obligations of confidentiality but have had no less access to the relevant material, ~~who~~ take an opposite view with no less conviction. They do not agree that there is evidence to prove that the Security Service ~~has been~~ was penetrated ~~since the end of the Second World War~~, they are ~~in no doubt.~~ sure that Hollis was not a Soviet agent, and they think that there is not a shred of justification in Mr. Wright's material for the view that he was. They regard Mr. Wright's case as nothing but circumstantial innuendo completely unsupported by factual evidence.

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So much for the past. The priority now is to ensure. ~~It might be said that, even if we are satisfied that the probability is that Sir Roger Hollis was not a Soviet agent, even if there is no evidence that the Security Service was penetrated in the years after the War, we must assume that it has been, and continues to be, a target for penetration and, as I said in the House in March 1981, make sure that the arrangements for guarding against penetration are as good as they can possibly be, both in the area of the security and intelligence services and throughout the public service.~~

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Yours ever

Margaret

Sir Anthony Kershaw, MC, MP.

PRIME MINISTER

SECURITY SERVICE: MR. PETER WRIGHT'S ALLEGATIONS

I have made amendments, which I have cleared with Sir Robert Armstrong and the Home Office, to meet your comments on the letter to Sir Anthony Kershaw. I have also cut out repetition where I could.

A revised version of the letter is attached for your signature, if you agree. The draft, showing the amendments made to meet your point, is at Flag A.

F.E.R.B.

4 October 1984

Ref. A084/2620

MR BUTLER

Security Service: Mr Peter Wright's Allegations

I am content with your redraft of the third paragraph of the letter to Sir Anthony Kershaw.

2. I have recast your first sentence of the fourth paragraph. I have also inserted a reference to the Second World War further down the paragraph.

3. I propose two minor drafting alterations in the first sentence of the sixth paragraph and the second sentence of the seventh paragraph.

4. These changes incorporate suggestions from the Home Office. The letter is now, therefore, clear to issue.

R

Approved by
ROBERT ARMSTRONG
and signed in his absence

3 October 1984

10 DOWNING STREET

THE PRIME MINISTER

September 1984

Following the recent Granada TV programme, Mr. Peter Wright sent you a copy of his memorandum on the allegations against Sir Roger Hollis and their implications, and you agreed to make a copy of the memorandum available for study by the security authorities here.

That study has now been undertaken, and its results have been submitted to me.

You will obviously not expect me to comment in detail upon it in this letter. I can say, however, that both Mr. Wright's thesis and the "evidence" adduced in support of it are basically the same as in Mr. Chapman Pincher's book "Their Trade is Treachery". Furthermore, his memorandum contains many factual inaccuracies. Many of the inferences he seeks to make do not follow from the material on which he seeks to base them. And he seems to shift his ground from one utterance to the next. It is, of course, eight years since he was officially concerned with these matters, and his account indicates that there were gaps in his information even then.

None of those known to have been Soviet agents since to Second World War

~~Of the [people revealed as] traitors to this country [in the post-war period, none]~~ were members of the Security Service. A few people believe, like Mr. Wright, that there is evidence that the Security Service was ~~also~~ penetrated at a senior level at least until 1965, and that the available

information points in the direction of Sir Roger Hollis. Many others, who have taken a more responsible attitude towards their obligations of confidentiality but have had no less access to the relevant material, take an opposite view with no less conviction. They do not agree that there is evidence to prove that the Security Service was penetrated since the Second World War, they are sure that Hollis was not a Soviet agent, and they think that there is not a shred of justification in Mr. Wright's material for the view that he was. They regard Mr. Wright's case as nothing but circumstantial innuendo completely unsupported by factual evidence.

Because it is usually impossible to prove a negative, it has not been possible to dispose conclusively of the allegation that Sir Roger Hollis was a Soviet agent. But the whole matter has been the subject of exhaustive investigation, inquiry and review over many years. There is nothing in Mr. Wright's memorandum, or in any of the various statements which Mr. Wright has made to the press, which would lead me to withdraw or alter anything that I said in the statement I made in the House of Commons on 26 March 1981, following the publication of Mr. Pincher's book. I do not believe that any further inquiry could offer any prospect of further clarification, let alone certainty, unless some totally new information were to become available.

Given my responsibilities for security and intelligence, I must also have regard for the need to maintain ~~its~~ the effectiveness of the Security Service in its primary role of safeguarding national security. The activities of Mr. Wright and one or two other former members of the security and intelligence services are, to say the least, unhelpful and damaging to morale. It would not be right for me to impose on the Service the additional burden and distraction of a further inquiry, unless there were some very good reason (which there is not) to believe that it would serve a useful purpose. In a matter of this kind there

has to come a time for finality, to draw a line at the bottom of the account and close it. In my view that time has now come in respect of the Hollis allegations.

So much for the past. ~~The priority now is~~ We have of course to ensure, as I said in the House in March 1981, that the arrangements for guarding against penetration are as good as they can possibly be, both in the area of the security and intelligence services and throughout the public service. These arrangements are kept constantly under review. They were comprehensively reviewed and strengthened in 1962; and again in 1982, with a review by the Security Commission and implementation of its recommendations. Further changes were made in the light of the Prime case, again following a report by the Security Commission. Bettaney's attempt to enlist as a Soviet agent was fortunately frustrated before any serious damage could be done; but the circumstances of that case are also being reviewed by the Security Commission, who will be able to say whether there should be further modifications of recruitment, personnel management or protective security procedures in the Security Service.

In addition to these general arrangements for guarding against penetration, we have special standing arrangements for reviewing all available information concerning threats of penetration in the security and intelligence services. You will not expect me to go into detail about these arrangements, but they include an element of regular oversight from outside the services as well as the use of specialist analytical and investigative capacity within them.

I do not believe that any wider system of external monitoring would be appropriate in this field, or indeed possible without in some degree putting at risk the security which the services are there to protect. The security and intelligence services are accountable to Ministers. In various statements in the House I have set out the

arrangements for accountability in some detail, and my colleagues and I who have special responsibilities in these matters take those responsibilities very seriously. It remains my view that this accountability to Ministers, together with the arrangements for guarding against penetration and the provisions for review of particular breaches of security by the Security Commission, strike the right balance between the need for those services to operate in secrecy and the importance of guarding against the risks of penetration.

Sir Anthony Kershaw, MC, MP.

DRAFT

10 DOWNING STREET

THE PRIME MINISTER

September 1984

Following the recent Granada TV programme, Mr. Peter Wright sent you a copy of his memorandum on the allegations against Sir Roger Hollis and their implications, and you agreed to make a copy of the memorandum available for study by the security authorities here.

That study has now been undertaken, and its results have been submitted to me.

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So much for the past. The priority now is to ensure, as I said in the House in March 1981, that the arrangements for guarding against penetration are as good as they can possibly be, both in the area of the security and intelligence services and throughout the public service. These arrangements are kept constantly under review. They were comprehensively reviewed and strengthened in 1962; and again in 1982, with a review by the Security Commission and implementation of its recommendations. Further changes were made in the light of the Prime case, again following a report by the Security Commission. Bettaney's attempt to enlist as a Soviet agent was fortunately frustrated before any serious damage could be done; but the circumstances of that case are also being reviewed by the Security Commission, who will be able to say whether there should be further modifications of recruitment, personnel management or protective security procedures in the Security Service.

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Sir Anthony Kershaw, MC, MP.

10 DOWNING STREET

From the Principal Private Secretary

CONFIDENTIAL

SIR ROBERT ARMSTRONG

SECURITY SERVICE: MR. PETER WRIGHT'S ALLEGATIONS

The Prime Minister was grateful for your minute of 28 September (ref: A084/2600) and, subject to the Home Secretary's views, is content to write to Sir Anthony Kershaw now. She had one or two detailed comments on the draft.

First, she has again queried the middle sentence in the third paragraph which says that Mr. Wright did not know everything that was happening while the investigations and enquiry were going on. In the attached redraft, I have deleted this sentence but have tried to cover the point in a redraft of the final sentence of that paragraph.

Second, the Prime Minister thought that the first sentence of the fourth paragraph might be confusing to people who do not realise that Philby and the others who have been revealed as Soviet agents did not belong to the Security Service. I have suggested an additional first sentence in that paragraph to cover this point.

Third, the Prime Minister felt that the opening of the fifth paragraph makes it sound as if Sir Roger Hollis was a Soviet agent. I have suggested a redraft to cover this point.

Finally, the Prime Minister asks that, if possible, the draft should be shortened. I have not seen much scope for that, but suggested a few abbreviations; and have in particular omitted some words at the point when the draft moves from the allegations about Hollis to the present arrangements for guarding against penetration.

Could you and Mr. Taylor (Home Office), to whom I am copying this minute, please let me know if you are content with the attached revision of the letter to Sir Anthony Kershaw.

1 October 1984

CONFIDENTIAL

LPOAGR 31

Prime Minister

Letter attached to Sir Anthony Kershaw for your signature if you are content to proceed as recommended by Sir Robert Armstrong.

FERB

Ref. A084/2600

PRIME MINISTER

I have marked some parts of the drafting - I think it could be shorter and clearer

Security Service: Mr Peter Wright's Allegations

By Mr Butler's minute of 10 September you authorised me to write to Sir Anthony Kershaw, and subsequently to see him, about the allegations in Mr Peter Wright's dossier. 28.9.

2. I saw Sir Anthony Kershaw on Monday 24 September. I was accompanied by the Director General and Deputy Director General of the Security Service.

3. I think that we were able to convince Sir Anthony Kershaw that Peter Wright's dossier had been scrupulously and dispassionately examined. He seemed to accept that it was a long time since Mr Wright had been directly involved in these matters, and that in the eight years since he had retired he had been brooding on the subject to the point where he had not only changed his position but had become obsessive; and he accepted that the dossier contained many factual inaccuracies and false inferences.

4. Sir Anthony Kershaw repeated that there would be no point in reopening the investigation of Sir Roger Hollis; but he reverted to the suggestion in his letter of 10 August to me that there should be some monitoring organisation against the possibility of penetration in the Security Service. The Director General made it clear that there had for many years been a small group of specialists which kept under continuous review all available information concerning threats of penetration in the security and intelligence field; and that the work of this group was under the regular oversight of someone from outside the agencies (actually Lord Trend), to whom those responsible for the review also had the right of direct access at any time if they required it, without needing to seek the permission of or consult the Director General. This information

was of course new to Sir Anthony Kershaw, and he thought that, if it were possible to indicate that there was a review system of this kind, even if no detail could be given about it, it would reassure him and moderate people who thought like him.

5. As to the next step, I said that I thought that, as he had acceded to your request to make the Peter Wright dossier available to us, you would probably want to write to him yourself about the outcome of the examination of it. He asked whether it would be helpful if he were to make a speech in the Debate on the Address (he said that he would be prepared to show us a draft of the speech). In that speech he could suggest the need for a monitoring system, on the lines indicated in his letter of 10 August to me; and the Minister replying to the Debate could in his response refer to the fact that such a system already existed. He said that he would be perfectly happy to be "blown out of the water", provided that a lot of other people were blown out of the water with him.

6. This suggestion needs careful thought, because the Debate on the Address is likely to follow hard upon the heels of the publication of Mr Chapman Pincher's latest book, which is to be published on 30 October (with three extracts serialised in the Sunday Times during October). Peter Wright's dossier may be overtaken by whatever that book contains. We can only consider the appropriateness of Sir Anthony Kershaw's suggestion when we know the content of that book. Such indications as we have suggest that the book will be in effect a comprehensive anthology of spy cases and allegations since the Second World War, culminating in a proposal for some form of Parliamentary control of the security and intelligence services.

7. In the meantime I think that it would be timely for you to write to Sir Anthony Kershaw on the lines which I suggested in my minute of 7 September (Ref A084/2403). I have considered whether, given the imminence of Mr Pincher's book, a reply to Sir Anthony Kershaw should be delayed until the draft can be reviewed in the light of the book. On balance I believe that the right course is for you to write to Sir Anthony Kershaw now.

It is known that the Government has had Mr Wright's dossier since early August, and that Sir Anthony Kershaw came to see me earlier this week. Your Press Office is regularly asked when we are going to complete the study of Mr Wright's dossier. It would be difficult to account for another month's delay; and I can see some advantage in establishing a position on Mr Wright's dossier before rather than after Mr Pincher's book starts coming out.

--- 8. I attach a revised version of the draft letter to Sir Anthony Kershaw, taking account of your own comments and those of the Home Secretary, and incorporating a new paragraph about the arrangements for keeping the risk of penetration in the security and intelligence agencies under review. It is arguable that this new piece of information should not be put out in writing now, but saved up to be used as ammunition after the publication of Mr Pincher's book. On balance I favour including it in the letter to Sir Anthony Kershaw now. He has already been given the information orally, and might think it odd that it was not included in the letter. And I doubt whether this particular item of information is likely to be weighty enough to make the crucial difference to the response to Mr Pincher's book: if that book spells big trouble, we shall have to consider other possibilities anyway, and, if the book can be dealt with as you dealt with the earlier book in 1981, it will strengthen your position if this information is already in the public domain via Sir Anthony Kershaw. The Director General believes that there are now no significant reasons for not acknowledging that such arrangements exist.

9. You will see that I have retained in the second page of the draft a modified version of the reference to the difficulty of proving a negative, which you suggested deleting from the first draft. I do so in deference to the view of Lord Trend that it is an important point and should be explicitly stated.

10. I am sending a copy of this minute and the revised draft letter to the Home Secretary.

RA

28 September 1984

ROBERT ARMSTRONG

DRAFT LETTER FROM THE PRIME MINISTER TO

SIR ANTHONY KERSHAW MC MP, HOUSE OF COMMONS

Following the recent Granada TV programme, Mr Peter Wright sent you a copy of his memorandum on the allegations against Sir Roger Hollis and their implications, and you agreed to make a copy of the memorandum available for study by the security authorities here.

That study has now been undertaken, and its results have been submitted to me.

You will obviously not expect me to comment in detail upon it in this letter. I can say, however, that both Mr Wright's thesis and the "evidence" adduced in support of it are basically the same as in Mr Chapman Pincher's book "Their Trade is Treachery". Furthermore, his memorandum contains many factual inaccuracies. It is also clear that Mr Wright did not know everything that was happening while the investigations and inquiry were going on. Many of the inferences he seeks to make do not follow from the material on which he seeks to base them. And he seems to shift his ground from one utterance to the next. It is of course eight years since he was officially concerned with these matters, and had access to the information.

There are a few people besides Mr Wright who think that there is evidence that the Security Service was penetrated at a senior level at least until 1965, and that the available information points in the direction of Sir Roger Hollis. There are many others (it must also be said) who have taken a more responsible attitude towards their obligations of confidentiality but have had no less access to the relevant material, who take an opposite view with no less conviction. They do not agree that there is evidence to prove that the Security Service has been penetrated since the end of the Second World War, they are in no doubt that Hollis was not a Soviet agent, and they think that there is not a shred of justification in Mr Wright's material for the view that he was. They regard Mr Wright's case as nothing but circumstantial innuendo completely unsupported be factual evidence.

It is not possible to prove that Sir Roger Hollis was a Soviet agent. Equally it is impossible to prove that he was not, though that is what most of those concerned believe: it is of course usually impossible to prove a negative. The whole matter has been the subject of exhaustive investigation, inquiry and review over many years. There is nothing in Mr Wright's memorandum, or in any of the various statements which Mr Wright has made to the press, which would lead me to withdraw or alter

anything that I said in the statement I made in the House of Commons on 26 March 1981, following the publication of Mr Pincher's book. I do not believe that any further inquiry could offer any prospect of further clarification, let alone certainty, unless some totally new information were to become available.

I have also, given my official responsibilities for security and intelligence, to have regard for the need to maintain its effectiveness in its primary role of safeguarding national security. The activities of Mr Wright and one or two other former members of the security and intelligence services are, to say the least of it, unhelpful in this regard and damaging to morale. It would not be right for me to impose on the Service the additional burden and distraction that a further inquiry would entail, unless there were some very good reason (which there is not) to believe that it would serve a useful purpose. In a matter of this kind there has to come a time for finality, to draw a line at the bottom of the account and close it. In my view that time has now come in respect of the Hollis allegations.

So much for the past. It might be said that, even if we are satisfied that the probability is that Sir Roger Hollis was not a Soviet agent, even if there is no evidence that the Security Service

was penetrated in the years after the War, we must assume that it has been and continues to be a target for penetration, and (as I said in the House in March 1981) make sure that the arrangements for guarding against penetration are as good as they can possibly be, both in the area of the security and intelligence services and throughout the public service.

These arrangements are kept constantly under review. They were comprehensively reviewed and strengthened in 1962; and again in 1982, with a review by the Security Commission and implementation of its recommendations. Further changes were made in the light of the Prime case, again following a report by the Security Commission. Bettaney's attempt to enlist as a Soviet agent was fortunately frustrated before any serious damage could be done; nonetheless the circumstances of that case are now being reviewed by the Security Commission, who will be able to say whether there should be further modifications of recruitment, personnel management or protective security procedures in the Security Service.

In addition to these general arrangements for guarding against penetration, we have special arrangements for keeping under continuous review all available information concerning threats of penetration in the security and intelligence services.

You will not expect me to go into detail about these arrangements, but they include an element of regular oversight from outside the services as well as the use of specialist analytical and investigative capacity within them.

I do not believe that any wider system of external monitoring would be appropriate in this field, or indeed possible without in some degree putting at risk the security which the services are there to protect. The security and intelligence services are accountable to Ministers. In various statements in the House I have set out the arrangements for accountability in some detail, and I can assure you that my colleagues and I who have special responsibilities in these matters take those responsibilities very seriously. It remains my view that this accountability to Ministers, together with the arrangements for guarding against penetration and the provisions for review of particular breaches of security by the Security Commission, strike the right balance between the need for those services to operate in secrecy and the importance of guarding against the risks of penetration.

Security : Security of Secret Services
1972.

SECRET AND PERSONAL

10 DOWNING STREET

From the Principal Private Secretary

Sir Robert Armstrong

Security Service: Mr. Peter Wright's Allegations

The Prime Minister has seen your submission of 7 September (A084/2403). She has agreed that we should proceed as proposed in your submission, and that the next stage is for you to write to Sir Anthony Kershaw as you propose.

As regards the draft letter for her to send to Sir Anthony Kershaw in due course, the Prime Minister has suggested omitting the first sentence of the paragraph starting half way down page 2, and the words after the colon in the third sentence of that paragraph; and also everything down to the words "I do not believe" in the bottom paragraph of page 4. She has suggested abbreviating the opening two sentences of the previous paragraph to read:-

> "These arrangements were comprehensively reviewed and strengthened in 1962;and again in 1982 by the Security Commission."

The Prime Minister has also queried whether the fourth sentence in the third paragraph on page one, about Mr. Wright's state of knowledge while the investigations and inquiry were going on, is helpful.

F.E.R.B.

10 September, 1984.

SECRET AND PERSONAL

29

Prime Minister
Agree to proceed as
Sir R. Armstrong recommends
in his paragraph 9?

FERB
8.9

Yes — letters as amended

Ref. A084/2403

PRIME MINISTER

Security Service: Mr Peter Wright's Allegations

In your letter of 6 August to Mr Leadbitter MP, replying to his letter of 22 July commenting on the Granada TV "World in Action" programme in which Mr Peter Wright reverted to his theme that Sir Roger Hollis was probably a Soviet agent, you said that you were having Mr Wright's dossier, made available to you by Sir Anthony Kershaw, thoroughly examined, and would write to Sir Anthony about it in due course.

2. With your agreement I had seen Sir Anthony Kershaw on 31 July; I reported that meeting in my minute of that date (A084/2204).

3. Sir Anthony Kershaw subsequently wrote to me on 10 August; I attach a copy of his letter. It is a curious letter. He accepts that a further inquiry into the allegations about Sir Roger Hollis is unlikely to be productive, and should not be undertaken, but follows the line taken by Mr Arthur Martin and other former members of the Security Service to the effect that the Government should assume that the Security Service was penetrated between 1945 and 1965 and decide what further steps are necessary to safeguard against future penetration. He also asks a number of questions about the Prime and Bettaney cases, which look as if they may have a journalistic origin.

4. The Wright dossier has now been examined in great detail by the Security Service (including a number of people not hitherto concerned with the matter), and they have produced a commentary as long as the original dossier. Both the dossier and the commentary have also been carefully studied by Lord Trend.

5. The thesis of the dossier, and the "evidence" on which it is based, are the same as in Mr Chapman Pincher's book "Their Trade is Treachery", published in 1981. It demonstrates

clearly that Mr Wright was Mr Pincher's primary source for that book. There is nothing new of significance in the dossier. The examination has brought to light many factual inaccuracies and many false or faulty inferences. It shows that in a number of respects Mr Wright has shifted his ground since the investigation of Sir Roger Hollis in which he played a part. It is also clear that there was a good deal that Mr Wright did not know, because he was not told, of what was happening during the investigation. There is nothing in the dossier which should lead you to withdraw or alter anything that you said in your statement in the House of Commons on 26 March 1981, following the publication of Mr Pincher's book. Indeed, the effect of the dossier and the commentary on Lord Trend has been to strengthen his belief that Sir Roger Hollis was not a Soviet agent.

6. Mr Pincher is known to have another book on the stocks on this subject, under the title "Too Secret Too Long: the betrayal of Britain's crucial secrets". It is to be published later this year by Sidgwick and Jackson (who published the last one). Knowledge of its contents is being very closely guarded, and we have not been able to find out much about it, but the Security Service believe that it is a rehash of the allegations against Hollis and the other allegations in the earlier book, no doubt with more names and details which have become public property since then.

7. I have discussed with the Home Office, the Security Service and Lord Trend what course of action to recommend to you. You are committed to writing to Sir Anthony Kershaw about the Wright dossier, and we should see advantage in your doing so before Mr Pincher's book comes out. But you clearly should not - indeed cannot - discuss the dossier in detail in a letter to Sir Anthony Kershaw. We think, therefore, that your letter should say simply that it has been examined, that it contains many inaccuracies and false or faulty inferences, that it sings the same song as Mr Pincher's book of 1981, and that it contains nothing that would lead you to withdraw or alter anything you

said in your statement in the House of Commons on 26 March 1981, following the publication of that book.

8. We think that, before you send such a letter, it might be advantageous to take Sir Anthony Kershaw a little further into our confidence, on an oral and confidential basis, about the inaccuracies and discrepancies in the Wright dossier, in the hope that it might be possible in some degree to counter the effects upon him of having talked to Mr Arthur Martin and one or two other people who think like him. It is proposed therefore that we should use the opportunity presented by Sir Anthony's having written to me, and that I should invite him to come in for a talk, following his letter of 10 August. If he accepted that invitation, I would have with me for the talk one or two people from the Security Service who would be able to speak more fully about the inaccuracies and inadequacies of Mr Wright's dossier.

9. If you agree, therefore, I suggest that we should proceed as follows:

(1) I should write to Sir Anthony Kershaw as in the draft at Annex A;

(2) If he accepts my invitation, I would see him, together with some one from the Security Service, and be prepared to say enough to convince him that our views on Mr Wright's dossier are well-founded;

(3) Subject to what transpires at my meeting with Sir Anthony Kershaw, you should then write to him as in the draft at Annex B. This draft is intended to be fit for publication. The draft is not final at this stage, but is subject to further change and improvement in the light of the meeting with Sir Anthony Kershaw.

10. I am sending copies of this minute and the draft letters to the Home Secretary.

RtA

ROBERT ARMSTRONG

7 September 1984

From: SIR ANTHONY KERSHAW, M.C., M.P.

HOUSE OF COMMONS
LONDON SW1A 0AA

CABINET OFFICE
A 6301
14 AUG 1984
FILING INSTRUCTIONS
FILE No. .....

10th August, 1984.

cc - PS/Sir B Cubbon
Miss Nicholson
Sir A Duff
~~PS~~/Sir A Acland

Dear Armstrong,

I write to say that I hope that a decision about what response to make to Peter Wright's Memorandum will not be made solely on the basis of what is found in the Memorandum. I can understand that Government might take the view that if there are no new facts in the Memorandum, then there is no point in having a new enquiry. However, even if there are no new facts, you will have gathered from the Memorandum that Wright says that the wrong deductions have been made. He is supported in that opinion by a number of former professionals, to some of whom I have spoken, and by others, some of whom you know, who have expertise in these matters.

The Trend Report, as summarised to the House, declined to condemn Roger Hollis. I doubt whether that conclusion will ever be effectively challenged, nor is it necessary to undertake the heavy and perhaps in several ways painful work of trying to find more evidence.

The point today about the Hollis affair is surely that there was a strong possibility that he was a traitor, and that the only prudent, and indeed reasonable way to react, is to assume that he was a traitor when deciding what steps are necessary to ensure that nothing of the same sort ever happens again.

Those steps must obviously include some sort of monitoring organisation. It is not for me to suggest what that should be, though I do not believe that a Committee of a few Wise Men could do the job. I assert with confidence that public and Parliament will expect something to be done and to be said about the matter. Another enquiry may be regarded as otiose, but a statement about prevention of penetration in the future is I think looked for.

The problem will not be allowed to die down. Already we have had Wright's TV appearance and his Memorandum. Granada TV will hardly allow the matter to rest. Former MI5 men are regularly coming forward with letters to the papers and I have been asked by three publishing houses for help in getting rights from Peter Wright. And we both know that at least one very authoritative study will see the light of day before very long.

In addition to facts from the past years ending perhaps in 1964, there are some facts and sayings which fall to be considered in more recent times. The P.M. said to the House that the arrangements within the service for the prevention of treason "seemed to be working well" so that there was no reason to change them yet again.

..../

HOUSE OF COMMONS
LONDON SWIA OAA

Since then we have had Prime and Betaney. It may be argued that the arrangements are not so good after all, especially in view of the fact that Prime was never even suspected until his wife betrayed him. The statement in Command Paper 8540 that procedures recommended by Lord Diplock "have worked well" is clearly wrong.

There are also, to me curious features of both these cases.

Prime must have been of great value to Russia. Why did they so easily, as it seems, allow him to give up spying for them? Could it be because they have others in place?

Betaney says he turned traitor because of what he saw in Northern Ireland. I do not for one moment believe that. I think he was a spy at his enlistment.

And how did it come about that such a person could be enlisted? He was a loner, a pederast, a person with obvious character defects. I bet he had a wet handshake too. Not the sort of person one would even ask to one's house. One must wonder who enlisted him and why he lasted so long. Was he protected?

On that subject are you satisfied with the sort of personnel being enlisted? Are they well enough paid and ranked to get the necessary quality?

All these allegations, memoranda and books will clearly need answering at the proper time. The proper time may be when the first rush so to speak has been seen and evaluated, which will I suppose be at or about the next sitting of the House. It would certainly be misunderstood if a negative statement were to be put out during the Summer holidays, nor would that save the subject from being raised in the House when we resume.

It is always so difficult for a Government to deal with these matters. The reticence they must observe does not make it easy or even possible to defend themselves to their own satisfaction. Parliament does realise that, and so do I. I am pushing this matter nevertheless because, as things have turned out at the moment, it seems to me timely for H.M.G. to make yet another attempt to calm the anxieties which people feel.

Yours ever,
Anthony Kershaw.

Sir Robert Armstrong, G.C.B., C.V.O.,
Cabinet Office,
Whitehall,
LONDON, S.W. 1.

PERSONAL

ANNEX A

DRAFT LETTER FROM SIR ROBERT ARMSTRONG TO

SIR ANTHONY KERSHAW MP

Thank you very much for your letter of 10 August, following our talk on 31 July.

Peter Wright's memorandum has now been closely examined, and I have had a full report on it.

I believe that it might be useful if, before matters go any further, we were to meet again. You will understand that it is going to be difficult if not impossible for the Government to comment in detail on the memorandum publicly; but a meeting would provide an opportunity of indicating to you not only what the general attitude to the memorandum is likely to be but also of outlining in a little more detail, as one could not do in writing, what that attitude is based on. I could also comment orally on some of the points on the second page of your letter, again a little more fully than I could in writing.

If this proposal commends itself to you, would you like to call me by telephone, so that we can arrange a date?

DRAFT LETTER FROM THE PRIME MINISTER TO
SIR ANTHONY KERSHAW MP

Following the recent Granada TV programme, Mr Peter Wright sent you a copy of his memorandum on the allegations against Sir Roger Hollis and their implications, and you agreed to make a copy of the memorandum available for study by the security authorities here.

That study has now been undertaken, and its results have been submitted to me.

You will obviously not expect me to comment in detail upon it in this letter. I can say, however, that both Mr Wright's thesis and the "evidence" adduced in support of it are basically the same as in Mr Chapman Pincher's book "Their Trade is Treachery". Furthermore, his memorandum contains many factual inaccuracies. It is also clear that Mr Wright did not know everything that was happening while the investigations and inquiry were going on. Many of the inferences he seeks to make do not follow from the material on which he seeks to base them. And he seems to shift his ground from one utterance to the next. It is of course eight years since he was officially concerned with these matters, and had access to the information.

There are a few people besides Mr Wright who think that there is evidence that the Security Service

was penetrated at a senior level at least until 1965, and that the available information points in the direction of Sir Roger Hollis. There are many others (it must also be said), who have taken a more responsible attitude towards their obligations of confidentiality but have had no less access to the relevant material, who take an opposite view with no less conviction. They do not agree that there is evidence to prove that the Security Service has been penetrated since the end of the Second World War, they are in no doubt that Hollis was not a Soviet agent, and they think that there is not a shred of justification in Mr Wright's material for the view that he was. They regard Mr Wright's case as nothing but circumstantial innuendo completely unsupported by factual evidence.

In the end we are faced with a matter of judgment, not of proof. It is not possible to prove that Sir Roger Hollis was a Soviet agent. It is even more difficult to prove that he was not, though that is what most of those concerned believe: largely because, as always, it is impossible to prove a negative. The whole matter has been the subject of exhaustive investigation, inquiry and review over many years. There is nothing in Mr Wright's memorandum, or in any of the various statements which Mr Wright has made to the press, which would lead me to withdraw or alter anything that I said in the statement I made

in the House of Commons on 26 March 1981, following the publication of Mr Pincher's book. I do not believe that any further inquiry could offer any prospect of further clarification, let alone certainty, unless some totally new information were to become available.

I have also, given my official responsibilities for security and intelligence, to have regard for the morale of the Security Service and the need to maintain its effectiveness in its primary role of safeguarding national security. The activities of Mr Wright and one or two other former members of the Security Service are, to say the least of it, unhelpful in this regard. It would not be right for me to impose on the Service the additional burden and distraction that a further inquiry would entail, unless there were some very good reason (which there is not) to believe that it would serve a useful purpose. In a matter of this kind there has to come a time for finality, to draw a line at the bottom of the account and close it. In my view that time has now come in respect of the Hollis allegations.

So much for the past. It might be said that, even if we are satisfied that the probability is that Sir Roger Hollis was not a Soviet agent, even if there is no evidence that the Security Service was penetrated in the years after the War, we must assume

that it has been and continues to be a target for penetration, and (as I said in the House in March 1981) make sure that the arrangements for guarding against penetration are as good as they can possibly be, both in that area and throughout the public service.

These arrangements are kept constantly under review. They were comprehensively reviewed and strengthened in 1962; and again in 1982, with a review by the Security Commission and implementation of its recommendations. Further changes were made in the light of the Prime case, again following a report by the Security Commission. Bettaney's attempt to enlist as a Soviet agent was fortunately frustrated before any serious damage could be done; nonetheless the circumstances of that case are now being reviewed by the Security Commission, who will be able to say whether there should be further modifications of recruitment, personnel management or protective security procedures in the Security Service.

I do not wish to sound complacent, because I accept the need for eternal vigilance in this matter. But (as I know you recognise) it is in the nature of the case that the few failures come to public attention while the many successes for which the Security Service deserve credit are not and can never be publicised. As I have more than once said in the House, I do not believe that a system of external

monitoring is appropriate in this field, or indeed possible without in some degree putting at risk the security which the Services are there to protect. The Security and Intelligence Services are accountable to Ministers. In various statements in the House I have set out the arrangements for accountability in some detail, and I can assure you that my colleagues and I who have special responsibilities in these matters take those responsibilities very seriously. It remains my view that this accountability to Ministers, and the provisions for review of particular breaches of security by the Security Commission, strike the right balance between the need for those Services to operate in secrecy and the importance of guarding against the risks of penetration.

SECRET AND PERSONAL

SLH

bcPC

28

10 DOWNING STREET

From the Private Secretary

6 August 1984

Dear Richard,

The Prime Minister has seen Sir Robert Armstrong's minute A084/2252 of 3 August about Mr Peter Wright. She notes the advice that Mr Wright's pension cannot lawfully be withheld in the absence of a conviction; and that there is no way that Mr Wright can be penalised while he remains outside our jurisdiction.

Yours sincerely,

Charles Powell

C D Powell

Richard Hatfield, Esq.,
Cabinet Office

SECRET AND PERSONAL

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

6 August 1984

The Prime Minister has seen a copy of a letter which a retired member of the Security Service had proposed to send to The Times about Mr Peter Wright, attached to Sir Robert Artmstrong's minute of 3 August.

The Prime Minister has commented that she found this "very interesting and reassuring".

C D Powell

Richard Hatfield, Esq.,
Cabinet Office

CONFIDENTIAL

cc CO

10 DOWNING STREET

THE PRIME MINISTER

3 August 1984

Confidential

Dear Dr. Kershaw

Thank you for your letter of 30 July about security matters.

I do not believe that names mentioned in recent press reports emanate from the present Security Services. The recent stories began with a television programme in which a former member of the Security Service, Mr. Peter Wright, revived allegations about Sir Roger Hollis, a former Director General of that Service; and Mr. Wright appears to be a source for a good deal of what has been written recently. I made a statement in the House on those matters on 26 March 1981, of which I enclose a copy. Nothing of what has recently been said on the television or reported in the press would cause me to depart from or modify that statement. None of it contains any new evidence, and there are a number of distortions and misinterpretations of fact.

I expect you will have seen that Mr. Wright has sent a dossier to Sir Anthony Kershaw, who has made it available to me for inspection. I am having it thoroughly examined, to see whether it contains any new evidence, and I shall be writing to Sir Anthony about it in due course, when that examination is completed.

It seems that Mr. Wright has changed his mind over the years. It is on record that thirteen years ago, when he was closer to these matters than he is now, Mr. Wright agreed with the Security Services' conclusions that the

Hollis case should not be pursued further and that no damage assessment was necessary, thereby implying that he agreed that the investigations had not found that Sir Roger Hollis had been a Russian spy.

Nothing that has appeared in the media in recent weeks calls for the institution of a further inquiry or further statement by me. I do not propose to comment upon the allegations about particular individuals, for the reasons given in my statement in 1981. I greatly deplore the publication of such allegations, often based on little or no evidence, about people who have died and are not able to defend themselves.

I do not see any connection between these unsubstantiated allegations and rumours and the system of accountability for the Security Services. The tradition in this country, accepted by successive governments of both Parties, is that the Security Services are accountable to Ministers, and that Parliament trusts Ministers to discharge that responsibility faithfully. The arrangements for that accountability are kept under review: in the debate on the Blunt case on 21 November 1979 I explained to the House in detail how we expected the principles governing the relationships between the Security Services and Ministers to be applied. The conventions governing the Secret Vote conform with this tradition, which seems to me appropriate and indeed necessary when we are dealing with operations and activities whose effectiveness depends on their being conducted in secrecy. It remains my view, as I have more than once told the House of Commons, that it would not be appropriate or in the national interest to bring the affairs of the Security Services under the sort of Parliamentary scrutiny that you mention.

Yours sincerely

Margaret Thatcher

The Rt. Hon. Neil Kinnock, MP.

JVR
ADH

CABINET OFFICE

Robin

An Advance copy of the draft letter to Mr Kinnock

With the compliments of

The Private Secretary to the

Secretary of the Cabinet

Carol.

70 Whitehall, London SW1A 2AS

Telephone 01-233 8319

c-H. Butler

DRAFT LETTER FROM THE PRIME MINISTER TO

The Rt Hon Neil Kinnock MP

Thank you for your letter of 30 July.

I think that you are overrating the impact of the recent flurry of media programmes and stories about security matters, and I certainly do not accept your assumption that information and names are emanating from the security services themselves.

This recent flurry began with a television programme in which a former member of the Security Service, Mr Peter Wright, revived allegations about Sir Roger Hollis, a former Director General of that Service; and Mr Wright appears to be a source for a good deal of what has been written subsequently. I made a statement in the House on those matters on 26 March 1981. Nothing of what has recently been said on the television or reported in the press would cause me to depart from or modify that statement. Mr Wright's statements and allegations have been thoroughly and carefully reviewed. Neither they nor subsequent press reports contain any new evidence, and there are a number of distortions and misinterpretations of fact.

DGSS

I attach a copy of a letter that the Prime Minister has received from the Leader of the Opposition and a draft reply on which Sir Robert Armstrong would welcome your comments. The Prime Minister would like to reply tomorrow, so I would welcome comments as soon as possible.

I am copying the papers to Sir Antony Duff and to Howard Walker in Sir Brian Cubbon's office.

1/8.

It seems that Mr Wright has changed his mind over the years. It is on record that 13 years ago, when he was closer to these matters than he is now, Mr Wright agreed with the Security Service's conclusions that the Hollis case should not be pursued further and that no damage assessment was necessary, thereby implying that he agreed that the investigations had not found that Sir Roger Hollis had been a Russian spy.

I am satisfied that nothing that has appeared in the media in recent weeks calls for the institution of a further inquiry or for any further statement by me. I certainly do not propose to confirm or deny or otherwise comment upon the various allegations about particular individuals to which currency has been given, for the reasons given in my statement in 1981. I can only say that I greatly deplore the publication of allegations, often based on little or no firm evidence, about people who have died and are not able to defend themselves.

I am afraid that I cannot follow you in seeing a connection between the growth of unsubstantiated allegation and rumour, the damaging consequences of which I deplore as strongly as you do, and the system of accountability for the security services. The tradition in this country, which has been accepted by Governments of your party and mine alike, is that the Security Service is accountable to Ministers, and that Parliament accepts that the accountability must be to Ministers rather than to Parliament, and trusts Ministers to discharge that responsibility faithfully. The arrangements for ensuring that accountability are kept under review; in the debate on the Blunt case on 21 November 1979 I explained to the House in detail how we expected the principles governing the relationships between the Security Services and Ministers to be applied. The conventions governing the handling of the Secret Vote respect our tradition in these matters. That tradition of these conventions and the arrangements which embody them, seem to me to be appropriate and indeed necessary, where we are dealing with operations and activities whose effectiveness depends on their being conducted in secrecy. It remains my view, as I have more than once told the House of Commons, that it would not be appropriate or conducive to greater effectiveness to bring the affairs of the security services under the sort of Parliamentary scrutiny that you ~~envisage~~ Mervin.

HOUSE OF COMMONS
LONDON SW1A 0AA

The Office of the Leader of
the Opposition

30 July 1984

Dear Prime Minister,

I am sure that you will agree that the current controversies resulting from various allegations of breaches - past and present - in Britain's security services must be demoralising to the general public and to the people involved in the security services themselves. In particular, the 'McCarthyite' manner in which some people have been 'named' as probable suspects leads to the assumption that information must still be emanating from the security organisations.

Although there have been a number of stories appearing in the newspapers about your apparent attitude to these events I am sure you will agree that some formal, public statement on your part is now necessary. While I naturally understand the need for the maintenance of maximum secrecy in these matters, it is now becoming clear that the House of Commons must have some way in which it is able to ensure that the Vote for the Security Services is brought under more thorough scrutiny. A select committee of Privy Councillors could be the way of dealing with this.

Parliamentary accountability is now almost non-existent and the result of this can be seen in the growth of unsubstantiated allegation and rumour, which can do the most serious damage to individuals who get caught up in what can only be described as 'vendettas' as well as undermine public confidence in our security organisations. I have to say that the situation has deteriorated so sharply in recent weeks that urgent action is now needed before further damage is done. I am not at this stage releasing this letter to the press since I believe that in the very nature of the matter you should have an opportunity to respond before public consideration is taken that stage further.

Yours sincerely,
Neil Kinnock

Rt Hon Margaret Thatcher MP

CONFIDENTIAL

Prime Minister

very interesting

Ref. A084/2247

PRIME MINISTER

There has been so much publicity for Mr Peter Wright's allegations about KGB penetration of the Security Service that you may like to see the attached copy of a letter which another retired member of the Security Service, seeing Mr Wright's claims, proposed to send to The Times. He has been persuaded that the letter should not go forward for publication; but you may nonetheless like to see this presentation of a different point of view.

ROBERT ARMSTRONG

3 August 1984

CONFIDENTIAL

THE NATIONAL ARCHIVES

DEPARTMENT/SERIES Prem 19 PIECE/ITEM 1951 (one piece/item number)	Date and sign
Extract details: Letter dated 29th of July 1984	X
CLOSED UNDER FOI EXEMPTION	
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SECRET AND PERSONAL

Prime Minister

27

Ref. A084/2252

PRIME MINISTER

Mr Peter Wright's recent activities on television and elsewhere are self-evidently in flagrant breach of his obligations under the Official Secrets Act and a flagrant breach also of confidence. He cannot be charged or prosecuted so long as he is outside the jurisdiction. I therefore suggested to the Security Service that they should at least consider discontinuing his pension. We normally do this only when somebody has been convicted of an offence. That condition cannot be met in this instance; but Peter Wright has virtually convicted himself.

2. I am afraid, however, that we are advised that Mr Wright's pension could not lawfully be withheld in the absence of a conviction and that, if we sought to withhold it, the action could and would be challenged in the courts, and the prospect of a successful defence would not be good. Any court proceedings would, of course, produce a lot of unattractive publicity, (particularly if they were unsuccessful) and Mr Wright would present himself as a aged patriot striving to do his duty and protect his country and victimised for his pains. I reluctantly conclude that, unless Mr Wright ever comes within the jurisdiction, which no doubt he will be very careful not to do, there is no way he can be penalised in his absence.

RWA

ROBERT ARMSTRONG

3 August 1984

SECRET AND PERSONAL

10 DOWNING STREET

PRIME MINISTER

The letter to Mr. Kinnock has been revised to take account of your amendment and also to include a reference to the dossier compiled by Mr. Wright which Sir Anthony Kershaw has handed over. References to this have appeared in the Press.

P.E.R.B.

2 August, 1984.

SECRET AND PERSONAL

10 DOWNING STREET

From the Principal Private Secretary

Sir Robert Armstrong

Thank you for your minute of 31 July (A084/2204) about your conversation with Sir Anthony Kershaw, which the Prime Minister has seen and noted.

R. BUTLER

2 August, 1984.

SECRET AND PERSONAL

DLD

Prime Minister 25

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

Ref. A084/2204

MR BUTLER

I saw Sir Anthony Kershaw at 6.15 pm yesterday evening.

2. He has said that he received a dossier from Mr Peter Wright. It was 160 typescript pages, divided into chapters, like a book, and look as if it was intended for publication as such. Sir Anthony Kershaw said that he understood that the Guardian had a copy of one of the chapters of the dossier. Other newspapers were trying to catch sight of it from him but he was not making any copies available.

3. He had also been approached by Mr Arthur Martin, Mr Steven de Mowbray In response to any questions from the media he was still saying that he was studying the dossier in order to make up his mind whether it indicated that further inquiries were called for. He supposed that Mr Wright had sent it to him with a view for the matter to be investigated by the Select Committee on Foreign Affairs but that was (as Sir Anthony said) absurd.

.3. I said to Sir Anthony Kershaw that everything that Mr Wright had said on the television programme World in Action and everything that has subsequently been written in the press had been carefully and thoroughly studied. There was no new evidence in any of this material; and unless new evidence came to light, I thought that the Prime Minister would be bound to say that no further inquiry was called for: the available evidence had been exhaustively inquired into. I indicated that Mr Wright appeared to have changed his mind somewhat since he was dealing with this matter in 1971; at that stage he seemed to accept the conclusions of the Security Service that the investigations had not found Sir Roger Hollis to be a spy and that there was no case for pursuing with further inquiries. There were a number of discrepancies and errors in the latest material that suggested that Mr Wright's memory was fallible .

4. I went on to say that Mr Wright had not sent a copy of the dossier to the Government or to the Security Service. We should of course very much like to see it and if we saw it it would be carefully and thoroughly studied to see if it contained any new material. Sir Anthony said that he was willing to make his copy available to me so that I could ~~have~~ have it copied and arrange for it to be studied. I said that, once it had been studied, I would invite the Prime Minister to write to Sir Anthony Kershaw with anything she wished to say by way of comment on the dossier. In the meantime there would be no objection from the Government's point of view if Sir Anthony Kershaw wished to indicate to the media that he had made the dossier available to the Prime Minister though it was up to him to decide whether he wanted to do so. Sir Anthony Kershaw was content to make the dossier available on this understanding and I have since received it. I shall of course read it myself and, I shall arranged for it to be thoroughly studied by the Security Service. I propose also to invite Lord Trend to read a copy since he was involved in scrutinising the original investigations.

R

Approved by
ROBERT ARMSTRONG
and signed in his absence.

31 July 1984

Lee VC.

SIR ROBERT ARMSTRONG

I enclose a copy of a letter which the Prime Minister has received from the Leader of the Opposition about the current spate of newspaper stories about the security service. I am sure that the Prime Minister will want to send an early reply, in particular dealing firmly with the suggestion of a Select Committee of Privy Counsellors to scrutinise the secret Vote. Could you please provide a draft.

I doubt whether the Prime Minister will wish to reply before her Questions and the debate tomorrow, but I expect that she will want to reply shortly after that.

30 July 1984

file

DSG

SIR ROBERT ARMSTRONG

Thank you for your minute of 30 July (A084/2181) about the letter from Sir Anthony Kershaw to the Prime Minister, which I passed to you on 23 July.

I am grateful for this information, but I agree that it is not necessary to show it to the Prime Minister, who expressed no interest in Sir Anthony's original letter.

31 July 1984

HOUSE OF COMMONS
LONDON SW1A 0AA

The Office of the Leader of
the Opposition

30 July 1984

Dear Prime Minister,

I am sure that you will agree that the current controversies resulting from various allegations of breaches - past and present - in Britain's security services must be demoralising to the general public and to the people involved in the security services themselves. In particular, the 'McCarthyite' manner in which some people have been 'named' as probable suspects leads to the assumption that information must still be emanating from the security organisations.

Although there have been a number of stories appearing in the newspapers about your apparent attitude to these events I am sure you will agree that some formal, public statement on your part is now necessary. While I naturally understand the need for the maintenance of maximum secrecy in these matters, it is now becoming clear that the House of Commons must have some way in which it is able to ensure that the Vote for the Security Services is brought under more thorough scrutiny. A select committee of Privy Councillors could be the way of dealing with this.

Parliamentary accountability is now almost non-existent and the result of this can be seen in the growth of unsubstantiated allegation and rumour, which can do the most serious damage to individuals who get caught up in what can only be described as 'vendettas' as well as undermine public confidence in our security organisations. I have to say that the situation has deteriorated so sharply in recent weeks that urgent action is now needed before further damage is done. I am not at this stage releasing this letter to the press since I believe that in the very nature of the matter you should have an opportunity to respond before public consideration is taken that stage further.

Yours sincerely,
Neil Kinnock

Rt Hon Margaret Thatcher MP

TOP SECRET HVCCO

24

Copy No 1 of 3 Copies

Ref. A084/2181

MR BUTLER

With your minute of 23 July you sent me copies of self-explanatory correspondence between the Prime Minister and Sir Anthony Kershaw.

2. You may like to see the attached copy of a Security Service comment on the correspondence. I should not have thought that you need trouble the Prime Minister with this.

RA

ROBERT ARMSTRONG

30 July 1984

TOP SECRET HVCCO

THE NATIONAL ARCHIVES

DEPARTMENT/SERIES Prem 19 PIECE/ITEM 1951 (one piece/item number)	Date and sign
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Ref. A084/2110

MR FLESHER

Following last Monday's World in Action programme about the Hollis case there has been considerable publicity given to the allegations made in that programme by Mr Peter Wright, a former member of the Security Service, concerning the investigations into the possible past penetration of the Security Service. In particular, both the Sunday Times and The Observer carried substantial stories containing various --- allegations about a number of individuals (I attach copies of the articles concerned).

2. If these allegations are raised during Prime Minister's Questions tomorrow, the Prime Minister may wish to draw upon --- the attached material which includes a General Answer covering all the allegations and a number of Supplementary Questions that might arise.

R P HATFIELD

23 July 1984

CONFIDENTIAL

10 DOWNING STREET

THE PRIME MINISTER

23 July 1984

Confidential

Dear Tony

Thank you for your letter of 18 July about Sir Roger Hollis. I am grateful for the information in it and I will of course see that its confidentiality is maintained.

Yours ever

Margaret

Sir Anthony Kershaw, M.C., M.P.

MJ

SIR ROBERT ARMSTRONG

Thank you for your minute of 20 July about the Observer's interest in the Hollis story, which the Prime Minister saw and noted.

FERB

23 July 1984

COVERING CONFIDENTIAL

Lile

SIR ROBERT ARMSTRONG

I attach a copy of self-explanatory correspondence between the Prime Minister and Sir Anthony Kershaw, which I am passing to you for filing with the Hollis papers.

FERB

23 July 1984

COVERING CONFIDENTIAL

10 DOWNING STREET

PRIME MINISTER

If you agree, I will pass a copy of the attached letter from Sir Anthony Kershaw to Sir Robert Armstrong. But I do not think that there is any action which could profitably be taken on it apart from adding it to the Hollis file.

Acknowledgement attached for your signature. F.E.R.B.

20 July 1984

From: SIR ANTHONY KERSHAW, M.C., M.P.

HOUSE OF COMMONS
LONDON SW1A 0AA

Confidential

18th July, 1984.

Dear Prime Minister,

With regard to the case of Roger Hollis, I have in my constituency a gentleman who until fairly recently was second-in-command at G.C.H.Q.

He tells me that some years ago when the Russian defector Petrov joined our side from his post in Australia the information about this was, unusually, largely obtained by intercepts from Cheltenham. After the defection Roger Hollis, who at that time was at MI5, asked my friend whether he would tell him how it had been done. My friend said that as it was on a need to know basis he would not do that. However Roger Hollis then went to the Chief of G.C.H.Q. and insisted with great emphasis that he should be told how it had been done. However, the Chief backed up my friend and Hollis was not told.

My friend said that thereafter he always regarded Roger Hollis as suspect.

Yours ever,

Anthony.

The Rt.Hon. Mrs. Margaret Thatcher, M.P.,
10, Downing Street,
LONDON, S.W. 1.

Copy No 1 of 2 Copies

Prime Minister
Sir Robert Armstrong will give you a line to take at Questions in the light of the programme.
FERB
16.7.

Ref. A084/2033

MR BUTLER

World in Action Programme: Sir Roger Hollis

--- This morning's Times carries a story (copy attached) by Peter Hennessy describing a World in Action programme to be shown tonight which it is said will reopen "the Hollis affair by producing new evidence which suggests that the Russian Intelligence Service had successfully run a mole at the summit of the Security Service into the 1960s.

2. Although the Security Service was aware of the possibility of a future programme about Hollis, we have not been able to obtain a script in advance. From the article it appears that this programme is to be based on allegations by Mr Peter Wright, a former member of the Security Service and of the team that investigated the Hollis case (described incorrectly as having led the inquiry). The allegations described in the Times article are similar to those made in Chapman Pincher's book "Their Trade is Treachery" and Wright was almost certainly the source of much of the material on Hollis in that book. The main claim now attributed to Wright is that the investigations of the alleged penetration of the Security Service by the Russian Intelligence Service "concluded that Sir Roger [Hollis] was the likeliest candidate to be the 'mole' and that the Prime Minister's statement on 26 March 1981, following the publication of the Pincher book, was "couched in equivocal language" and "a masterly piece of Whitehall deception, because ..... three independent inquiries ..... all concluded that there was very serious penetration".

--- 3. The Prime Minister's statement (copy attached for convenience) was far from equivocal. The passage sidelined summarises the investigations - a detailed description was attached to my minute to the Prime Minister of 16 March 1981 (A04473). Nothing has come to our knowledge since the Prime Minister's statement to call in question what was said then and,

from the account given in The Times article, it seems unlikely that the World in Action programme will do so either.

4. The article also says that in the programme Wright claims that the late Sir Dennis Proctor, former Permanent Secretary at the Ministry of Fuel and Power, made a "partial confession" that he had been a communist in the 1930s and had passed Whitehall information to Guy Burgess. The same allegation was made about an unnamed official in Pincher's book but clearly referred to Sir Dennis Proctor. Wright apparently also says that the late Mr Alister Watson, a Senior Principal Scientific Officer (incorrectly described as former Head of the Anti-Submarine Warfare Research), was "an even more dangerous spy than Kim Philby". Watson was also referred to anonymously in the Pincher book as having passed information to the Russians during the Second World War. Similar claims were made subsequently, and both men named in Nigel West's book on MI5, "A Matter of Trust". I attach copies of the notes on the cases of Proctor and Watson.

5. The results of the Security Service investigation into Pincher's sources were described in my minute to Mr Whitmore of 23 July 1981 (A05303). The principal conclusion was that his primary source on the Hollis affair was almost certainly Wright. At the time it was not clear whether the evidence against him would be sufficient to sustain a prosecution under the Official Secrets Act, but Wright was in any case resident in Australia and, as offences under the Official Secrets Act are not extraditable offences, there seemed to be little possibility of the opportunity for prosecution arising. On the basis of The Times report it seems highly likely that Wright has now committed a clear breach of the Official Secrets Act, but he has presumably taken the precaution of remaining beyond our jurisdiction. We are considering whether there is a case for abating or discontinuing his pension.

6. I will submit any further advice that seems necessary in the light of the World in Action programme, which will be recorded and closely studied. Unless the programme contains any

startling new evidence or allegation, which on the basis of The Times report seems unlikely, the line to take seems likely to be that the material is simply a rehash of old allegations, which were fully dealt with in the Prime Minister's statement on 26 March 1981, and that, as was said in that statement, although it was impossible to prove the negative, the review of the investigations carried out by Lord Trend concluded that Sir Roger Hollis had not been an agent of the Russian Intelligence Service.

RA

ROBERT ARMSTRONG

16 July 1984

THE TIMES

Security head 'was a Soviet agent'

By Peter Hennessy

The accuracy of Mrs Thatcher's Commons statement which cleared the late Sir Roger Hollis, former director-general of the security service, of allegations that he had spied for Russia, will be challenged tonight.

The top MI5 officer, who led the Hollis inquiry and spent 15 years investigating high-level Soviet penetration in Britain, claims that "intelligence-wise it was 99 per cent certain that he (Sir Roger) was a spy".

Granada Television *World in Action* has reopened the Hollis affair by producing new evidence which suggests that the Russian intelligence service had successfully run a "mole" at the summit of the security service into the 1960s. It is certain to spark renewed questioning in Parliament and could severely embarrass the Government.

Mr Peter Wright, who retired from MI5 in 1976 allowed himself to be cross examined publicly for the first time about the conclusions of the joint MI5-MI6 "Fluency" working party into KGB penetration of MI5 which sat from 1965 to 1969 under his chairmanship.

He says the Fluency investigation and two additional inquiries concluded that Sir Roger was the likeliest candidate to be the "mole".

In her statement to the Commons in March, 1981, Mrs Thatcher said: "The case for investigating Sir Roger Hollis was based on certain leads that suggested but did not prove that there had been a Russian Intelligence Service agent at a relatively senior level in British counter intelligence in the last years of the war."

Mrs Thatcher's remarks cited a fourth review of the case by Lord Trend, the former Cabinet Secretary, which cleared Sir Roger in the absence of conclusive evidence.

Mr Wright says tonight: "This is a masterly piece of Whitehall deception, because there were three independent inquiries in succession about this subject and all concluded that there was very serious penetration."

The Prime Minister's statement, which was intended to put an end to an investigation which began in the 1940s, was couched in equivocal language, Mr Wright says, because: "She was advised by the security service who were anxious that there should not be a high level independent inquiry into the swervice that might drag skeletons out of the cupboard that they would ot want revealed."

He claims that no prime minister has been told the full extent of MI5's suspicions. "I think they told them anything that might be a scandal or embarrassing and then only at the last minute."

Mr Wright says he has broken silence because "it seems the only way to get the Government to take what I have to say seriously. and to get it past the block created by MI5, is to go public in the hope that parliament and the press will put real pressure on the Government to do something."

He claims in the programme that the late Sir Dennis Proctor, former Permanent-Secretary to the Ministry of Fuel and Power, made a "partial confession" when interviewed in retirement in the south of France, that he had been a Communist in the 1930s, and passed Whitehall information to Guy Burgess, the British diplomat who defected to Moscow in 1951.

Mr Wright says the late Mr Alistair Watson, former head of anti-submarine warfare research at the Admiralty, was an even more dangerous spy than Kim Philby.

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THE NATIONAL ARCHIVES

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public service in connection with work the nature of which was vital to the security of the State. This led to the introduction of what came to be known as the "purge procedure".

In 1952, the positive vetting procedure was instituted, with the object of establishing the integrity of civil servants employed on exceptionally secret work. In 1956, it was publicly declared that character defects, as distinct from Communist or Fascist sympathies or associations, might affect a civil servant's posting or promotion. In 1961, security procedures and practices in the public service were reviewed by an independent committee under the chairmanship of the late Lord Radcliffe.

The committee's report, published in 1962, contained an account of those procedures, and made various recommendations for modifying them, which the Government accepted. These procedures, as modified in 1962, are still in operation.

These arrangements have over the years substantially reduced the vulnerability of the public service to the threat of penetration and have served the interests of national security well. But it is 20 years since they were last subject to independent review. In that time the techniques of penetration and the nature of the risks may have changed. We need to make sure that our protective security procedures have developed to take account of those changes. I have therefore decided, after consultation with the right hon. Gentleman the Leader of the Opposition, to ask the Security Commission:

"To review the security procedures and practices currently followed in the public service and to consider what, if any, changes are required".

These terms of reference will enable the Security Commission to review, and to make recommendations as appropriate, on the arrangements and procedures used in all parts of the public service for the purposes of safeguarding information and activities involving national security against penetration by hostile intelligence services, and of excluding from appointments that give access to highly classified information both those with allegiances that they put above loyalty to their country and those who may for whatever reason be vulnerable to attempts to undermine their loyalty and to extort information by pressure or blackmail.

There are difficult balances to be struck here between the need to protect national security, the nature and cost of the measures required to do so effectively, the need for efficiency and economy in the public service, and the individual rights of members of the public service to personal freedom and privacy. The Security Commission will be able to consider how these balances ought to be struck in the circumstances of the present time, as it conducts its review and prepares its recommendations. It will be my intention to make its findings known to the House in due course, to the extent that it is consistent with national security to do so.

In conclusion, Mr. Speaker, I should like to emphasise once again that this statement arises out of a book that deals with investigations of matters and events that occurred many years ago. My concern is with the present and with the future. That is why I am asking the Security Commission to undertake the review that I have described.

M. Michael Foot (Ebbw Vale): Although it is not always the custom to make statements to the House on such matters, I am sure that the right hon. Lady was right to do so in this instance. The House and the country will be grateful to her for having done so. In different parts of her statement she emphasised the fact that some of the material in the book is unsubstantiated, untrue, inaccurate and distorted. That must be taken into account. Individuals can be grossly misjudged and defamed by such material. People should take account of such matters, whether they are writing about the dead or the living.

Some of the newspaper reports included material that, in the right hon. Lady's words, was "inaccurate or distorted", as if it were proven and unchallengeable. Such reports could also lead to grave injustices. In addition to the extremely important security questions involved, those matters must be taken into account.

When the right hon. Lady put the proposal to me that we should have a commission of investigation, with the suggested terms of reference, I thought that that was the right course for the Government and the House to take. I certainly support it. I should like to call the attention both of the House and of the right hon. Lady to the statement made by my right hon. Friend the Member for Cardiff, South-East (Mr. Callaghan), the previous leader of the Labour Party. When these matters were debated in the House on 21 November 1979 he made a recommendation to the Government concerning the appointment of an inquiry. He did so following the changes in security arrangements that my right hon. Friend the former Home Secretary had made as a result of certain revelations.

My right hon. Friend the Member for Cardiff, South-East proposed that there should be an inquiry. He said:

"We could discuss how it were done, what its terms of reference were and who would conduct it. It would report back on whether any change were needed in relations between Ministers and the heads of the services, or whether Parliament could be involved more, not in the decisions, but in the rules and in the way in which they were applied and observed".—[*Official Report*, 21 November 1979; Vol. 974, c. 511.]

I hope that the right hon. Lady will take into account all my right hon. Friend's recommendations. I agree that the House should be primarily concerned with the present and the future rather than the past. It is right that the House should adopt the recommendation that she has made and I certainly hope that it will be adopted.

The Prime Minister: I am grateful to the right hon. Gentleman for what he said and for the spirit in which he said it. I especially agree with some of his earlier comments. I remember when my predecessor, the former Prime Minister, made some comments in the debate on Blunt. I have now made references to the Security Commission. During that debate I announced certain changes in accountability between the director general of the service and Ministers. It would be best to rest on those new arrangements for the time being.

Sir Harold Wilson (Huyton): Is the right hon. Lady aware—I think that she is—that with her agreement I refreshed my memory about what I was told about Sir Roger Hollis' pre-Civil Service connections at university and elsewhere? There were reasons for anxiety. However, two other persons—either Philby or Blunt, or both—would have been a sufficient cause for anxiety. The right hon. Lady referred to the Trend inquiry, which I set up in 1975. Will she confirm that Lord Trend spent nearly a year on that inquiry and felt that what successive Governments had done had been thoroughly and objectively investigated? There was certainly nothing that could substantiate any accusation of a cover-up. He agreed with the conclusions of those who were satisfied that

[Sir Harold Wilson]

Hollis had not been a spy, although, according to the report, the inquiry's members felt that they would not be able to prove that 100 per cent. Will the right hon. Lady confirm that although Sir Roger Hollis operated during seven premierships—including my own—I was the first to set up an independent inquiry? Indeed, I am very glad that she is setting up this inquiry.

The Prime Minister: The date of the inquiry—I think that it was July 1974—shows that the right hon. Gentleman set up the Trend inquiry. Lord Trend certainly took a full year on it. It was an exhaustive inquiry, in that it examined all the documents and also interviewed people. There is no doubt about its conclusion, as the right hon. Gentleman said. Since the premiership of the right hon. Gentleman, all Prime Ministers and Home Secretaries have been told of the results of that inquiry.

Sir Derek Walker-Smith (Hertfordshire, East): Does my right hon. Friend appreciate that thinking people will give the Prime Minister a warm welcome both for her reference to the Security Commission—under the distinguished and objective chairmanship of Lord Diplock—and for her characteristically full and frank statement? It was at least equal to, and probably superior to, any statement made on security matters within the recollection of the House.

Will my right hon. Friend continue to have regard to the importance of not prejudicing the work of the Security Service? Does she recognise that a Prime Minister of this country is under no duty to canvass on the Floor of the House every allegation or insinuation made by private persons against people—regardless of whether those people are alive or dead, whether the allegations are made orally or in print, and whether or not they are made for gain?

The Prime Minister: I entirely agree with everything that my right hon. and learned Friend said. It would be appalling if we had defamation by allegation in the House. We should be very careful not to do it. I am grateful to my right hon. and learned Friend for pointing out that it is unusual to have a statement in such detail as this on security matters. There is not much that I can usefully add, because, as my right hon. and learned Friend pointed out, in an open society we must have security services and they must necessarily operate partially in secret. We must protect them in doing that.

Mr. Speaker: Order. I propose to call three hon. Members from either side and then to move on to other business.

Mr. A. E. P. Duffy (Sheffield, Attercliffe): Is the Prime Minister aware that the House has heard assurances and denials on national security before, but scandals and rumblings of scandals have endured? The House understands her contention that in any assessment of the integrity of a security officer it is impossible to prove the negative, but is she satisfied that none of the achievements of those years when Philby and Blunt were operating, or when their influence was pessisting—the Portland naval spy ring, Blake, Blunt, Vassall and Philby—were merecover-ups of even greater scandals affecting national security? Will she impress upon the Security Commission the importance, in future and recent recruitment, of selecting a different type of officer, from a different social background—someone who is well aware of the social conditions of the entire country and not one part of it? She may stumble, and the House may stumble, on a more patriotic, dependable and reliable officer.

The Prime Minister: With respect, I do not think that the hon. Gentleman's words do full justice to our security services, in whom I have the greatest confidence. The events referred to in the book published today were events of 20 to 40 years ago, by a group that was recruited just before or during the war. I am concerned now with the future. I am sure that the hon. Gentleman will agree with that. I assure the hon. Gentleman that security services recruit from all social backgrounds. They are anxious to obtain those most suitable and appropriate for the difficult work that they have to do. I hope that the hon. Gentleman will join the rest of us in paying tribute to and recognising the value of that difficult work.

Mr. Julian Amery (Brighton, Pavilion): Does my right hon. friend agree that in the perennial clandestine war there are bound to be casualties on both sides, but that the number of defections to our side has been considerably greater than the other way? Will she take the opportunity to pay tribute to the remarkable successes of our intelligence and counter-intelligence organisations, which, for obvious reasons, cannot be publicised.

The Prime Minister: My right hon. Friend is pointing out that the defections the other way have far exceeded any defections from this country to Soviet Russia and, indeed, have given us a great deal of information. The successes of the security services, even the known ones, have been very considerable. The Lonsdale case, and the cases concerning Houghton and Gee, the Krogers, Vassall and Blake was all successes, and so were the expulsion of over 100 spies from the Soviet embassy in the early 1970s.

Mr. Richard Wainwright (Colne Valley): Does the Prime Minister accept that the review that she has just announced, welcome though it is, is unlikely to provide full reassurance to the public unless it is known that the commission is examining carefully every possibility of making the Security Service more responsible to Ministers? In that connection will she bear in mind that the Security Commission at present contains no one who has ever b een elected to public office? Will she consider the possibility of adding to the commission, for the review, one or more suitable persons who have b een Members of the House?

The Prime Minister: No, Sir. The Security Commission has been set up and has been in existence for some time. During the Blunt debate I announced changes that made the director-general of the Security Service more responsible to Ministers. I think it is best if we let those work for a time.

Mr. Raymond Whitney (Wycome): I add my congatulations to my right hon. Friend on the way that she has responded to this difficult problem. Does she agree that we as a nation should be playing into the hands of our adversaries—who have succeeded on occasions in the past in subverting elements in our security services—if we allowed our natural concern about those successes, generations or decades ago, to damage the present morale or operating efficiency of our services today or in the future?

Security

The Prime Minister (Mrs. Margaret Thatcher): With permission, Mr. Speaker, I will make a statement about the security implications of the book published today that purports to give a detailed account of the investigations into the penetration of the Security Service and other parts of the public service that were undertaken following the defection of Burgess and Maclean in 1951.

The events into which those investigations were inquiring began well over 40 years ago. Many of those named or implicated in this book as having been the subject of investigation have died. Others have long since retired. None of them is still in the public service.

The extent of penetration was thoroughly investigated after the defection of Burgess and Maclean, as, indeed, the author of this book makes clear. The book contains no information of security significance that is new to the security authorities, and some of the material is inaccurate or distorted. All the cases and individuals referred to have been the subject of long and thorough investigation.

The investigations into the possibilities of past penetration have inevitable extended widely. They have covered not only those suspected of being guilty but all those who could conceivably fit the often inconclusive leads available. The fact that somebody has been the subject of investigation does not necessarily, or even generally, mean that he has been positively suspected. Many people have had to be investigated simply in order to eliminate them from the inquiry.

The results of the investigations into Philby and Blunt are now well known. There were good reasons for suspecting a few others, but as it was not possible to secure evidence on which charges could be founded they were required to resign or were moved to work where they had no access to classified information. Many others were eliminated from suspicion.

Apart from the main allegation, to which I will come, I do not propose to comment on the allegations and insinuations in this book. Nor can I say which allegations are unsubstantiated or untrue—as some certainly are—since by doing so I should be implicitly indicating those that were suspected of having a degree of substance.

I must, however, comment upon the grave allegation that constitutes the main theme of the book—that the late Sir Roger Hollis, director general of the Security Service from 1956 to 1965, was an agent of the Russian intelligence service.

The case for investigating Sir Roger Hollis was based on certain leads that suggested, but did not prove, that there had been a Russian intelligence service agent at a relatively senior level in British counter-intelligence in the last years of the war. None of these leads identified Sir Roger Hollis, or pointed specifically or solely in his direction. Each of them could also be taken as pointing to Philby or Blunt. But Sir Roger Hollis was among those that fitted some of them, and he was therefore investigated.

The investigation took place after Sir Roger Hollis's retirement from the Security Service. It did not conclusively prove his innocence. Indeed, it is very often impossible to prove innocence. That is why, in our law, the burden of proof is placed upon those who seek to establish guilt and not on those who defend innocence. But no evidence was found that incriminated him, and the conclusion reached at the end of the investigation was that he had not been an agent of the Russian intelligence service.

This view was challenged, however, by a very few of those concerned, and in July 1974, Lord Trend, the former Secretary of the Cabinet, was asked to review in detail the investigations that had taken place into the case of Sir Roger Hollis and to say whether they had been done in a proper and thorough manner, and whether in his view the conclusions reached were justified. Lord Trend examined the files and records and he discussed the case with many of those concerned, including two people who considered that the investigation should be reopened.

Mr. Pincher's account of Lord Trend's conclusions is wrong. The book asserts that Lord Trend

"concluded that there was a strong prima facie case that MI5 had been deeply penetrated over many years by someone who was not Blunt",

and that he

"named Hollis as the likeliest suspect".

Lord Trend said neither of those things, and nothing resembling them. He reviewed the investigations of the case and found that they had been carried out exhaustively and objectively. He was satisfied that nothing had been covered up. He agreed that none of the relevant leads identified Sir Roger Hollis as an agent of the Russian intelligence service, and that each of them could be explained by reference to Philby or Blunt. Lord Trend did not refer, as the book says he did, to

"the possibility that Hollis might have recruited unidentified Soviet agents into MI5".

Again, he said no such thing.

Lord Trend, with whom I have discussed the matter, agreed with those who, although it was impossible to prove the negative, concluded that Sir Roger Hollis had not been an agent of the Russian intelligence service.

I turn next to the arrangements for guarding against penetration now and in the future.

All Departments and agencies of the Government, especially those concerned with foreign and defence policy and with national security, are targets for penetration by hostile intelligence services. The Secrurity Service, with its responsibilities for countering espionage and subversion, is a particularly attractive target. Recent security successes, such as the expulsion of members of the Russian intelligence service from this country in 1971, would hardly have been achieved if the Security Service had been penetrated.

The Security Service exercises constant vigilance not only against the risk of current penetration but against the possibility of hitherto undetected past penetration, which might have continuing implications. But, however great our confidence in the integrity and dedication of those now serving in the Security Service, we need to make sure that the arrangements for guarding against penetration are as good as they possibly can be, both in this area and throughout the public service.

Existing security procedures were introduced during the years following the Second World War. Burgess, Maclean, Philby and Blunt were all recruited by the Russian intelligence service before the Second World War and came into the public service either before or during the war, well before existing security procedures were introduced.

It was in 1948 that the then Prime Minister announced the Government's intention to bar Communists and Fascists and their associates from employment in the

CONFIDENTIAL

NOTE FOR THE RECORD

MR. NIGEL WEST

Sir Robert Armstrong informed the Prime Minister this morning that, following a discussion with Mr. Cecil Parkinson which the Prime Minister had authorised, Mr. Nigel West had decided not to write his proposed book on MI6.

FERB

4 November 1983

SECRET

FIVE

6 22

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

Thank you for your minute of 28 July (A083/2291) about Mr. Rupert Allason, Alias Nigel West. The Prime Minister has seen and noted this,

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

1 August 1983

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Prime Minister

21

Ref. A083/2273

MR BUTLER

I last reported to you on 20 June (A083/1755) about the book which Mr Rupert Allason (alias Nigel West) is writing on the history of the Secret Intelligence Service from 1909 to 1945.

2. Since then the Secretary of the D Notice Committee has given the publishers of the book (Weidenfeld and Nicolson) a list of the deletions which should be made to the book in order to comply with D Notice No 6. The deletions are extensive, involving not only names but in some cases whole pages. It was recognised that it would be very difficult for the publishers to accept deletions on that scale, but it was thought advantageous, in dealing with this book that relates to matters now at least 40 years old, to indicate clearly the sort of material which was unacceptable, in the hope that some notice would be taken when Mr Allason approaches the writing of the second volume dealing with more recent history.

3. The publishers' representatives expressed their reluctance to publish material which would genuinely be harmful to the national interest, but were reluctant to accept that that argument applied to much of the content of the book, both because the period it covered was remote, and because they believed that much of the information and many of the names to the publication of which we were objecting had already been widely reported elsewhere. They did not offer a final view, but they were clearly opposed to the idea of preparing an alternative version of the book taking account of the objections to it, because of the extent to which the book would be emasculated and because they were already committed to it in its present form.

4. Mr Allason himself has been in the United States, no doubt with a copy of the manuscript for his publisher there. It has therefore not been possible for Mr Parkinson to see him, but Mr Parkinson is hoping to arrange to see him on his return. What he has to say may well give Mr Allason pause to think about his next volume, but I fear that it is unlikely that it will deflect him in relation to the present volume.

SECRET

5. The book has now been advertised in The Bookseller: I attach a copy of the advertisement, which proclaims the book as describing the structure, personnel and operations of the British Secret Service "in breathtaking detail".

6. We shall be reporting in due course the results of the study of United States legislation which makes it an offence to name individuals as being concerned with intelligence organisations, with a view to making recommendations on the possibility of introducing similar legislation in this country.

7.

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Approved by
ROBERT ARMSTRONG
and signed in his absence.

28 July 1983

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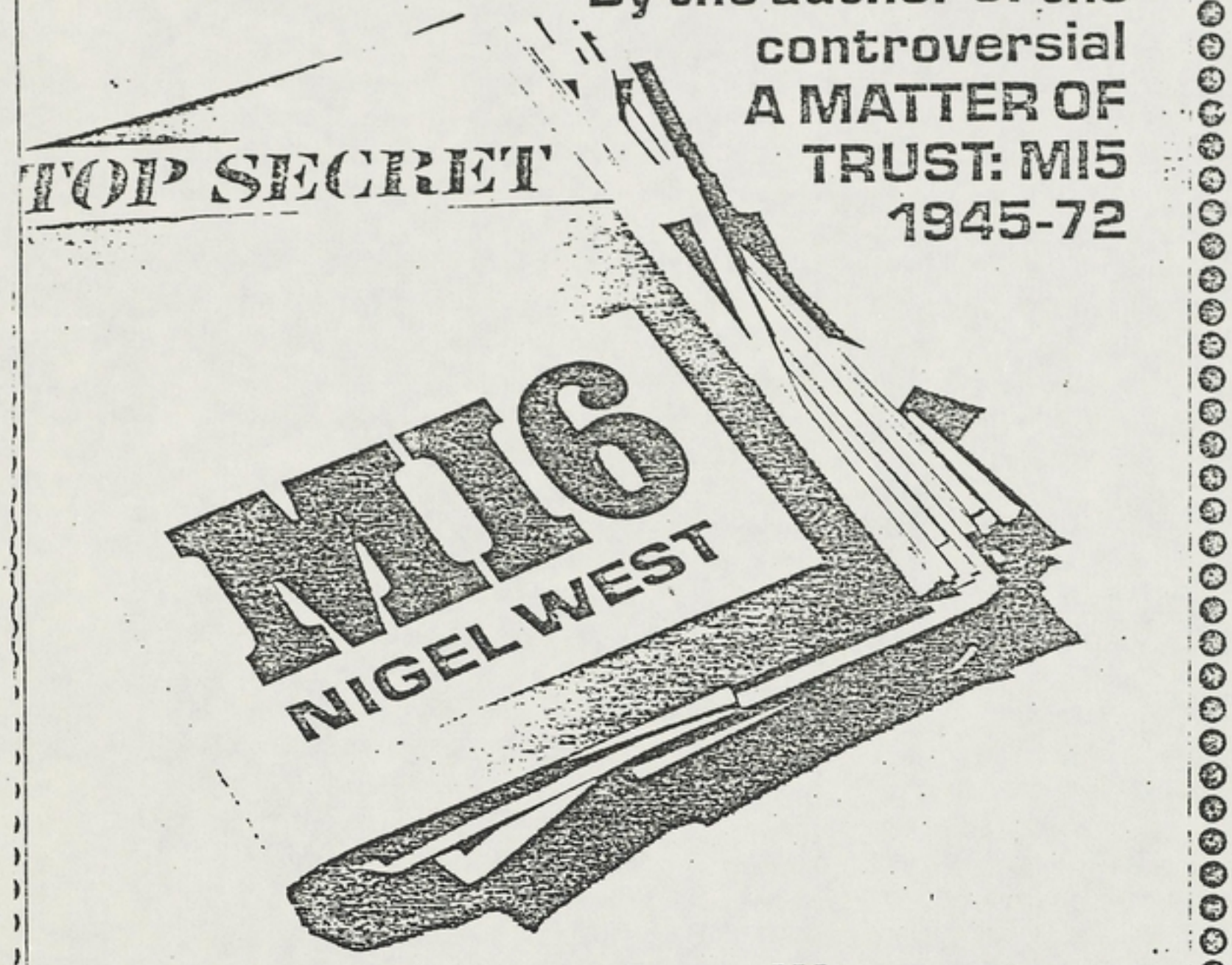
Circulated to:

By the author of the controversial A MATTER OF TRUST: MI5 1945-72



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Ref. A083/2167

MR RICKETT

Mrs Jenifer Hart

In view of the conflicting press reports about what Mrs Jenifer Hart may or may not have admitted, I attach a revised line to take for the Prime Minister should this subject be raised this afternoon at Question Time.

R P HATFIELD

21 July 1983

I have not seen the text of the broadcast interview on which recent press reports appear to be based, but I can say that these reports contain no new information which has implications for national security.

[Since some reports suggest that the lady concerned may be contemplating legal action, I do not propose to add to what I have said.]

SPEAKING NOTE

Mrs Jenifer Hart

The reports which have appeared in the press recently of Mrs Hart's admission to having been a secret member of the Communist Party are consistent with what she said to the Security Service in a number of interviews, and we have no evidence to suggest that she was not telling the truth.

She was not an overt member of the Communist Party, but counted herself a Communist from 1935, having been recruited by Bernard Floud, later a Member of this House. She joined the Home Office as an Assistant Principal, having been guided to the Home Office as a Department where she would have access to information likely to be of value to the Communist Party. She was to be a "sleeper": in other words, she was not to pass information at once, but to develop her career in the expectation of being valuable later. In 1937 and 1938 she had a number of meetings with people she believed to be representatives of the Russian intelligence services, but she has always said that she did not pass any information to her contacts. In March 1939 she became Private Secretary to the Permanent Under Secretary of State at the Home Office, where she had access to a great deal of highly classified information [including Home Office warrants for the interception of communications]. She has said that later that year, in the light particularly of the Nazi-Soviet pact, she became disenchanted with Communism, and her contacts ceased.

Professor Hart, whom Mrs Hart married in 1941, was a member of the Security Service during the war. Mrs Hart was never a member of the Security Service.

As I say, there is no evidence which would suggest that Mrs Hart is not telling the truth about her contacts with foreign intelligence services.

SECRET Covering

TOP SECRET

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Prime Minister

To remind you. I think you know this story and need not read it in detail.

FERB
19.7.

Ref. A083/2127

MR BUTLER

MI

Mrs Jenifer Hart

The Sunday Times of 17 July and the Daily Telegraph and a number of other newspapers of 18 and 19 July contained articles (copies attached) reporting that Mrs Jenifer Hart (nee Fischer-Williams), the wife of Professor Herbert Hart, had admitted being recruited as a Soviet spy before going to work in the Home Office in the late 1930s.

2. This is not a new story. In his book "Their Trade is Treachery", published in March 1981, Chapman Pincher described a woman who was allegedly recruited "to the Soviet cause" by Bernard Floud, joined the Home Office and was subsequently interrogated by MI5. This was a reference to Mrs Hart, to which I drew attention in my minute of 16 March 1981 to the Prime Minister (reference A04473).

3. On 3 November 1981 there was an article in the Observer by Andrew Wilson entitled "Acts of the Apostles" (copy attached). This article made no reference to Pincher's book, but stated that when Floud was interrogated in 1967 he had claimed that he had approached Jenifer Fischer-Williams (as she then was) to "join the Soviet spy network". In fact, Floud made no such claim, and Mrs Hart's involvement had first come to notice five years before, in 1962. The article went on to describe Mrs Hart's work in the Home Office and her subsequent interview with MI5. Wilson reported that when he telephoned Mrs Hart she told him, after 24 hours reflection, that she was not prepared to say anything. Wilson concluded "I have no evidence to suggest that she was anything other than the innocent victim of circumstance".

4. In Nigel West's book "A Matter of Trust" published in December 1982 there was a reference (on page 168) to Mrs Hart as "another of those associated with Floud". He mentioned her work in the Home Office, strong left-wing sympathies and her interview by MI5. Floud was named as a Soviet agent, but Mrs Hart was not.

--- 5. I attach a separate background note on Mrs Hart. I also
--- attach a speaking note, in case Mr Leadbitter (or another MP) asks the Prime Minister to comment.

RTA

ROBERT ARMSTRONG

19 July 1983

SPEAKING NOTE

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Part 2 of 2

Michael Ward

pen-air communion in Oxford yesterday

rongs, says Canterbury

ion that this happiness could be a ty for the whole world.
iblical Christianity, he said, claimed that nd women do not grow to their full until they surrender their own rights in ice of the love of God and neighbour"; t "joy and fullness of life is the gift of ich comes to some of those, like the poor t mentioned in St. Matthew's gospel, modern man would count most le."
s contrast, said the archbishop, there was nge to all Christians to take up the Movement's example of "a great ary effort to our country and culture".
ocession of priests in matching white s moved out from the polychromatic n gothic of Keble College to take part in ce. The Oxford Movement prepared the a revived affection, in parts of the of England, for ritual and gothic ure. Its admirers then and now have en interested in reunion with Roman ism. The movement came effectively to in 1845 when one of its leaders, John ewman, went over to Rome.

I was Russian spy, says MI5 man's wife

by Simon Freeman and Barrie Penrose

A RETIRED Oxford don, the wife of one of Britain's most distinguished professors of law, has reopened the controversy about Soviet penetration of the British security services and political establishment. Mrs Jenifer Hart, married to Professor Herbert Hart, a former principal of Brasenose College, Oxford, says that she was recruited to spy for the Soviet cause shortly before joining the Home Office in the late 1930s.

Mrs Hart, a former history don at St Anne's College, Oxford, says that she has told her story for the first time in an effort to quell suspicions that she had passed secret information to Soviet agents while working in Whitehall. But her statement leaves unanswered the question of whether Herbert Hart, a senior MI5 officer during the war, whom she married in 1941, knew of her activities.

Mrs Hart will not say whether she ever told her husband about her communist beliefs and her role as a "sleeper" in the Home Office – the term used in espionage circles to describe an agent who only begins spying after establishing an impeccable reputation.

Mrs Hart has even admitted that she recommended one young man to MI5. "I saw a lot of the MI5 people and got on very well with them," she says. "I think they trusted me implicity. One day, the head or the deputy head of MI5 said – I think this was in May 1940 – that they were desperately short of people and did I know any bright young men? I recommended someone who got in at once. They were very pleased with him. I could have easily recommended someone who either was or had been a communist."

Mrs Hart told the Sunday Times yesterday that her communist controllers had wanted her to wait before leaking material. "You don't rush into the Civil Service and start giving secrets away," she says. "It's commonsense." Mrs Hart has told her story in detail on BBC2's programme Timewatch, due to be screened on July 27.

Jenifer Hart as a young wife and, below, as she appears in the TV programme

The cast of characters in Mrs Hart's bizarre story reads like a Who's Who of top British spies. For example, her husband, Herbert worked alongside Anthony Blunt in MI5. At one stage Mrs Hart had the same Soviet controller as Burgess and Maclean – like Blunt, members of the Cambridge spy ring.

Like many Communist sympathisers in the 1930s Mrs Hart was intellectual and middle class, her father was the distinguished international lawyer Sir John Fischer Williams.

Jenifer Hart was first recruited as a spy by Bernard Floud, later a Labour MP, who committed suicide in 1967 after being interrogated by MI5 about his KGB connections. Floud had just been offered a junior ministership by the then Prime Minister, Harold Wilson.

Mrs Hart supported the communists in the 1930s because she was "desperately worried", like many people about the rise of fascism and unemployment in Britain. "I was called a secret member so I never saw a party card and was told not to associate with members of the Communist Party."

Having taken the Civil Service entrance examination Mrs Hart was encouraged by her communist controllers to work at a major office of state. She says: "They said that I ought to go into something where I would be useful to them." The Civil Service Commission was also keen to use the high flying Jenifer in a key role.

She ended up in the department dealing with telephone tapping and mail intercepts – work which involved her with MI5's surveillance of political extremists, including communists. Mrs Hart says she had several controllers, including one man, a central European, whom she found "creepy" and who enjoyed taking her for long walks on Hampstead Heath.

None of this, says Mrs Hart was glamorous or enjoyable. Her motives, even now, seem confused. And although she admits to her recruitment as a mole she insists, paradoxically, that she never really intended to become a spy. "It was all very vague and not as tight as people might imagine," she says. "But I agree that most British communists then didn't disapprove of leaking material."

Mrs Hart was eventually interrogated by MI5 in 1967 – the year that Floud committed suicide and began to discover the full extent of the Soviet penetration that began in the 1930s.

DAILY TELEGRAPH

18 JUL 1983

cutting dated 19

RC

SEE DUPE PU5

MI5 wife denies passing secrets to Russia

By ALAN COPPS

MRS JENIFER HART, the wife of a former MI5 officer, who has admitted being recruited as a Soviet spy before going to work in the Home Office in the late 1930s, claims she never passed on secret information.

A former history don at St Anne's College, Oxford, Mrs Hart's part in the Soviet penetration of the British establishment has not been revealed until now.

She says she has made a statement to quell suspicions that she gave away secrets.

She admits that at the Home Office she had access to confidential documents about the British Communist party, but says she was never required to pass on the information.

Mrs Hart, now retired, has been married since 1941 to Prof. Herbert Hart, a former principal of Brasenose College, Oxford, and an internationally-respected authority on law.

During the 1939-45 War he was a senior MI5 officer and worked alongside Anthony Blunt, the Soviet agent who became Surveyor of the Queen's Pictures, and who was stripped of his Knighthood in 1979.

Mrs Hart's confession is likely to renew the controversy over Soviet pentration of Oxford and Cambridge in the 1930s.

Her story will be broadcast in the BBC 2 programme "Timewatch" on Wednesday week. It does not make clear, however, whether her husband knew of her activities.

Rise of Fascism

At their home in Oxford yesterday, Prof Hart said: "As a matter of principle I don't speak to anyone from the Press." His wife was not at home, he said.

In the programme Mrs Hart, whose father, Sir John Fischer Williams, was also a distinguished international lawyer, says she was recruited as a secret member of the Communist party in the 1930s, when like many others she was "desperately concerned" about the rise of Fascism.

She was not given a party card and was told not to associate with other members. She was chosen as a "sleeper" — an agent who is trained to begin

Telephone tapping

At the Home Office she was assigned to a department dealing with telephone tapping and intercepted mail and met a lot of MI5 people involved in surveillance of political extremists including Communists.

Mrs Hart at one time had the same Soviet controller as Guy Burgess and Donald MacLean, the two diplomat members of Blunt's Cambridge spy ring who later defected to Moscow.

She claims she was recruited by Bernard Floud, who later became a Labour MP. He committed suicide in 1967 after being interrogated by MI5. It was then that Mrs Hart was eventually interrogated.

She says she broke off contact with her controls after becoming disillusioned with the Soviet Union because of the Stalinist show trials and the Nazi-Soviet pact.

R.C.

THE TIMES

Cutting dated 18 JUL 1983 19

SEC DEPT
PUS

New spy questions for Thatcher

Mr Ted Leadbitter, Labour MP for Hartlepools, whose House of Commons question led to the exposure of Anthony Blunt, is planning more spy questions for the Prime Minister. He is convinced there are still Soviet "moles" active in the British Secret Service.

He is demanding more information about a former Oxford don who worked in intelligence during the Second World War and now admits to being a Russian spy.

He also says he has copies of "secret Cabinet documents" which were leaked to Germany and Japan in 1940.

Mr Leadbitter's moves follow an admission by Mrs Jenifer Hart, a former history don at St Anne's College, Oxford, that she was recruited by the Russians before joining the Home Office in the later 1930s.

Mrs Hart, whose husband, Professor Herbert Hart, worked with Mr Blunt in MI5, says she passed no secrets to the Russians because "I was not required to".

She tells of her life as a Soviet spy in *Timewatch*, a BBC television programme, to be shown on July 27. In a statement released by the BBC she says: "Although, after a time, I did see very secret things about the British Communist Party, I was never tempted to give anything away and I did not ever give anything away because I was not requ..red to."

Mrs Hart worked in the Home Office department handling tapping telephones and intercepting mail. At one point she had the same Soviet controller as the spies Guy Burgess and Donald Maclean.

Mr Leadbitter is not satisfied with Mrs Hart's statement and is pressing for a Government statement about her activities

DR

USSR ☆

SEC. D

P. Blunt

DAILY MAIL
18 JUL 1983
Cutting dated ....., 19

MP TO QUIZ MAGGIE ON NEW SPY REVELATIONS.

By STEWART PAYNE

THE MP who exposed traitor Anthony Blunt is to raise the issue of Soviet 'sleeper' Jenifer Hart in the Commons.

Mrs Hart, a retired Oxford history don whose husband worked with Blunt in MI5, has confessed that she was recruited to spy for Russia in the late 1930s.

She worked for a time in the Home Office department dealing with tapping telephones and intercepting mail and, at one point, had the same Soviet controller as spies Guy Burgess and Donald Maclean.

But she said she passed on no secrets because she was a 'sleeper' whom the Soviets wanted to reach high office before sending on information.

Last night Mr Ted Leadbitter, Labour MP for Hartlepool, said he was not satisfied with Mrs Hart's explanation, released by the BBC who are documenting her activities in a forthcoming edition of the Timewatch programme.

He said: 'I want to know for sure — would she have divulged information if asked and had she been doing it even though not asked? We have to be clear about the words she is using.' He said he would be tabling questions 'in the near future' as well as writing to the Prime Minister.

'Desperate'

He also plans to ask about claims that highly secret wartime Cabinet papers dealing with Britain's Naval tactics were leaked to the enemy in 1940.

He said that he was sent a copy of the documents a week ago by an informant who claimed that they had been leaked to Germany and Japan..

He added that his source was 'desperate that action should be taken.' The informant had brought the matter to the attention of Mrs Thatcher 'but had received no satisfaction.'

Mr Leadbitter said he could nit link the two matters. 'I am still checking on the authenticity of the information I have been given', he said.

MORNING STAR

18 JUL 1983

cutting dated 19

USSR
Sec. D
P. Unit

Whitehall 'knew secret facts about Communists'

RECRUITED to spy for the Soviet Union before the last war, former Home Office civil servant Jenifer Hart yesterday said that in Whitehall she had been privy to "very secret things about the British Communist Party."

Her statement, issued in a BBC briefing notice about a forthcoming televised interview with her, was immediately used by right-wing Labour MP Ted Leadbitter as an excuse for a further bout of Soviet spy mania.

Ever since his questions to Mrs. Thatcher led to the uproar over Anthony Blunt, the Hartlepool MP has been keen to get his teeth in again.

He would be putting down questions in the Commons this week, he said last night. He was convinced there were still moles in Whitehall.

"A source who is desperate that action should be taken" had given him secret Cabinet documents on naval deployment which had been leaked to "the enemy" and he wanted to know what was up.

Ms. Hart, a former history don at St. Anne's College in Oxford, says that she was recruited as a Soviet agent before starting to work at the Home Office in the late "30s. Her husband worked in MI5.

She worked in the department dealing with phone tapping and the interception of mail. "After a time I did see very secret things about the British Communist Party" but "I was never tempted to give anything away."

DAILY MIRROR

Cutting dated 18 JUL 1983, 19

New spy quiz for Maggie

PREMIER Margaret Thatcher is to be pressed to give full details about Russian spies in Britain's secret service.

Labour MP Ted Leadbitter, whose Commons questions led to the exposure of Buckingham Palace adviser Anthony Blunt, is convinced there are still Soviet moles active in MI5.

He says he wants a fresh Government statement about spying activities.

His move follows a confession by former Oxford history don and Home Office worker Jennifer Hart that she was recruited by the Russians in the late 1930s.

Mrs Hart, whose professor husband Albert worked with Blunt in MI5, reveals her spying role in a BBC-TV programme, Timewatch, to be shown on July 27.

THE SUN

Cutting dated 18 JUL 1983, 19

DR

USSR
SEC D
P. Unit

NEW SPY SHOCKS TO COME, SAYS MP

By RICHARD ELLIS

BRITAIN could soon be rocked by a new series of spy scandals, an MP warned last night.

Labour's Ted Leadbitter hit out after yet another Russian mole was unearthed. He said: "There are more skeletons left — and some still in high places. There has been a cover-up."

The MP claimed to have copies of secret documents which could expose another Red spy.

Mr Leadbitter's warning came after Jenifer Hart, the wife of a former top MI5 officer, confessed to being a Soviet agent in the Thirties.

Hart worked in a sensitive post at the Home Office during the war . . . but she denies passing secrets to the Russians.

The former Oxford don says she was a "sleeper" recruited to feed information to her Soviet spymasters when she reached a high position of trust.

Clear

But she claims she broke off the deal with her Kremlin bosses after becoming disillusioned with Russia.

In an interview to be screened by BBC 2's Timewatch programme on July 27, Hart says: "Although I did see various secret things I was never tempted to give anything away."

Hart, wife of senior MI5 officer Herbert Hart, was recruited by the Soviets while studying at University in the same era as spies Kim Philby Guy Burgess.

Extract from The Observer Dated 3 November 1981

During an interrogation by MI5, after which (for unconnected reasons) he committed suicide, Floud named another person whom, he claimed, he had himself approached to join the Soviet spy network—a young Communist sympathiser called Jenifer Fischer Williams. This was shortly before she obtained an appointment in the Home Office, where she worked in the department dealing with MI5 requests to the Home Secretary for permission to tap telephones and intercept mail.

As a result of this allegation, Miss Fischer Williams (now Mrs Herbert Hart, wife of the former Principal of Brasenose College, Oxford) was interviewed by MI5. She told her questioners that by the time she entered the Home Office department dealing with 'tapping' requests she had become totally disillusioned with the Soviet Union, and all its doings, and that she had committed no offence.

When I telephoned Mrs Hart in Oxford last week she told me, after 24 hours' reflection, that she was unable to help me with my inquiries into the matter. I have no evidence to suggest that she was anything other than the innocent victim of circumstance.

She did, however, furnish the MI5 interrogators with information about the friendship between Proctor and Burgess which eventually led to Proctor's being interviewed by the Service.

EXTRACT from: "A MATTER OF TRUST : MI5 1945-1972

by Nigel WEST published in December 1982

Another of those associated with Floud was Jenifer Hart, wife of Herbert Hart, the Professor of Jurisprudence at Oxford, and himself a wartime MI5 officer. Mrs Hart was one of the five daughters of a prominent international lawyer, Sir John Fischer Williams, and had worked in the Home Office. She in turn had come to MI5's attention after being denounced by Mrs Flora Solomon, the Marks & Spencer executive who had offered proof of Philby's duplicity in 1962.

Mrs Hart had never made any secret of her strong leftist sympathies and, when interviewed by MI5, denied ever having committed an offence. She did, however, confirm that she had been a member of a Fabian-style discussion group of civil servants. One of their number was Sir Dennis Proctor, the recently retired Permanent Secretary at the Ministry of Power.

Furnival Jones had authorized an interview with Sir Dennis at his home in the South of France, but the results had been inconclusive. He admitted having been a member of The Apostles, the intellectual group of the Cambridge Left (which, incidentally, numbered Blunt, Burgess and Long amongst its members), while he was up at King's, and also agreed that he might have inadvertently provided Burgess with useful information, but he too categorically denied having committed an offence.

The dilemma facing the Director-General in 1967 was complex. Neither Mrs Hart nor Sir Dennis constituted a threat to security,

THE NATIONAL ARCHIVES

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10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

The Prime Minister has seen your minute of 20 June (AO83/1755) about the book which Mr. Rupert Allason is writing on the work of the Secret Intelligence Service.

The Prime Minister has agreed that you should discuss with Mr. Cecil Parkinson whether an approach might be made by him to deter Mr. Allason from persevering with this book.

The Prime Minister also agreed that you should put in hand as a matter of urgency a study of the United States legislation which makes it an offence to name individuals as being concerned with intelligence organisations, with a view to seeing whether we could not introduce similar legislation in this country.

In addition, she has asked whether it can be discovered who is giving information to Mr. Allason and whether sanctions can be applied to prevent them from doing so.

22 June 1983

S E C R E T

1) Who is talking and what are the sanctions? No

SECRET

Prime Minister

18

Agree that Mr. Parkinson should speak to Mr. Allason? and that Sir Robert Armstrong should put in hand a study of possible legislation to deter this sort of publication? PERS 21.6.

Ref. A083/1755

MR BUTLER

Urgently

You will remember that Mr Rupert Allason, under his pen name Nigel West, wrote two books on the Security Service, as a result of which he has become a "recognised expert" on the subject.

2. Mr West is now writing a book on the work of the Secret Intelligence Service. He has submitted the first part of the book, covering the period 1909-40, to the Secretary of the D Notice Committee.

3. —

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

4. But I fear that this may not be sufficient to deter Mr West or his publishers. We have been advised that it would be fruitless to contemplate legal action under the law as it now stands. The question is whether there is any other kind of action open to us to discourage Mr West.

5. As the Prime Minister will know, Mr West has political ambitions to be a Conservative Member of Parliament, and was a candidate in the recent General Election. He presumably has not abandoned these ambitions. This leads me to wonder whether an approach made to him through political channels, asking him to abandon his plans to publish books on the SIS, might have some effect upon him. Such an approach could be made by the Prime Minister herself, as Leader of

the Conservative Party; but perhaps that is flying too high, particularly given the risk that Mr West will defy the approach. If the Prime Minister preferred, I should be very happy to discuss with Mr Cecil Parkinson, as Chairman of the Conservative Party, whether an approach might be made by him.

6. This new book, together with the Bloch book, raises the question whether we ought to consider the possibility of fresh legislation to deter publications of this kind. I understand that the United States Government has recently passed legislation making it an offence to name individuals as being concerned with intelligence organisations. I should like to put in hand as a matter of urgency a study of this legislation, with a view to seeing whether we could and should introduce similar legislation in this country.

RA

ROBERT ARMSTRONG

20 June 1983

SECRET

17 Security

ATTORNEY GENERAL

J. Nursaw

LEGAL SECRETARY.

LAW OFFICERS' DEPARTMENT
ROYAL COURTS OF JUSTICE
LONDON, WC2A 2LL

21 January 1983

F E R Butler Esq
Prime Minister's Office
10 Downing Street
LONDON S W 1

FERB

Dear Robin,

I refer to your letter of 21 December to John Halliday. I have had a number of enquiries from the Duty Clerk asking for a response to that part of your letter which records that the Prime Minister asked the Attorney to consider arguments which she might use in the House of Commons on the question of a Select Committee on Security. I have explained that the Attorney has spoken to the Prime Minister about this and is under the impression that no further action by him is necessary. He first discussed the problem with the Security Service and I have a note of the conclusions which were then reached. If you wish to have something further in writing, I will arrange this but I wonder if the lead ought not to come from the Home Office.

Yours sincerely,

John Nursaw

SECRET

Security : Secret Services Pt 2.

24 JAN 1983

SECRET 16

2 Cab AH

Security Cab 2 Pt 2.

ccs HO-S/S
HO-PUS
CO
DG/SS

10 DOWNING STREET

From the Principal Private Secretary

18 January 1983

Dear Jim,

The Prime Minister has seen and noted your letter of 14 January conveying the Attorney General's decisions about prosecution of Mr Martin and Mr West in respect of Mr West's book on the Security Service and action against those who have given information to Mr West for his forthcoming book on the Secret Intelligence Service and the Special Branch.

I am copying this letter to the recipients of yours.

Yours sincerely,

Robin Butler

J Nursaw Esq CB
Law Officers' Department

SECRET

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

The Prime Minister has seen and noted your minute of 17 January to me (A083/0151) about the book "After Long Silence" written by Mr Michael Whitney Straight.

F.E.R.B.

18 January 1983

SECRET

Prime Minister

For information.

FCRB

17.1.

Ref. AO83/0151

MR BUTLER

The Prime Minister will probably remember that the lead which led to Anthony Blunt's confession in 1964 was a statement by an American, Mr Michael Whitney Straight, towards the end of 1963 that he had been recruited by Mr Blunt as an agent of the KGB when he was at Cambridge before the war. In his book "Their Trade Is Treachery" published in 1981, Chapman Pincher stated that it was information given by an American which led to Blunt's confession. The description of the American made him readily identifiable as Mr Straight, and Mr Straight subsequently admitted publicly that the reference was to him.

2. Mr Straight has now written an autobiography called "After Long Silence" which will be serialised in the Observer and will subsequently be published both here and in the United States. Mr Straight says that he has written his book "to explain myself to my children and grandchildren". The Security Service have seen the manuscript. The book is well written and is a unique account of an American's experience of the Cambridge of Blunt and Burgess, who are extensively mentioned in it. It also deals with Mr Straight's later involvement with politics and journalism in the United States.

3. The book contains no information which is not already known to the Security Service or which might be regarded as particularly damaging to the interests of the Security Service.

ROBERT ARMSTRONG

17th January 1983

SECRET

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ATTORNEY GENERAL

MH
7.1.

PRESSURE FOR PARLIAMENTARY CONTROL OF THE SECURITY SERVICES

You discussed this morning with the Director General of the Security Service and BS how the Government might respond to Parliamentary pressure for some control over the Security Services to be given to, say, a specially constituted Select Committee. This note records the conclusions which were reached but does not attempt to set out the detailed argument.

The majority of MPs would no doubt agree that if the existing arrangements have to be changed oversight of the Security Services must be given to persons who can be trusted and that a specially chosen Select Committee would be necessary. However, some MPs would not find that a satisfactory solution and would argue that there should be full Parliamentary control. The argument against that is partly the impossibility of keeping any secrets when they have to be shared with so many people and partly that there may well be MPs who cannot be trusted with secrets of this kind. Recent elections in Northern Ireland have shown that there is a risk that Members could be returned to Parliament whose loyalties might lie with subversive groups in whose activities the Security Services were interested. If the House as a whole cannot act as watchdog, the question is whether a Select Committee could be appointed so to act.

There is no positive vetting of MPs and for many reasons it would not be right to introduce it. All that we have at present is a system under which Prime Ministers are informed of matters which might affect their decision about the appointment of particular Members to ministerial office. That system only works because there is an individual to receive the information in the strictest confidence, to form a judgment of its relevance and to act upon it. If the

/membership

membership of a Select Committee is to be under the control of the House, it would be impossible to operate any form of warning because each Member of the House would have to be supplied with the information about his colleagues. The conclusion is, therefore, that there could be no way of ensuring that the membership of a Select Committee did not include persons about whose suitability there would be real cause for doubt. A Select Committee nominated by the Prime Minister and the Leader of the Opposition is a theoretical possibility because those two persons could be briefed in confidence but such a Select Committee would not have the confidence of those who criticise the existing system. If they are not satisfied with the control exercised by democratically elected Members who have been appointed to ministerial office, they are hardly likely to regard as satisfactory an arrangement under which a supervisory role was conferred on a number of other Members selected by establishment figures.

Whatever the system, it would be vital that secret information went no further than the members of the Select Committee. This would mean that other Members would have to take on trust the decisions of the Select Committee because they would not know the evidence which the Committee had seen. It would also pose very real difficulties because members of the Select Committee would not be able to have copies of documents, nor would their secretaries or research assistants be able to assist them in this work.

The point was made that the American system was devised to meet a very different constitutional arrangement under which those exercising ministerial control were not members of the elected legislature. Apparently there had been considerable difficulties in ensuring that documents provided to the Security Commission were seen only by members of the Commission and not by their staffs.

J NURSAW

6 January 1983

THE NATIONAL ARCHIVES

DEPARTMENT/SERIES Crem 19 PIECE/ITEM 1951 (one piece/item number)	Date and sign
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SECURITY. 13

2.6 AA

10 DOWNING STREET

From the Principal Private Secretary

SECRET AND PERSONAL

SIR ROBERT ARMSTRONG

FURTHER PUBLICITY
ABOUT THE SECURITY SERVICE

Thank you for your minute of 23 November (A082/0235), which I have shown to the Prime Minister. She has noted its contents.

F.E.R.B.

24 November 1982

2

Prime Minister

Ref: A082/0235

SECRET AND PERSONAL

MR. BUTLER

Further Publicity about the Security Service

Thank you for your minute of 19th November. WITH FEAR ?

2. I am afraid that it arrived with me too late for there to be any chance of effecting the exchange of letters between the Treasury Solicitor and Mr. West's solicitors. This was in any case a highly technical exchange, in which the sort of expression of view suggested would have been a little out of place. That does not, of course, prevent the Prime Minister expressing the view if and when she is invited to comment on the book, or on the articles in the Sunday Times to which the book is giving rise.

3. I reported by telephone to the Prime Minister on 20th November that there had been a number of developments during the course of 19th November. Mr. Barry Penrose of the Sunday Times had that morning approached Mr. Graham Mitchell, the former Deputy Director General of the Security Service who retired in 1963 and was the subject of an in-house investigation. Mr.Penrose showed Mr. Mitchell a number of extracts from Mr. West's book; and it was clear from Mr.Mitchell's subsequent reports to the Security Service that Mr.Penrose had a copy of an unexpurgated typescript of the book. The Court Order on the basis of which the injunction was renewed required Mr.West not only not to publish or cause to be published the original manuscript but also to use his best endeavours to ensure that it was not otherwise published. His solicitors were therefore immediately contacted, and it was made clear to them that Mr. Penrose's possession of an unexpurgated version of the manuscript was regarded as a serious breach of the Court Order (which could lead to proceedings for contempt of court). The Editor of the Sunday Times was also approached. He was at first inclined to resist representations that he should not publish material which Mr. West had agreed to exclude from the book; but, once it was made clear to him that the Treasury Solicitor was

prepared to go to the court for an injunction on the Sunday Times before publication of the issue of 20th November, the Editor undertook not in that issue,or subsequently, to publish any of the excluded material.

RCA

Robert Armstrong

23rd November 1982

10 DOWNING STREET

From the Principal Private Secretary

SECRET AND PERSONAL

SIR ROBERT ARMSTRONG

FURTHER PUBLICITY ABOUT
THE SECURITY SERVICE

The Prime Minister has seen your secret and personal minute of 18 November (A082/0167). She has noted the contents of your minute and has commented that she would want to make clear when the book is published that its publication will be damaging to the Security Service. She would like also to make this point in the exchange of letters which concludes the agreement.

F.E.R.B.

19 November 1982

SECRET AND PERSONAL

10

In the letter - I hope we can make clear that publication of the book will be damaging. FER

Prime Minister

It appears that the Treasury Solicitor has made the best of a bad job.

F.E.R.B.

18.11.

Ref. A082/0167

PRIME MINISTER

Further Publicity about the Security Service

I sent you a minute (reference A09682) on 8 October about a proposed new book by Nigel West (otherwise Rupert Allason) on MI5 between 1945 and 1972. That minute proposed that we should seek an immediate injunction and subsequently seek to negotiate with Mr West for the removal from the manuscript of as much of the damaging material as possible. Mr Butler's minute of 11 October gave your agreement (subject to confirmation, subsequently obtained, that the Home Secretary and the Attorney General were content) to this course of action. This minute reports the outcome of the negotiations that have ensued.

2. Despite his initial public statements when the injunction was granted, Mr West has in fact proved to be reasonably co-operative. No doubt his and his publishers' desire to publish in time for the Christmas market and the delay and cost of further legal proceedings - quite apart from uncertainty over their outcome - have been a factor. The surviving text will still be an unwelcome and damaging publication, not least because it will be clear that it could not have been written without help and information from former members of the Security Service. But the amendments which West has accepted - subject to one or two final points which should be resolved within a few days - do remove the most damaging material, including virtually all that which has not previously become public in some form. In particular, the names of those not previously identified as members of the Security Service would be deleted. The Treasury Solicitor and the Legal Adviser to the Security Service consider that the changes agreed are the best that we are likely to achieve.

3. Once an agreement is reached with Mr West, it will be embodied in a court order which would refer to a text showing agreed amendments and deletions which would, for obvious reasons, not be published. The injunction would then be withdrawn, on terms, and any subsequent breach of the court order would be punishable as contempt of court.

4. What remains, although it contains little that is entirely new, will still be damaging, particularly as publication will be in the aftermath of the Prime case. Mr West has adopted the technique of the investigative journalist: he has gathered together material previously published in a variety of different ways and at various times over many years, has made good gaps in the published material with his own conjectures (some of them confirmed by incautious comments from former members of the Service whom he has approached), and has assembled the result in a manner that produces the impression of an authoritative and comprehensive history of the Security Service, with the damaging implication that much of the information comes - as, in fact, it does - from "inside" sources. Nevertheless, because Mr West can point to other published references for so much of his material, it is most unlikely that we could achieve anything further by pursuing civil proceedings under an injunction for breach of confidence. I should also add that there remain several remarks about the personal lives of individuals, for example Sir Roger Hollis, which are likely to give offence to relatives and friends and could add to the controversy.

5. In deciding upon the course for which I sought your approval last month, we decided in effect to make the best of a bad job: to accept that there was very little prospect of preventing publication altogether, and to try to get as much as possible of the most damaging material removed. The Treasury Solicitor has had greater success in this than many of us had expected; in particular, Mr West has accepted that the agreement reached should also cover the text to be published in the United States. On balance, I consider that, provided that the outcome of the final points under negotiation is satisfactory, an agreement with Mr West will represent the least damaging course of action open to us.

6. We shall need to consider what we say when the book is published. Mr West will no doubt seek to portray an agreement as implied authorisation by the authorities when the book appears. Although an exchange of letters would be necessary to conclude the agreement, this would have to be kept as short and as formal as

possible in order to preserve our freedom to comment on the book when it appeared. I think that you would have to say that the withdrawal of the injunction and the agreement on which that was based in no way implied authority or approval for issue of the book as published, that the injunction had been concerned only with issues of breach of confidence, and that its withdrawal carried no implication that the Government regarded the book itself as accurate or its publication as being consistent with the national interest.

7. One of the most worrrying aspects of this case, especially as Mr West has other similar books in view on the SIS and on the Metropolitan Police Special Branch, has been the willingness of a few ex-members of the Security Service, for whatever motive, to talk to Mr West and the way in which he has used this as a key to obtaining confirmation or further information from others. The Security Service are planning to write to former senior members of their Service to warn them of Mr West's investigative techniques and to re-emphasise the dangers - and possible legal consequences - of saying anything at all in response to an approach. I shall suggest that similar action should be taken in the other services concerned.

8. I understand that the Attorney General has considered the possibility of an exemplary prosecution. If Mr West amends the book as we required, it would clearly not be possible to proceed against him. The Attorney General has further concluded that it would not be in the public interest to prosecute Mr Martin (who was the source of much of Mr West's more damaging information) because he drew the attention of the Security Service to the fact that he had supplied Mr West with this information, and in effect made it possible to take out an injunction against and reach an agreement with Mr West.

9. The Attorney General agrees that an agreement with Mr West on the basis described in this minute is the best outcome that we are likely to achieve. The Treasury Solicitor is expecting to conclude an agreement with Mr West tomorrow morning. I will provide further briefing on what you might say about the book when it is published, nearer the time.

10. I understand that Mr West, under his real name of Rupert Allason, has ambitions to stand as a Conservative candidate for Parliament. His desire to stand well with the leadership of the Party may have had something to do with his readiness to co-operate with the Treasury Solicitor in this affair. I do not know whether it would be possible to suggest to him that his political fortunes would have better prospects if he stopped investigating the security and intelligence services and publishing books of this kind. Such suggestions might in any case be ineffective, given that Mr West is acquiring something of a reputation and a considerable amount of money as a self-appointed "expert" on these matters.

RCA

ROBERT ARMSTRONG

18 November 1982

THE NATIONAL ARCHIVES

DEPARTMENT/SERIES prem 19 PIECE/ITEM 1951 (one piece/item number)	Date and sign
Extract details: Minute dated 15th October 1982	X
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	18/05/23
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
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DOCUMENT PUT IN PLACE (TNA USE ONLY)	

Security
Cab 2.

9 Secrets

2 Le AH
CCS H.O.
LOD

10 DOWNING STREET

From the Principal Private Secretary

SECRET AND PERSONAL

SIR ROBERT ARMSTRONG

FURTHER PUBLICITY
ABOUT THE SECURITY SERVICE

The Prime Minister has seen your minute of 8 October (A09682) about an issue concerning further publicity for the Security Service.

The Prime Minister is content with the action proposed in paragraph eleven of your minute, provided that it is confirmed that the Home Secretary and the Attorney General are also content. She has additionally asked whether it is practicable to make any arrangements to ensure that Martin does not leave the country while a decision is being considered about criminal proceedings.

I am copying this minute to Mr Halliday (Home Office) and Mr Nursaw (Law Officers' Department).

F.E.R.B.

11 October 1982

THE NATIONAL ARCHIVES

DEPARTMENT/SERIES Prem 19 PIECE/ITEM 1951 (one piece/item number)	Date and sign
Extract details: Minute dated 8th of October 1982	
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	18/05/23
TEMPORARILY RETAINED	
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NUMBER NOT USED	
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DOCUMENT PUT IN PLACE (TNA USE ONLY)	

THE NATIONAL ARCHIVES

DEPARTMENT/SERIES Prem 19 PIECE/ITEM 1951 (one piece/item number)	Date and sign
Extract details: Note dated 30th of September 1982	
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	A.C 18/05/23
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
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Ref. A07894

MR. WHITMORE

As can be seen from the Security Service's background note on Chapman Pincher's latest article in the Daily Mail today, the article is inaccurate and distorted, and in so far as it is accurate says nothing that was not known.

2. The Prime Minister clearly cannot get into the business of discussing the details of the article and confirming this and denying that. I therefore recommend that, if she is asked about the article, she should say:

> "There is nothing in the article which would cause me to alter or add to the various statements, speeches and answers I have given in this House on these matters."

D Wright

ROBERT ARMSTRONG

(drafted by Sir R Armstrong & signed on his behalf)

23rd March, 1982

THE NATIONAL ARCHIVES

DEPARTMENT/SERIES ..... prem 19 ..... PIECE/ITEM ..... 1951 ..... (one piece/item number)	Date and sign
Extract details: Article dated 23rd of March 1982	
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	19/05/93
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	

file

LPO

cc: Security

10 DOWNING STREET

THE PRIME MINISTER

11 March 1982

Dear Nicholas,

You recently sent my Private Secretary a copy of the letter which you had received from Mr. Morris of Berkhamsted, who wished to know the outcome of the investigation into Mr. Chapman Pincher's sources to which I referred in an answer which I gave in the House on 27 March.

The investigation was completed some time ago. Its findings were reported to the Attorney General, who came to the conclusion that the investigation had been full and thorough, and that there was no scope either for further investigation or for other action.

Yours ever

Margaret

Nicholas Lyell, Esq., Q.C., M.P.

DSG

6

1. CAW. Yes. Content? N 24/2

2. I/50,
G.R.
pl type for PM
cc T.G.
MAP 24/2.

Ref. A07603

MR PATTISON

- In your minute of 10th February you asked for a draft reply for the Prime Minister to send to Mr N Lyell, MP who has received a letter from one of his constituents asking about the enquiry which the Prime Minister said she would set up into the sources of Chapman Pincher's information, in response to a question about this from Mr Cryer in the House of Commons on 27th March.

- 2. The Attorney General minuted the Prime Minister on 17th July about the investigation into Chapman Pincher's sources. He said in his minute that it was
- impossible to take the investigation any further. Sir Robert Armstrong minuted Mr Whitmore on 23rd July about the report explaining that Peter Wright was almost certainly Chapman Pincher's primary source for the Hollis affair, that Wright was in Australia and could not be extradited for an offence under the Official Secrets Act, and would probably be unlikely to risk a visit to this country because of the risk of prosecution.

- 3. I attach a draft reply for the Prime Minister to send to Mr Lyell, which reflects the situation which has emerged from the investigation. This has been cleared with the Home Office, the Law Officers and the Security Service.

D J WRIGHT

24th February 1982

DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO MR N LYELL, MP

You recently sent my Private Secretary a copy of the letter which you had received from ~~your constituent~~ Mr Morris of Berkhamsted, who wished to know the outcome of the investigation into Mr Chapman Pincher's sources to which I referred in an answer which I gave in the House on 27th March.

The investigation was completed some time ago. Its findings were reported to the Attorney General, who came to the conclusion that the investigation had been full and thorough, and that there was no scope either for further investigation or for other action.

Prime Minister

Received in CF 23/2/82

From The Tutor for Admissions

KEBLE COLLEGE
OXFORD
OX1 3PG
Telephone 59201

Security

Sir Roger HOLLIS papers 18/2/1982. NO

MF.

Dear Mrs Thatcher.

John Patten has passed to me a copy of your letter of Feb. 11th to him concerning my father in law Sir Roger Hollis. May I thank you for this which will bring comfort to a whole family

Yours sincerely

Adrian S Hollis (A.S HOLLIS)

CONFIDENTIAL

Security

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

SIR ROGER HOLLIS

I showed the Prime Minister your further minute A07380 of 9 February 1982 about the letter from Dr Adrian Hollis which Mr John Patten MP had passed on to her, and she has accepted your advice that there is no need to mark the letter to Mr Patten "Private and Confidential".

I attach a copy of the letter which has now gone to Mr Patten.

AJW.

11 February 1982

CONFIDENTIAL

ALEATH

cc C.O.

10 DOWNING STREET

THE PRIME MINISTER

11 February 1982

Dear John.

Thank you for your letter of 26 January, enclosing a copy of Dr Hollis's letter of 18 January to you.

I much regret the distress caused to Dr Hollis and his family by the continuing publicity for the allegations made about Sir Roger Hollis.

I have, of course, seen and made inquiries about the various articles and letters that have been published since I made my statement in the House of Commons on 26 March 1981. Nothing has happened or been published which would lead me to alter or qualify what I said in that statement.

Dr Hollis asks about the allegation that "in May 1974 an official warning that Sir Roger Hollis might have been a Soviet agent for the whole of his twenty-seven years in the Security Service was given to security chiefs of the United States, Canada, Australia and New Zealand". There was indeed a gathering of high level officials from those countries at that time, but according to our records the subject of Sir Roger Hollis was not raised at the meeting. There was no reason why

AH

it should have been: the security authorities concerned had all been told in 1971 or 1972 of the outcome of the investigation of the case.

Yours ever

Margaret

John Patten Esq., MP

FILE

ds

N. LYELL MP

24/2

MR. WRIGHT
CABINET OFFICE

I attach a copy of a letter which we have received from Mr. Nicholas Lyell M.P., covering one from his constituent Mr. E.H. Morris of 340 High Street, Berkhamsted.

I should be grateful if you could provide a draft reply for the Prime Minister to send to Mr. Lyell, to reach us by 24 February.

M A PATTISON

SW

10 February 1982

ds

Thank you for your recent letter which enclosed a copy of one from your constituent Mr. E.H. Morris. I will place your letter before the Prime Minister and a reply will be sent to you as soon as possible.

M A PATTISON

Nicholas Lyell, Esq., Q.C., M.P.

10.2.82

From NICHOLAS LYELL, Q.C., M.P.

HOUSE OF COMMONS
LONDON SWIA OAA

Dear Principal Private Secretary,

I enclose a letter from my constituent Mr. E.H. Morris which is self-explanatory. I would be very grateful to know how matters stand so that I can reply to him.

Yours Sincerely,

Nicholas Lyell.

Principal Private Secretary,
10 Downing Street,
LONDON SW1.

MORRIS
340, High Street,
BERKHAMSTED,
Herts. HP4 1HT.

E.H.Morris.
C.I.Morris.
A.N.Morris.B.Sc. (Hons)

Model Railway Specialists

M.Lyell Esq. M.C. M.P.

House of Commons.

London. S.W.1.

4/2/82

Dear Mr Lyell,

Following publication of Chapman Pincher's book during 1981, and the subsequent furore in the House, the P.M. said she had set up an enquiry into the sources of his information.

I would like to hear whether this enquiry ever got work, or was it a bit of cosmetic, and if it has what conclusions it came to, and whether the conclusions will ever be announced in the House.

Yours sincerely

E.H. Morris

E.H.Morris.

Prime Minister.

The revised letter to John Patten is attached for your signature.

In the light of Sir Robert Armstrong's advice do you wish to insert 'frank + complete'? If you do, I will have the sentence retyped.

Ref: A07380

CONFIDENTIAL

MR. WHITMORE

No MR

I minuted you on 8th February with a draft reply to the letter which the 10th Prime Minister had received from Mr. John Patten, MP about the letter which he had received from Dr. Adrian Hollis.

2. I should be content with the alteration which the Prime Minister proposes to make in the draft reply.

3. Looking at the draft again in the light of that alteration, I think that perhaps we need to be a little more specific about "the investigation". I suggest that we should talk about the "investigation of the case", which was the phrase used in the Prime Minister's statement of 26th March.

4. For convenience I attach a revised draft.

5. The Prime Minister suggested to me this morning that it might be prudent to mark the letter (like Mr. Patten's own letter) 'Private and Confidential', and to add a sentence saying: "I have marked this letter 'Private and Confidential', but I should have no objection to your passing a copy of it to Dr. Hollis".

X.

6. I should have no objection to this course, if the Prime Minister strongly preferred it. But it would of course detract somewhat from the value of the letter to Dr. Hollis, if he were not able at least to quote it to other members of the family and close friends. One or two other people - including a former Director General of the Security Service - have expressed to me the wish that the Prime Minister could make a further statement to counteract Chapman Pincher's continuing allegations. I have said that, while the Prime Minister would no doubt respond if a Question were raised in the House of Commons, I should not wish to advise her to take the initiative: that would only be to give new prominence to Chapman Pincher's allegations. If there is to be no Question in the House of Commons - and there appears to be no rush to follow up the article which Chapman Pincher published in The Times in December - then the reply to Mr. Patten is, or could be, an oblique way of conveying to those who want to hear it that the Prime Minister still sticks to what she said on 26th March.

7. Perhaps the acid test is whether, if a Question were asked in the House of Commons, the Prime Minister would be prepared to Answer it in the terms of the draft reply to Mr. Patten. If she would be so prepared - and I see no reason why she should not - then there need be no reason for marking the reply to Mr. Patten 'Private and Confidential'.

8. I have consulted the Deputy Director General of the Security Service (in the absence of the Director General). The Security Service agree with this advice. They assure me that the statements in the draft letter cannot be challenged; and they would see some advantage in not restricting the letter in a way which might inhibit Dr. Hollis from telling other members of his family and former colleagues of his father what it said.

RtA

Robert Armstrong

9th February 1982

DRAFT LETTER FROM THE PRIME MINISTER TO
JOHN PATTEN Esq., MP

Thank you for your letter of 26th January, enclosing a copy of Dr. Hollis's letter of 18th January to you.

I much regret the distress caused to Dr. Hollis and his family by the continuing publicity for the allegations made about Sir Roger Hollis.

I have, of course, seen and made inquiries about the various articles and letters that have been published since I made my statement in the House of Commons on 26th March 1981. Nothing has happened or been published which would lead me to alter or qualify what I said in that statement.

Dr. Hollis asks about the allegation that "in May 1974 an official warning that Sir Roger Hollis might have been a Soviet agent for the whole of his 27 years in the Security Service was given to security chiefs of the United States, Canada, Australia and New Zealand." There was indeed a gathering of high level officials from those countries at that time, but according to our records the subject of Sir Roger Hollis was not raised at the meeting. There was no reason why it should have been: the security authorities concerned had all been told in 1971 or 1972 of the outcome of the investigation of the case.

CONFIDENTIAL

Prime Minister.

The draft reply to Mr Patten has been typed for your signature and is unexceptionable below Sir Robert Armstrong's minute. PLS 8/2

Ref. A07352

MR WHITMORE

I attach a draft reply for the Prime Minister to send to the letter which she has received from Mr John Patten, MP about the letter which he received from Dr A S Hollis, son of the late Sir Roger Hollis.

2. The draft reply has been agreed with the Home Office and the Security Service.

3. In his letter, Dr Hollis refers particularly to the allegation by Mr Chapman Pincher that in May 1974 the security authorities of certain allied countries were given an "official warning" that Sir Roger Hollis might have been a Soviet agent. As his authority for this, Mr Pincher quotes Mr Kaplan, the present Canadian Solicitor General. What Mr Kaplan has said is that the Canadian security authorities were warned "in the mid-seventies". It is Chapman Pincher who has put that together with the May 1974 meeting, about which he learnt from other sources; and I understand that, when he asked Mr Kaplan to confirm that he had in mind the May 1974 meeting, Mr Kaplan did not reply.

4. The allegation is certainly untrue as it stands. All the security authorities concerned were told about the outcome of the investigation into Sir Roger Hollis two or three years earlier, in 1971 and 1972. There was a gathering in May 1974, but the subject of Sir Roger Hollis did not come up at the meeting. It may be that one of the British representatives at the meeting said outside the formal proceedings that the Hollis investigation might be about to be reviewed; but, if that happened, there is no record of it.

5. As Dr Hollis has made a point of this, and indeed Mr Pincher has relied a good deal on it, we have thought it right to deal with the point in the reply to Mr Patten.

6. Mr Patten's reply was marked 'Private and Confidential'. We have prepared the reply in a form in which Mr Patten can send it on to Dr Hollis. Dr Hollis himself may well want to make some use of it; if he does, we believe that no harm will result.

RoA

ROBERT ARMSTRONG

8 February 1982

CONFIDENTIAL

10 DOWNING STREET

THE PRIME MINISTER

Thank you for your letter of 26 January, enclosing a copy of Dr. Hollis's letter of 18 January to you.

I much regret the distress caused to Dr. Hollis and his family by the continuing publicity for the allegations made about Sir Roger Hollis.

I have, of course, seen and made enquiries about the various articles and letters that have been published since I made my statement in the House of Commons on 26 March 1981. Nothing has happened or been published which would lead me to alter or qualify what I said in that statement.

Dr. Hollis asks about the allegation that "in May 1974 an official warning that Sir Roger Hollis might have been a Soviet agent for the whole of his 27 years in the Security Service was given to security chiefs of the United States, Canada, Australia and New Zealand". There was indeed a gathering of high level officials from those countries at that time, but ~~I am advised that no such warning was given at that meeting. The subject of Sir Roger Hollis was not raised at the meeting, and~~ there was no reason why it should have been: the security authorities concerned had all been told in 1971 or 1972 of the outcome of the investigation.

according to our records the subject of Sir Roger Hollis was not raised at that meeting.

John Patten, Esq., M.P.

10 DOWNING STREET

THE PRIME MINISTER

Dear John

Thank you for your letter of 26 January, enclosing a copy of Dr. Hollis's letter of 18 January to you.

I much regret the distress caused to Dr. Hollis and his family by the continuing publicity for the allegations made about Sir Roger Hollis.

I have, of course, seen and made enquiries about the various articles and letters that have been published since I made my statement in the House of Commons on 26 March 1981. Nothing has happened or been published which would lead me to alter or qualify what I said in that statement.

Dr. Hollis asks about the allegation that "in May 1974 an offical warning that Sir Roger Hollis might have been a Soviet agent for the whole of his 27 years in the Security Service was given to security chiefs of the United States, Canada, Australia and New Zealand". There was indeed a gathering of high level officials from those countries at that time, but according to our records the subject of Sir Roger Hollis was not raised at that meeting. There was no reason why it should have been: the security authorities concerned had all been told in 1971 or 1972 of the outcome of the investigation.

John Patten, Esq., M.P.

DRAFT LETTER FROM THE PRIME MINISTER TO JOHN PATTEN ESQ MP

Thank you for your letter of 26 January, enclosing a copy of Dr Hollis's letter of 18 January to you.

I much regret the distress caused to Dr Hollis and his family by the continuing publicity for the allegations made about Sir Roger Hollis.

I have, of course, seen and made inquiries about the various articles and letters that have been published since I made my statement in the House of Commons on 26 March 1981. Nothing has happened or been published which would lead me to alter or qualify what I said in that statement.

Dr Hollis asks about the allegation that "in May 1974 an official warning that Sir Roger Hollis might have been a Soviet agent for the whole of his 27 years in the Security Service was given to security chiefs of the United States, Canada, Australia and New Zealand." There was indeed a gathering of high level officials from those countries at that time, but I am advised that no such warning was given at that meeting. The subject of Sir Roger Hollis was not raised at the meeting, and there was no reason why it should have been: the security authorities concerned had all been told in 1971 or 1972 of the outcome of the investigation.

John PATTEN

vb

SIR ROBERT ARMSTRONG

Sir Roger Hollis

I should be grateful for your advice on how the Prime Minister might reply to the attached letter from Mr. John Patten, MP, with which he has sent a letter from Dr. A.S. Hollis, son of the late Sir Roger Hollis.

CAW

29 January 1982

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

"THEIR TRADE IS TREACHERY"

I have shown the Prime Minister your minute A07249 of 26 January 1982 about the paperback edition of Chapman Pincher's book "Their Trade is Treachery", and she has taken note of it.

27 January 1982

JOHN PATTEN, MP

HOUSE OF COMMONS
LONDON SW1A 0AA

PRIVATE AND CONFIDENTIAL

26th January, 1982

The Rt. Hon. Margaret Thatcher, M.P.,
The Prime Minister,
10 Downing Street,
LONDON. SW1

Dear Prime Minister,

I have recently been approached by Dr. A. S. Hollis, the Tutor for Admissions of Keble College, Oxford, concerning certain allegations made by Mr. Chapman Pincher against his father, the late Sir Roger Hollis.

I enclose his letter to me, together with some newspaper extracts. You will see that Dr. Hollis asks me to see if you will be prepared to issue any further statement following that which you made in March, 1981. I also enclose a copy of my reply to him.

Needless to say, I fully appreciate the extreme sensitivity of the issue, and will of course not send my constituent a copy of this letter. I am of course perfectly content to pass on to Dr. Hollis that you have nothing further to add, if that is what you wish me to do.

Yrs. ever,
John.

JOHN PATTEN, MP

HOUSE OF COMMONS
LONDON SW1A 0AA

26th January, 1982

Dr. A. S. Hollis,
Keble College,
OXFORD.
OX1 3PG

Dear Dr. Hollis.

Thank you so much for your letter of 18th January, 1982.

As a member of the Government, I am, by Parliamentary convention, not able to table a Parliamentary Question (this is the same whichever Party is in power); in any event, I do not believe that that would be the appropriate course of action or would produce the most informative answer.

It seems best if I approach the Prime Minister directly; I have written to her today and I will write to you again as soon as I have a reply.

Yours sincerely, John Patten

From The Tutor for Admissions

KEBLE COLLEGE
OXFORD
OX1 3PG

Telephone 59201

January 18th. 1982.

Dear Mr. Patten.

As you may remember, in March 1981 you most kindly offered to help in any way you could over the allegations made by Chapman Pincher against my father, the late Sir Roger Hollis, in articles and a book. On March 26th. 1981, the Prime Minister cleared my father of these allegations in a Parliamentary statement. Nonetheless, they have persisted. In particular, family and friends have been distressed by a report that in 1974 Canada, Australia, New Zealand and the USA were warned that my father might have been a Soviet agent (the present Canadian Solicitor General is said to have confirmed that this country did receive such a warning). Chapman Pincher is currently making much of this (two specimens enclosed), and will no doubt continue to do so in a paper-back version of the book which is due out soon.

In view of what the Prime Minister said in March, we find it very hard to believe that any such warning should have been sent. Accordingly, I would very much appreciate it if, on the family's behalf, you could ask the Prime Minister, whether by a Parliamentary Question or a letter (leaving the choice to your judgment), if anything has happened or been published since March 26th. 1981 which might lead her to qualify her statement or to change her mind. We would also be grateful if you can ask specifically whether the story about the warning is true.

Yours sincerely, Adrian S. Hollis (A.S.HOLLIS).

SECRET

Prime Minister 5

26.1.82.

Ref. A07249

MR WHITMORE

The paperback edition of Chapman Pincher's book, "Their Trade is Treachery", which gave rise to the Prime Minister's statement of 26 March 1981, is due to be published on 4 February 1982.

2. I attach a note by the Security Service about the new edition. Although the book has been considerably rewritten, it contains no significantly new information about penetration cases, and it adds no further weight to the case against Sir Roger Hollis.

ROBERT ARMSTRONG

26 January 1982

SECRET

THE NATIONAL ARCHIVES

DEPARTMENT/SERIES Prem 19 PIECE/ITEM 1951 (one piece/item number)	Date and sign
Extract details: Note dated 22nd of January 1982	
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TEMPORARILY RETAINED	
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7 January 1982
Policy Unit

PRIME MINISTER

Security

Michael Ivens sent me the attached letter from Chapman Pincher. It is self-explanatory, and I am therefore passing it to you without further comment.

JOHN HOSKYNS

Please pass to Sir Robert Armstrong MS

Already done.

11.1.82.

Summerpage Limited

Telephone
Cranleigh 5656

H. Chapman-Pincher
Church House
16 Church Street
Kintbury, Nr. Newbury
Berks. RG15 0UR
Tel. (04885) 8855 or 397

Lowerhouse Farm
Ewhurst, Surrey
GU6 7SQ

14.12.81

Dear Michael,

Thank you very much for your Yorick piece and for all your marvellous support over so many years. I think there is no doubt that I am winning this one. I enclose a Times article in case you missed it. Also a Mail piece about missing documents. Neither has yet produced any response in Parliament so the conspiracy of silence continues. You may have noticed, however, that a young man who calls himself Nigel West (real name Rupert Allason) is pushing pieces knocking the Hollis suspicions. He is being put up to this by Sir Martin Furnival Jones,* the D.G. of MI5 who succeeeded Hollis and was recommended by him and, I suspect, by Sir Dick White who recommended Hollis for the top job. So both have a huge professional interest in keeping the lid on the case and maintaining the fiction that Hollis was cleared.

You will see that I have avoided blaming Margaret for misleading the House. She read from a brief prepared by others who concocted it. I suggest that if you write anything further in Yorick you should underline this. You might also suggest that, in her own interests, Mrs T should get a first-hand account of the Hollis Affair from one or more of the men who did the investigations. There is one who would be only too happy to do this and I know that Jonathan Aitken has written to her suggesting this but, no doubt, the Cabinet Office has objected and given her the wrong advice. As I say in The Times she has been pushed out on to a dangerous limb from which she could be sawn off any day. I think my discovery that the White Commonwealth and the Americans were warned as late as May 1974 that Hollis might have been a spy has half sawn through the limb. She should take steps to ease back off it. Perhaps you can encourage her to do so.

* now retired

All best wishes to you and your excellent staff

Yours ever,

Chapman Pincher

Prem 19/1951

Newspaper cutting inside

GAPS IN OUR SECRET SERVICE RECORDS

The MI5 chief who destroyed vital files

By Chapman Pincher

AS someone who has spent a lifetime investigating Spies and Spycraft there is very little that astonishes me any more.

Yet even my eyes blinked when I heard the Prime Minister admit in the Commons this week that no records prior to 1964 exist anywhere of immunities and inducements offered to spies to secure their confessions.

I doubt if the Prime Minister realised the sensational implications of what she was saying.

We have a Civil Service which everyone knows clings almost-obsessively to all of its past records.

All the decisions of our present Government and their Civil Service advisers, and of governments and Civil Servants long since past, are carefully preserved.

Yet without any reason being given, we are now told that excluded from all of this is our Secret Service.

And that means that even Mrs Thatcher cannot really tell us what went on during those terrible years of deceit and betrayal which we are at last beginning to learn about.

She does not, for example, know—and I am here happy to inform her — that even Kim Philby, that most monstrous of traitors, was assured in 1963, that he would be granted immunity from prosecution if he assisted MI5 with a full confession of his activities on behalf of his real masters, the KGB.

This assurance had the backing of the then Attorney-General, Sir John Hobson, despite the fact that the authorities knew full well that Philby had been an accessory to the murder of many anti-Soviet agents working for Britain and America.

Warned

The KGB was not prepared to allow Philby to accept the offer and had a senior man on the spot to ensure his escape to Russia.

There is also strong evidence that a high-level spy in MI5, the counter-espionage agency, believed by some intelligence officers to be the Director General, Sir Roger Hollis, had warned the KGB in advance that the immunity offer was going to be made.

Full records of the Philby interrogation were lodged in the registries of MI5 and MI6, the Secret Intelligence Service. Are they missing from both?

Records are the life-blood of any security or intelligence service. Taxpayers have, unknowingly, spent huge sums to modernise the MI5 and MI6 registries where millions of case records and dossiers on suspects and organisations are kept.

When a long-serving spy is caught, it is necessary to backtrack over many years. This cannot be done if old records are unavailable.

In any organisation, documents have to be 'weeded' at intervals so that those of no possible value can be eliminated, but records of lasting importance seem to be missing.

Igor Gouzenko, the Russian cipher clerk who defected from the Soviet Embassy in Ottawa in 1945, has revealed to me that in 1972 and 1973 he was questioned about information he had given about a Russian spy code-named 'Elli' who, he claimed, was working in MI5 during the war.

The British security officers who questioned him and showed him photographs were trying to establish the identity of the man who had interviewed him on behalf of MI5 early in 1946 and had put in a false report.

This man is known with certainty to have been Hollis, who may have been 'Elli'—but Gouzenko was left in no doubt that MI5 had no documentary record of the fact.

By what can hardly be coincidence, certain documents about the early interrogation of Gouzenko have also disappeared from the Canadian records.

Mrs Thatcher may be told that many documents had to be destroyed because of their sheer volume when the MI5 and MI6 registries were computerised during the 1960s.

But in my researches for my book, Their Trade Is Treachery, serialised by the Daily Mail, I came across many instances where Hollis had ordered the destruction of documents on a suspiciously selective basis.

One set involved a high-ranking Naval officer who became an Admiral and was deeply suspected of being a Russian spy. This is what happened:

In 1961 Anatoli Golitsin, a KGB officer, defected to the CIA and revealed that two Soviet spies were operating in the British Admiralty. One of them proved to be John Vassall, a clerk in the office of the Civil Lord.

The MI5 investigators also identified a senior Naval officer who had served on the diplomatic staff in Moscow as being possibly responsible for the leakage of secret NATO documents to which Vassall had no access. Hollis refused to allow the officer to be interrogated and declared the case closed.

Vassall was eventually held responsible for all the leakages and sentenced to 18 years imprisonment.

Later, when Vassall was questioned in prison, the MI5 men became sure that he had not betrayed the NATO documents, but by then Hollis had ordered the destruction of all the papers concerning the suspect Admiral, who is now dead.

Throughout a long career with MI5, a senior officer called Guy Liddell kept office diaries which he dictated each evening. When he left in 1953 he handed them in as an official record and these were stored in the Director General's safe under the code name 'Wallflowers'.

Shortly before Hollis retired at the end of 1965, he ordered the diaries to be destroyed. Fortunately an MI5 officer who deeply suspected his motives intercepted them and, without Hollis's knowledge they were saved.

I have been assured that, before leaving, Hollis ordered the destruction of tape recordings and transcripts of more than 200 hours of MI5 interviews with Anthony Blunt so that only the summaries remain on file.

Weeded

He also destroyed material evidence concerning the investigation of his deputy, Graham Mitchell, who had been cleared by an internal inquiry in 1963.

My most recent inquiries reveal that Hollis was notorious among his officers as a destroyer of records and they regarded this as highly suspect. He also abstracted reports and held them for years in his office safe.

The 'weeding' operation in MI6 headquarters was equally incredible. A senior MI6 officer called Colonel Charles 'Dick' Ellis had been suspected of being a spy by MI5 from the early 1950s, but MI6 refused to believe that it could be harbouring another Philby.

So after Ellis returned from a brief retirement in Australia in 1959 he was employed by the 'weeding' Secret Service files.

In 1969 he confessed to having spied for Germany during the war and because he spied for money he is believed to have been recruited by the Russians who were in a position to blackmail him. Hollis ruled that Ellis should not be prosecuted and he was allowed to continue on full pension.

What Ellis 'weeded' in the way of leads to KGB activities could be of enormous consequence. Recently I saw a handwritten letter from him to a friend in which he had boasted of *inserting* documents into some MI6 files.

Mrs Thatcher has made it clear that she deplores the way Hollis dispensed virtual immunities and inducements to spies like Leo Long and Charles Ellis without informing the Government.

She has assured Parliament that no Director General will be able to do that again.

She should now give an assurance that steps are being taken to prevent the destruction of documents on the say-so of any MI5 or MI6 officer who might, himself, be a spy.

ILLUSTRATION: DAVID ACE

Chapman Pincher reopens

Hollis: how the Prime Minister was misled

In March this year the Prime Minister confirmed in Parliament that Sir Roger Hollis, the former Director-General of MI5, had been deeply suspected of being a Russian spy but had been cleared by two separate inquires. This clearance was so at variance with the evidence of those who had investigated him over seven years that I have spent the intervening eight months trying to discover who had been misled. Was it myself through the evidence against Hollis which I disclosed in my book, *Their Trade is Treachery*? Or was it Mrs Thatcher through the statement prepared for her (by Cabinet office and Home Office officials, with assistance from MI5), in direct response to my book? I am now in no doubt that it was the Prime Minister who was misled.

The first alleged clearance resulted from an internal inquiry by MI5 (the Security Service) with assistance from current and past officials of MI6 (the Secret Intelligence Service). MI5 chiefs led by Sir Martin Furnival Jones, a solicitor, decided to close the case against Hollis with a judgment that, though his innocence could not be proved, there was no evidence which could have incriminated him in a British court of law. He was, therefore, judged to be cleared of suspicion.

This secret decision, which was not promulgated to those investigating officers who had produced the evidence, was taken in 1972. Yet I have now established that in May 1974 an official warning that Hollis might have been a Soviet agent for the whole of his 27 years in MI5 was given to security chiefs of the United States, Canada, Australia and New Zealand so that they could take remedial action, even at that late stage, against any damage which he might have inflicted on them.

It was considered necessary because Hollis had been deeply involved in setting up counter-espionage organizations in Canada, Australia and New Zealand, and he had had close links with the CIA and FBI. No Whitehall official or politician was told about this warning but the Solicitor General of Canada, Mr Robert Kaplan, has recently confirmed that Canadian security received it "in the mid-1970s" and took what remedial action it could, an admission which has embarrassed Whitehall.

A few weeks after the warning Mr Stephen de Mowbray, one of the officers involved in the Hollis inquiries, was so incensed with what had occurred inside MI5 that he went to see the Prime Minister, then Harold Wilson. Instead he saw the Cabinet Secretary, Sir John Hunt (now Lord Hunt of Tanworth), who was so impressed by his allegations that he recommended a further inquiry by Lord Trend, his predecessor. Wilson concurred.

Lord Trend did no more than review the previous internal inquiry, interviewing witnesses and examining old files. People who have read his secret report confirm that no effort was made to secure any new evidence, though I believe that crucial new information might be available if the Government wished to obtain it. Lord Trend consulted former MI5 and MI6 chiefs who had been party to the original "clearance" and was impressed by their view that if Hollis had been a spy for so long there would have been clinching evidence from a defector or some other source.

In fact one reliable defector, Igor Gouzenko, had reported in 1945 that Soviet military intelligence had a spy inside MI5 in England for whom Hollis is a near perfect fit. A would-be defector called Volkov had also told of a spy in what now seems to have been MI5 though his information was at first interpreted as applying to Philby, who was in MI6.

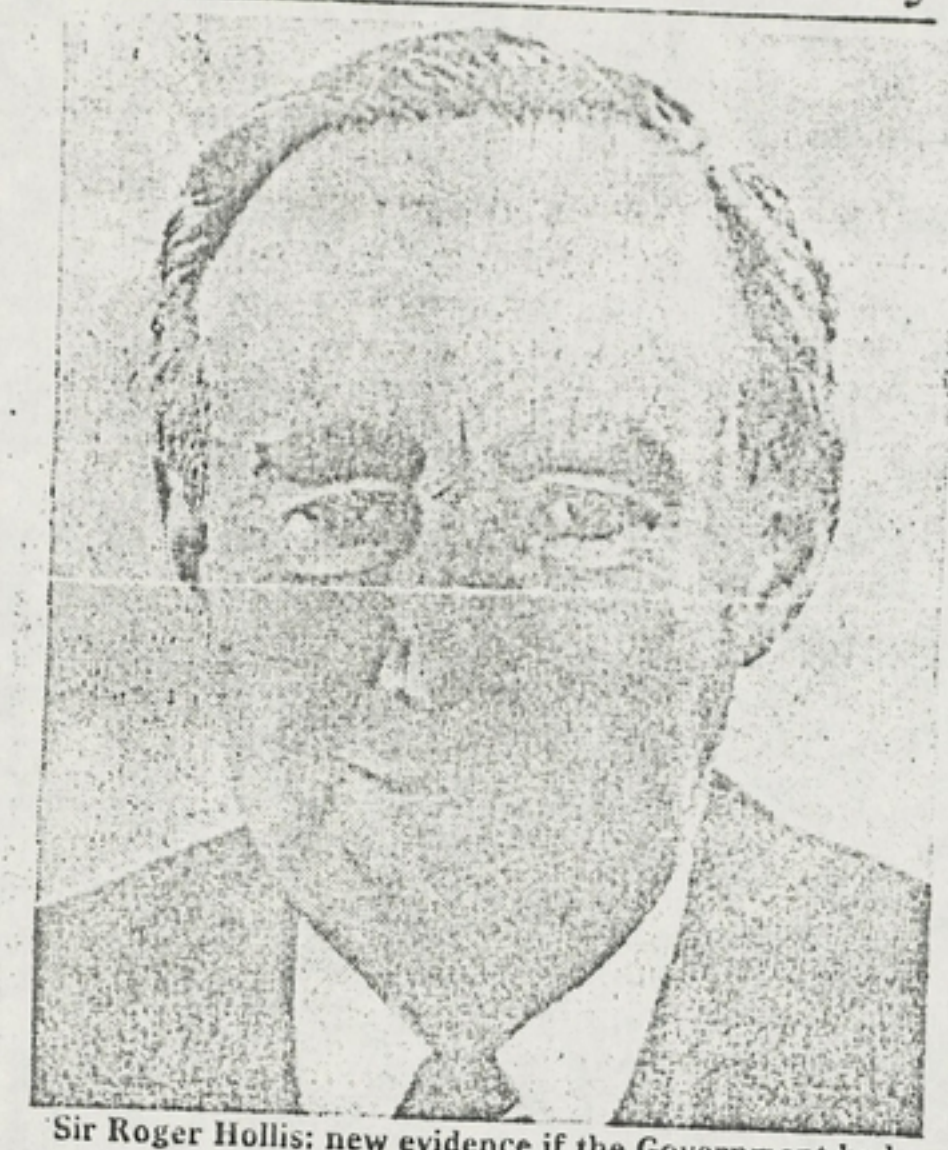
Mrs Thatcher's statement, which revealed that Lord Trend had agreed with the original clearance, has been analysed by some of the former investigating officers. They have found at least six areas where it is grossly at variance with the facts as they knew them. The statement was worded to give the impression that all the events I described in my book were very old when in fact Hollis was not interrogated until 1970 and was still being investigated in 1975, two years after his death.

It indicated that the inquiries leading to the suspicion of Hollis arose from routine investigations after the defection of Burgess and Maclean in 1951. In fact they were undertaken because so many MI5 operations in the 1950s and 1960s went so seriously wrong that they could be explained only if there was a high-level spy still in the organization.

The statement compounded this misleading suggestion by saying that the case against Hollis was based on "certain leads that suggested, but did not prove, that there had been a Russian Intelligence service agent at relatively senior level in British counter-intelligence *in the last years of the war* (my italics)".

This innuendo that the only leads pointing to Hollis dated from 1945 and before is so opposed to the evidence that I wrote to Lord Trend. I knew that he had examined leads which had arisen in the 1960s and his reply indicates

the MI5 mole controversy



Sir Roger Hollis: new evidence if the Government had wanted it

that he is not prepared to be associated with the restriction of them to "the last years of the war".

Mrs Thatcher also told Parliament that "each of the leads pointing to Hollis could also be taken as pointing to Philby or Blunt". Blunt left MI5 in 1946 and Philby left MI6 in 1951. So this was clearly an attempt by the officials who prepared the speech to lumber Blunt and Philby with penetrations achieved by the KGB long after they had ceased to have access to secret information.

The MI5 investigators and others associated with the Hollis inquiries have no hesitation in calling this part of the statement a fabrication. Philby and Blunt were always agents of the KGB while the evidence indicates that the suspected spy in MI5 was working for the GRU — Soviet military intelligence, which operates independently.

The Prime Minister's statement said the MI5 clearance was challenged by "a very few of those concerned". While few may have challenged it, many disagreed with it. The so-called Fluency Committee which made the original investigations and concluded that Hollis was the prime suspect consisted of seven experienced officers. This was replaced by a permanent section, K7, set up to investigate possible penetrations of MI5, MI6 and GCHQ, the radio-intercept agency, and involving about a dozen officers who had not served on the Fluency Committee. Independently they recommended that Hollis should be interrogated in the belief that he might break down and confess.

This interrogation was carried out by Mr John Day of Section K7 under the tightest secrecy because there were high-level fears that a leak to the Russians might result in Hollis's defection, with appalling international consequences. Day was so unimpressed by Hollis's defence of his innocence that he supported de Mowbray in challenging the decision to close the case. It was the decision that Hollis should be given an umpire's verdict of "Not out" that was supported by "a very few of those concerned."

Mrs Thatcher's assurance that no evidence had been found which "incriminated" Hollis was also true of Fuchs, Blake, Maclean, Philby, Blunt and Long, against whom all the evidence was circumstantial or so secret that it could not be used in a British court unless they voluntarily confessed. To cast further doubt on my Hollis disclosures, the briefers ensured that the Prime Minister would smear my book as being "inaccurate and distorted."

Since then there have been a number of confirmations. My disclosure that Blunt was "blown" by an American, now known to be Mr Michael Straight, has been confirmed by Straight himself. The London woman who "blew" Philby has been identified as Mrs Flora Solomon. My account of Blunt's confession, including his naming of Leo Long, who was clearly described in the book, has been fully justified. The revelation that Tom Driberg, later Lord Bradwell, the Labour MP and Labour Party chairman, had been recruited by MI5 to penetrate the Communist Party and later spy on MPs was dismissed as laughable but has been confirmed by a former woman officer of MI5. Critics were quick to discount my statement that Gouzenko had indicated an MI5 spy with the code-name "Elli", but the unexpected release of his original testimony has confounded them. There will be further confirmations as inquiries continue.

The analysis of Mrs Thatcher's statement to Parliament leaves me in little doubt that it was an Establishment concoction intended to bury the horrific Hollis Affair and anything connected with it. No doubt the officials who prepared it convinced themselves that they were acting in the best national interest, but all the Prime Minister needed to have said was that Hollis had been suspected, had been investigated and that the case remains unproven. Instead she was induced to go out on to a limb from which she might be sawn off any day, for it is far from impossible that proof that Hollis was a spy might still emerge.

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Ref: A06937

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SECRET

MR. PATTISON

Sir Roger Hollis

In his minute of 10th December to Mr. Whitmore, Sir Robert Armstrong reported the likely appearance in The Times of an article by Chapman Pincher about the Hollis case. This article appeared in The Times of 12th December. I attach a copy of a note prepared by the Security Service which comments on the article. As the note makes clear, there is little in the article which is new and much which is a distortion of the facts.

2. In his article, Chapman Pincher also refers to correspondence with Lord Trend. I attach copies of an exchange of correspondence between Lord Trend and Mr. Pincher which took place in August this year. As you will see, Lord Trend (with the agreement of Sir Robert Armstrong) chose not to become involved in a detailed debate with Mr. Pincher about the nature of his inquiry. We are not aware of any other correspondence between Lord Trend and Mr. Pincher which would have allowed Mr. Pincher to write as he did in his Times article.

3. Mr. Pincher's reference to having "spent the intervening eight months trying to discover who has been misled", with the implication that he had done so in the interests of national security, is disingenuous. It is known that Mr. Pincher has been working on a paperback edition of his book and no doubt hoped that he would be able to include new material or allegations in this version (rather as Andrew Boyle succeeded in doing with the paperback version of "Climate of Treason"). As the Security Service note makes clear, it does not seem as if Mr. Pincher has succeeded in this end. We do not know when the paperback version will appear but this Times article appears to be something of a "pot-boiler" intended to keep interest alive, in the knowledge that the appearance of the paperback version is unlikely to be heralded with news of new revelations.

SECRET

4. Sir Robert Armstrong recommends that if the Prime Minister is asked about the article this afternoon, she should say that she has nothing to add to the statement which she made to the House on 26th March.

D. J. Wright

15th December 1981

THE NATIONAL ARCHIVES

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FROM THE RECTOR.

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12th August, 1981

Dear Mr. Pincher,

Thank you for your letter of 6th August. I think that, in reply, I can only confirm that, so far as the Prime Minister's statement in Parliament was concerned with my own part in the matter in question, it had, of course, my full agreement.

Yours sincerely,

Lucke Ford

Chapman Pincher, Esq.,
Church House,
16 Church Street,
Kintbury,
Nr. Newbury,
Berks, RG15 0TR.

Telephone
Kintbury (04885) 8855
or 397

Church House
16 Church Street
Kintbury, Nr. Newbury
Berks. RG15 0TR

6.8.81

Dear Lord Trend,

I am completing the paperback version of my book Their Trade is Treachery and wish to ensure that any inaccuracies in the first edition are rectified.

The changes and expansions I have made take full account of your decision-unknown to me before - that you had decided that Sir Roger Hollis had not been an agent of the Russian intelligence service, as the Prime Minister told Parliament. I understand that you are also on record as saying that you agree with all that the Prime Minister said, concerning your inquiry, to Parliament. I would welcome your confirmation of this because I am anxious not to misrepresent your findings in a book which is to have world-wide distribution.

The part of the Prime Ministerial statement which worries me - and others - is the paragraph indicating that each of the leads on which the case for investigating Hollis was based could also be taken as pointing to Philby or Blunt. The evidence presented in my book, much expanded in the paperback, indicates that much of it eventuated after 1951, by which time both Blunt and Philby were out of the picture.

I appreciate the sensitivity of the situation but I do not wish to attribute that view to you without giving you the opportunity to say whether it also your opinion or not.

Yours sincerely,

Chapman Pincher

SECRET

Prime Minister.

3

Ref. A06887

MR. WHITMORE

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Sir Roger Hollis

I have heard from the Security Service that a delicate source has revealed to them that The Times may shortly carry an article by Chapman Pincher about the Hollis case. From what they know of the proposed article, it seems to be largely a rehash of Pincher's book and the press articles which he has written about Hollis, and is intended to keep up interest in the Hollis case and other spy cases in preparation for the forthcoming launch of the paperback version of Pincher's book. The article is expected to question whethe the Prime Minister was misinformed when she said in her 26 March statement that all of the leads involved in the investigation of Sir Roger Hollis could be explained by reference to Blunt and Philby. Pincher may say that there were at least seven people involved in the investigation of Sir Roger Hollis who rejected this conclusion.

In naming de Mowbray Pincher will say that the Trend inquiry was called for because Sir John Hunt had been very impressed with de Mowbray's line and that in the light of this he thought a further inquiry was necessary. The article is also expected to be critical of the way in which the Trend inquiry was conducted.

2. From what we know of the proposed article, it does not seem likely to contain anything new and it should be possible to refer any inquiries which result from it in either the House or from the press to what the Prime Minister had to say on 26 March.

ROBERT ARMSTRONG

10th December 1981

Prime Minister.

The article appeared in last Saturday's Times. A copy is attached.

I have underlined the most interesting passages. The only new point is the revelation that Pincher has been in touch with both Trend and the chairman that had Trend did not go along with the remarks in your statement that certain leads suggesting that there was a SECRET RIS agent in a relatively senior (MW. to undersecretary not Trend/Hunt)

Crem 19/1951

Minute dated
10.12.81

Chapman Pincher reopens the MI5 mole controversy

Hollis: how the Prime Minister was misled

In March this year the Prime Minister confirmed in Parliament that Sir Roger Hollis, the former Director-General of MI5, had been deeply suspected of being a Russian spy but had been cleared by two separate inquires. This clearance was so at variance with the evidence of those who had investigated him over seven years that I have spent the intervening eight months trying to discover who had been misled. Was it myself through the evidence against Hollis which I disclosed in my book, *Their Trade is Treachery?* Or was it Mrs Thatcher through the statement prepared for her (by Cabinet office and Home Office officials, with assistance from MI5), in direct response to my book? I am now in no doubt that it was the Prime Minister who was misled.

The first alleged clearance resulted from an internal inquiry by MI5 (the Security Service) with assistance from current and past officials of MI6 (the Secret Intelligence Service). MI5 chiefs led by Sir Martin Furnival Jones, a solicitor, decided to close the case against Hollis with a judgment that, though his innocence could not be proved, there was no evidence which could have incriminated him in a British court of law. He was, therefore, judged to be cleared of suspicion.

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It was considered necessary because Hollis had been deeply involved in setting up counter-espionage organizations in Canada, Australia and New Zealand, and he had had close links with the CIA and FBI. No Whitehall official or politician was told about this warning but the Solicitor General of Canada, Mr Robert Kaplan, has recently confirmed that Canadian security received it "in the mid-1970s" and took what remedial action it could, an admission which has embarrassed Whitehall.

A few weeks after the warning Mr Stephen de Mowbray, one of the officers involved in the Hollis inquiries, was so incensed with what had occurred inside MI5 that he went to see the Prime Minister, then Harold Wilson. Instead he saw the Cabinet Secretary, Sir John Hunt (now Lord Hunt of Tanworth), who was so impressed by his allegations that he recommended a further inquiry by Lord Trend, his predecessor. Wilson concurred.

Lord Trend did no more than review the previous internal inquiry, interviewing witnesses and examining old files. People who have read his secret report confirm that no effort was made to secure any new evidence, though I believe that crucial new information might be available if the Government wished to obtain it. Lord Trend consulted former MI5 and MI6 chiefs who had been party to the original "clearance" and was impressed by their view that if Hollis had been a spy for so long there would have been clinching evidence from a defector or some other source.

In fact one reliable defector, Igor Gouzenko, had reported in 1945 that Soviet military intelligence had a spy inside MI5 in England for whom Hollis is a near perfect fit. A would-be defector called Volkov had also told of a spy in what now seems to have been MI5 though his information was at first interpreted as applying to Philby, who was in MI6.

Mrs Thatcher's statement, which revealed that Lord Trend had agreed with the original clearance, has been analysed by some of the former investigating officers. They have found at least six areas where it is grossly at variance with the facts as they knew them. The statement was worded to give the impression that all the events I described in my book were very old when in fact Hollis was not interrogated until 1970 and was still being investigated in 1975, two years after his death.

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This innuendo that the only leads pointing to Hollis dated from 1945 and before is so opposed to the evidence that I wrote to Lord Trend. I knew that he had examined leads which had arisen in the 1960s and his reply indicates that he is not prepared to be associated with the restriction of them to "the last years of the war".

Sir Roger Hollis: new evidence if the Government had wanted it

Mrs Thatcher also told Parliament that "each of the leads pointing to Hollis could also be taken as pointing to Philby or Blunt". Blunt left MI5 in 1946 and Philby left MI6 in 1951. So this was clearly an attempt by the officials who prepared the speech to lumber Blunt and Philby with penetrations achieved by the KGB long after they had ceased to have access to secret information.

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The analysis of Mrs Thatcher's statement to Parliament leaves me in little doubt that it was an Establishment concoction intended to bury the horrific Hollis Affair and anything connected with it. No doubt the officials who prepared it convinced themselves that they were acting in the best national interest, but all the Prime Minister needed to have said was that Hollis had been suspected, had been investigated and that the case remains unproven. Instead she was induced to go out on to a limb from which she might be sawn off any day, for it is far from impossible that proof that Hollis was a spy might still emerge.

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Thurson Security Commission File

original filed on:- Security: Security Commission: April 67

Ref. A06191

MR. WHITMORE

I understand that the Prime Minister is likely to receive during the course of this month a report from the Security Commission on the reference which she announced in her statement in the House of Commons on 26th March on the Hollis affair.

2. On security procedures the main recommendation seems likely to be a review of classification procedures designed to ensure that Departments do not over-classify documents, and thus to reduce the number of posts whose occupants need to be positively vetted. The need for the positive vetting and normal vetting procedures will be confirmed, and the procedures adopted in the security and intelligence services broadly approved, with some minor changes proposed.

3. As an example of over-classification, the Security Commission will, I understand, suggest that it is not necessary to classify a document as Confidential merely because it contains a reference to the existence of a Cabinet Committee.

4. Perhaps the most difficult recommendation is likely to be that the Government should discontinue the policy of non-avowal of the SIS (and of the SIGINT activities of GCHQ).

5. The report will be classified Secret, and the first thing we shall have to do will be to decide whether it is to be published, unexpurgated or expurgated, or whether the Government should publish simply a list of its findings and recommendations. The previous report of this kind - the Radcliffe Report in 1961 - was published in an expurgated version. I understand that the Security Commission are critical of that procedure, and would not be likely willingly to agree to go along with the publication of an expurgated version. Normal procedures would require the Prime Minister to inform the Leader of the Opposition as well as the Chairman of the Security Commission of any expurgations the Government proposed to make. Publication may cause some

embarrassment; but nonetheless I am sure that the aim should be if at all possible to publish in full.

6. I am making arrangements for the preparation of considered advice to Ministers on the question of publication and on the responses to the Commission's recommendations. I think that the aim should be to make a statement on the Government's decisions at the time when the report (or a summary of its findings if that is the way things go) is published.

7.

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ROBERT ARMSTRONG

ROBERT ARMSTRONG

3rd December, 1981

CONFIDENTIAL

File AH

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

GOUZENKO

The Prime Minister has seen and noted your minute AO5750 of 19 October 1981 about recent press articles about Sir Roger Hollis and the Russian defector, Gouzenko.

21 October 1981

AH

CONFIDENTIAL

CONFIDENTIAL covering SECRET

1

Prime Minister.

Ref. A05750

MR. WHITMORE

19x.

Gouzenko

I attach a background note on the press articles which appeared at the end of last week on Sir Roger Hollis and the Russian defector, Gouzenko. This has been prepared by the Security Service and is for the Prime Minister's background information only. It should not be drawn on in replying to questions. Should the Prime Minister be pressed to comment on this matter or on the press articles during Question Time tomorrow, I recommend that she should go no further than the following:

"I have nothing to add to the statement which I made to the House on 26th March. The material referred to in the press articles in question has been available to the security authorities in this country for many years, and was fully analysed and assessed in the inquiries referred to in my statement".

RGA

ROBERT ARMSTRONG

19th October, 1981

CONFIDENTIAL covering SECRET

SECRET

Background Note

The recently released transcripts of the hearings of the Canadian Royal Commission on Espionage in 1946 include references to GOUZENKO's recollection of having been told of a Soviet Military Intelligence (GRU) spy, codenamed ELLI, who had been active in the UK during the War. He learnt of this spy whilst working in the GRU's Central Cypher Office in Moscow at that time. GOUZENKO has been questioned about this lead on many occasions, both by the Canadian Security Authorities and by the Security Service. The first occasion on which he was questioned by a Security Service officer was in November 1945, by HOLLIS.

2. The ELLI lead was extremely vague and has never been resolved. Contrary to statements made by Chapman PINCHER in the Daily Mail in August of this year and in Friday's press, the ELLI lead was never considered relevant during the investigation of HOLLIS in the early 1970s, mainly on the grounds that ELLI was a GRU agent who "had something Russian in his background",whereas such suspicion as there was of HOLLIS related to his possibly having been an agent of the KGB. The further interviews with GOUZENKO by a Security Service officer in 1972 about the ELLI lead were in no way connected with the investigation of HOLLIS and the reports which were discussed with GOUZENKO on those occasions were mainly those compiled in 1945 by Canadian Security officials. Although the Canadian reports were undoubtedly confused and in some respects misleading, the report submitted by HOLLIS after his interview with GOUZENKO at that time was for the most part entirely accurate and in accordance with what GOUZENKO has subsequently insisted he said. It should be added that during the 1972 interviews GOUZENKO was not told who were the authors of the various earlier reports discussed with him. The papers relating to the ELLI lead were amongst those examined by Lord Trend in 1974/75 at the time when he was considering the HOLLIS case.

3. The references by PINCHER in Friday's press to further impending revelations in connection with the HOLLIS case presumably refer to the paperback and US editions of PINCHER's book "Their Trade is Treachery" which it is understood are shortly to be published.

19 October 1981

SECRET

Ref. A05737

MR WHITMORE

c Mr Gaffin

Prime Minister

We shall be getting defensive briefing for questions on Tuesday, but I am sure you will be advised to add nothing to the 26 March statement. MTF 16/X

You will have seen the piece by John Best and Peter Hennessy in today's Times about the testimony given to a Canadian Royal Commission on espionage in 1945 by Igor Gouzenko, a Soviet defector.

2. I am assured that we knew that this material was going to be made public.

3. It is, of course, completely familiar, and has been for a long time. The identification of "Elli" with Sir Roger Hollis is purely speculative, and believed to be unfounded speculation. All the relevant material was fully assessed in the thorough enquiries into the Hollis case, and there is nothing new in what has been published today.

4. I suppose that the Press Office's line on the record will be that they never comment on security matters. I think that they could add unattributably and by way of background something on the following lines: "There is nothing to add or change in the Prime Minister's statement of 26 March. The material referred to in today's article has been well known to the security authorities here for many years, and was fully analysed and assessed together with all other relevant material in the course of the inquiries described in the Prime Minister's statement".

RTA

ROBERT ARMSTRONG

16 October 1981

PART I ends:-

~~CAN to RTA~~ 26.4.89 (5)

Ld. Trent to C. Pincher 12-8-81

PART 2 begins:-

RTA to CAN 16.10.89

AO5434