PREM 19/1954

New file Cover
2.6.86

PART ONE

MT

SECRET

Confidential Filing.

The Case of Michael John Bettaney and the ensuing Review of the Security Service.

(Security Commission Report in Folder attached to File)

SECURITY

Part 1: October 1983

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
~~14.5.86~~ 30.5.86 ENDS							

PREM 19/1954

PM's Briefing Folder in attached folder.

Security Commission Reports also in folder
(3 Copies)

PART 1 ends:-

Home Office to NLW 30.5.86

PART 2 begins:-

NLW to Home Office 2.6.86

From: THE PRIVATE SECRETARY

30

SECRET

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

Prime Minister

You asked for explanation of the comment at x below when Sir A. Duff puts in his management report.

N.L.W.

30.1

30 May 1986

Dear Nigel,

SECURITY SERVICE

In your letter of 12 May about the management report produced by the Director General of the Security Service you asked for clarification of the Director General's comments in paragraph 9(e) about the "failure [of the Service] to obtain the support which [it] deserved and needed from Government". The Prime Minister noted that the Security Service has never lacked support, including financial support, from this Government and asked for the Director General's further comments.

The Director General agrees with the Prime Minister that the Service has not, in fact, lacked support, and he did not intend paragraph 9(e) to give this impression. The point which he was seeking to make was that the staff of the Security Service thought that for many years the Service had not been given the support and backing it needed to fulfil its functions. The general belief was that this was because the Service had not put its case properly or perhaps forcibly enough to Whitehall.

The Director General acknowledges that these perceptions had their origin in a failure of management to explain the practical issues to staff and that this is not fully brought out in the drafting. He is hopeful that the management changes which have already been made or which are in hand will improve internal communications. Meanwhile, the recent decision to give the Service a permanent pay edge over the Civil Service has convinced the Service of the Government's support for its work and the staff are very grateful for this.

I am sending a copy of this letter to Michael Stark, Cabinet Office.

Yours.

S W BOYS SMITH

The explanation does not hold water - surely the passage should not stand in its present form. Whatever the merits of saying a service is ever way it faced with this sort of criticism

N L Wicks, Esq

SECRET

SECURITY

BETTANEY

10/83

CONFIDENTIAL

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NBPR7

From: The Rt Hon the Lord Griffiths of Govilon, MC

The Rt Hon Margaret Thatcher MP
10 Downing Street
London SW1

14 May 1986

Dear Prime Minister,

Thank you for your letter of 12 May and for sending me a copy of the Report by the Director General of the Security Service.

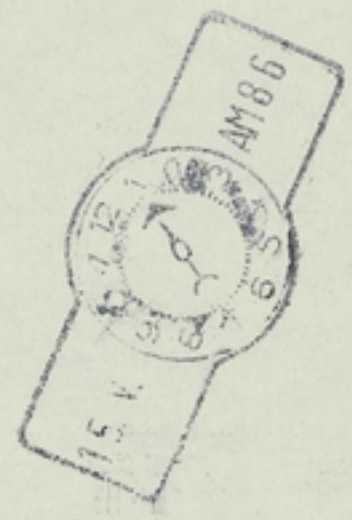
The Security Commission will be glad to consider this, in the light of their Report on the Bettaney case. We will do so as soon as possible after we have completed our current inquiry and I will then let you have our comments. Meanwhile, I note that you and the Home Secretary welcome the Director General's approach.

Yours Sincerely

Hugh Griffiths

GRIFFITHS

Security; Bethany Oct 83



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10 DOWNING STREET

THE PRIME MINISTER

12 May 1986

Dear Lord Griffiths,

On 9 May 1985, in my statement announcing the Government's decisions on the Security Commission's report into the Bettaney case, I said that the new Director General would be giving the utmost care and attention to the Security Commission's criticism of errors in relation to Bettaney's employment and to the general management criticisms which they had made in their report. I said that the Director General would be reporting to the Home Secretary and me, and that I would arrange for his conclusions to be reported to the Commission for any further comment it might wish to make.

I now attach the Report which the Director General has put to us, and I shall welcome any comments the Commission is disposed to make on it.

For our part, the Home Secretary and I welcome the Director General's approach. Our impression is that he is engendering a better spirit within the Service; that structure, recruitment and style are all being substantially improved; and that management is becoming more accessible. I believe that all this will be beneficial for the effectiveness of the Service.

Yours sincerely

Margaret Thatcher

The Rt. Hon. The Lord Griffiths, M.C.

JA

SECRET

10 DOWNING STREET

From the Principal Private Secretary

12 May 1986

SECURITY SERVICE

The Prime Minister has now studied the Home Secretary's recent minute which covered the report by the Director General of the Security Service on the Service's general management. The Prime Minister has agreed that the report should be sent to the Chairman of the Security Commission. This has now been done under cover of the Prime Minister's letter attached.

There is, however, one point in the Director General's report on which the Prime Minister would welcome further information. The Director General comments in paragraph 9e that staff of the Service feel that they had been seriously let down by:

> "failure, as they perceived it and for which they held their managers partially responsible, to obtain the support which the Service deserved and needed from Government"

The Prime Minister does not understand this comment. The Security Service has never lacked support, including financial support, from this Government. She would be grateful for the Director General's further comments.

I am sending a copy of this letter to Sir Robert Armstrong.

(N.L. WICKS)

Stephen Boys Smith, Esq.,
Home Office.

SECRET

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SECRET

Prime Minister 27

Letter immediately below for signature if you are content with the report.
N. L. W.
9.5

Ref. A086/1420

MR WICKS

Security Service

I have seen a copy of the Home Secretary's minute of 7 May to the Prime Minister.

2. I too have been keeping in touch with developments in the Security Service, and Sir Antony Duff has been discussing with me his thinking on the management of the Service as he has carried it forward. All that I have heard and seen supports what the Home Secretary says about Sir Antony Duff's approach and the beneficial effects it is having.

3. I agree that Sir Antony Duff's report should be sent to the --- Security Commission. I attach a draft letter for the Prime Minister to send to the Chairman of the Commission, covering the report.

4. I shall be reporting separately on the two issues mentioned in paragraphs 5 to 7 of the Home Secretary's minute, which affect all the intelligence agencies.

MS

for ROBERT ARMSTRONG

9 May 1986

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SECRET

26

Prime Minister

SECURITY SERVICE

In your statement on Bettaney on 9 May, you said:-

> "The new Director General is giving the utmost care and attention to the Security Commission's criticism of errors in relation to Bettaney's employment, as well as to the general management criticisms to which I have referred. He will make the changes that are judged to be necessary to improve the organisation and management of the service and will report to my right hon. and learned Friend and me later this year. I shall arrange for his conclusions and measures to be reportedto the Security Commission for any further comment it may wish to make."

2. You heard Sir Antony Duff's provisional views on Security Service management during your visit to the Security Service on 2 August last. I have kept in touch with Sir Antony's developing conclusions. Attached is a comprehensive report by him which could now be sent to the Security Commission.

3. I welcome the approach which Sir Antony is making. I am sure that he is engendering a better spirit within the Security Service. Structure, recruitment and style are all being substantially improved. Management is becoming more accessible. There will be benefit in all this for the effectiveness of the Service. The need to produce policy papers is a useful discipline for staff not hitherto used to it.

4. I should be glad to know whether you agree that the report should now be sent to the Security Commission in accordance with your undertaking in the House. Unless the Security Commission make substantial or fundamental comments, I do not envisage that there needs to be an further publicity. We will need to be ready with a short statement if there were Questions about the follow up to your undertaking.

5. Sir Antony's report, in Annex B, deals with the Security Commission's detailed recommendations in their Bettaney report. One of these recommendations was that

SECRET

there should be random searches of staff leaving Security Service premises. Paragraph 5 a. of Annex B mentions that this is an issue which needs consideration across the Intelligence Agencies.

6. In your statement last May you also said:-

> "Hon Members on both sides of the House have expressed concern about the handling of members of the service who are troubled over particular matters and activities within the Service. The Director General has been asked to consider, and to report to my right hon and learned Friend and me, what developments he proposes by way of internal outlets for the expression of grievances or anxieties of individual members of the Service."

7. This too is an issue which affects all the Intelligence Agencies. Sir Robert Armstrong is arranging for recommendations to be made to you, me and the Foreign and Commonwealth Secretary. There is no need to mention this study to the Security Commission. When we have taken a decision, again we should be ready to say something publicly if asked.

Douglas Hurd.

May 1986

THE NATIONAL ARCHIVES

DEPARTMENT/SERIES Prem 19 PIECE/ITEM 1954 (one piece/item number)	Date and sign
Extract details: Report dated circa 7th of February 1986	X
CLOSED UNDER FOI EXEMPTION	
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C F.

RTA is advising on this. Pl chase them up if it does not arrive in a couple of days.

N. L. W.

13.2

THE NATIONAL ARCHIVES

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 1954 (one piece/item number)	Date and sign
Extract details: Minute from Cradock to Wicks dated 10 February 1986	
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Extract details: Letter dated 7th of February 1986	X
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RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	A.C 18/05/23
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THE NATIONAL ARCHIVES

DEPARTMENT/SERIES Crem 19 PIECE/ITEM 1954 (one piece/item number)	Date and sign
Extract details: Report dated 2nd of January 1986	
CLOSED UNDER FOI EXEMPTION	
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DEPARTMENT/SERIES ..... Prem 19 ..... PIECE/ITEM ..... 1954 ..... (one piece/item number)	Date and sign
Extract details: Report dated 5th of August 1985	X
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SECRET

Prime Minister (23)

for information

Ref. A085/1395

MR BUTLER

After her statement in the House of Commons on 9 May on the Bettaney affair, the Prime Minister asked Sir Antony Duff to report on the action taken in response to the Commission's criticisms of the Security Service's handling of Bettaney.

--- 2. I attach a copy of the letter which Sir Antony Duff has sent to the Home Secretary in response to that request.

3. What Sir Antony Duff is doing seems to me to be judicious and sensible in the circumstances.

RTA

ROBERT ARMSTRONG

21 May 1985

SECRET

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

Thank you for your minute of 21 May (A085/1395) attaching a copy of a letter from Sir Antony Duff to Sir Brian Cubbon about action which he is taking following the Security Commission's criticisms of the Security Service's handling of Bettaney. The Prime Minister has seen and noted these papers.

22 May 1985

THE NATIONAL ARCHIVES

DEPARTMENT/SERIES Crem 19 PIECE/ITEM 1954 (one piece/item number)	Date and sign
Extract details: Report dated 10th of May 1985	X
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10 DOWNING STREET

From the Principal Private Secretary

15 May 1985

SECURITY SERVICE

Thank you for your letter of 14 May, which the Prime Minister has seen and noted. The Prime Minister will look forward to receiving in about a month's time the Home Secretary's proposals for a visit to the Security Service by herself and the Home Secretary.

I am copying this letter to Richard Hatfield (Cabinet Office).

E E R BUTLER

Hugh Taylor, Esq.,
Home Office.

CONFIDENTIAL

From: THE PRIVATE SECRETARY

SECRET

Prime Minister -
to see

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

22

14 May 1985

Dear Robin,

SECURITY SERVICE

Thank you for your letter of 9 May.

The Home Secretary expects to have a substantial discussion with Sir Antony Duff in about three weeks' time about the follow-up to the Bettaney report. After that meeting he will make proposals for a visit which the Prime Minister and he might make to the Security Service. This will probably need to be in July: Sir Antony is away for the greater part of June.

Sir Antony has given the Home Secretary an initial report on the Security Commission's specific criticisms of the handling of Bettaney. The staff manager mentioned in paragraph 6.7 of the Security Commission's report is due to retire later this year. Sir Antony takes the view that the mistaken judgments and decisions in the handling of Bettaney are now thoroughly understood not only by this staff manager and others directly concerned but by all responsible for the management of the Service. He has not identified any appropriate disciplinary action which could be taken. What is important, in his view, is to ensure that the right general attitude is taken by management as a whole henceforth.

The Home Secretary proposes to discuss this report with Sir Antony at the meeting which I have already mentioned about the follow-up to the Security Commission's report as a whole.

I am copying this letter to Richard Hatfield (Cabinet Office).

Yours ever,

H H TAYLOR

F E R Butler, Esq.

SECRET

14 MAY 1985

PERSONAL AND CONFIDENTIAL

Cite (22) SH

10 DOWNING STREET

From the Principal Private Secretary

13 May 1985

The Home Secretary will remember that, when the Prime Minister had a word with him and Sir Brian Cubbon after the Bettaney statement, she said that she would take up with Dr Owen the latter's naming of Sir Antony Duff during Supplementary Questions on the Statement.

This is to let you know that Dr Owen has apologised, saying that he was under the misapprehension that the appointment had been announced; and he has asked the Prime Minister to pass on his apologies to Sir Antony Duff.

Since the exchange of letters is marked "Personal and Confidential" I am not distributing copies of it; and the Prime Minister said that she had no intention of making it known in public that she was taking the matter up with Dr Owen. I should be grateful, therefore, if you could ensure that the confidence is preserved.

I am copying this letter on the same basis to Sir Robert Armstrong and Sir Antony Duff.

E.E.R. BUTLER

Hugh Taylor, Esq.,
Home Office

PERSONAL AND CONFIDENTIAL

THE RT HON DR DAVID OWEN MP

HOUSE OF COMMONS
LONDON SW1A 0AA

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PERSONAL AND CONFIDENTIAL

10 May 1985

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

Dear Margaret Thatcher

Thank you for your letter and I can only apologise. I had thought following the way that the whole issue has been reported in the press, not just in the initial front page story in the Sunday Times, but in repeated references since, that you had broken with the convention and were making the appointment public in the case of the Director General of Security Services. I was obviously in error and I hope you will convey to Tony Duff my regrets.

Incidentally, while on the subject I gather that you have also not avowed the existence of the intelligence service. It was certainly again my impression amidst the controversy over GCHQ that you had changed the policy and were now avowing the service but I gather this is not so. Though I must say that it is very hard to keep to this policy since the GCHQ was avowed as in the Prime case. However, I will try to respect that, since as you will know I took the same view as you when you were consulted in Opposition, that it was better not to avow even though everyone knew.

Again my apologies.

Yours sincerely

David Owen

Bettaney

Security Office

Bettaney

PERSONAL AND CONFIDENTIAL

10 DOWNING STREET

THE PRIME MINISTER

10 May 1985

Dear Dr. Owen,

As one Privy Counsellor to another, I have to say that I was surprised and disappointed at your naming Sir Antony Duff during your question following my statement on security this afternoon.

As you are well aware, there is a longstanding convention that the Director General of the Security Service, like his counterpart in the Secret Intelligence Service, is not publicly named by the Government. I was not therefore able to comment on this part of your question.

I doubt whether you would have acted in this way while you were in office as Foreign and Commonwealth Secretary. The breaking of such conventions by people of standing encourages others to ignore the rules which protect the confidentiality of our security services. In addition to increasing the personal risks to the people involved, the long term results are severely damaging to the operations of those services and to the national interest.

This is a strictly confidential letter.

Yours sincerely

Margaret Thatcher

The Rt. Hon. Dr. David Owen, M.P.

Bettany

File

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10 DOWNING STREET

From the Principal Private Secretary

9 May 1985

Security Service

Following the statement on Bettaney this afternoon, the Prime Minister had a short discussion with the Home Secretary and Sir Brian Cubbon.

The Prime Minister said that, on reading the Security Commission's report in preparation for the statement, she had been struck by the seriousness of the criticisms of those responsible for the personnel management of Bettaney. She did not feel that these criticisms could be shrugged aside. She asked in particular to be informed what action had been taken in respect of Bettaney's staff management officer, who was criticised in para 6.7 of the Security Commission report.

The Prime Minister also said that she would like to follow up the report by a personal visit to the security service, accompanied by the Home Secretary, in about six weeks time or so. Could you please advise me when Sir Antony Duff has made sufficient progress on the measures to be taken to deal with the criticisms in the Security Commission report for a visit by the Prime Minister and the Home Secretary to be worthwhile.

I am copying this letter to Sir Robert Armstrong.

Hugh Taylor, Esq.,
Home Office.

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THE NATIONAL ARCHIVES

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Security

3.31 pm

The Prime Minister Mrs. Margaret Thatcher): With permission, Mr. Speaker, I shall make a statement on security.

On 22 February I received the report of the Security Commission on its inquiry into the case of Michael Bettaney, the former security service officer who was tried for offences under the Official Secrets Acts and was sentenced to 23 years imprisonment in April last year. The report is being presented to Parliament as a Command Paper this afternoon.

The commission has fully examined Bettaney's career in the security service, with the object of identifying any errors on the part of management in relation to Bettaney's employment. It finds that the process of recruiting Bettaney was carried out consistently with the procedures at the time. There is, in fact, no reason to doubt his loyalty at that time, or to suppose that he had at that stage ever contemplated the possibility of turning spy.

The commission makes a number of serious criticisms of the errors by the security service in relation to the management of Bettaney's career. In particular, it concludes that there came a point in October 1982 when there should have been, but was not, a very full investigation of Bettaney's lifestyle, which probably would have led to the removal of his positive vetting clearance and the cessation of his employment in the security service.

It remains the case, however, that Bettaney's attempts to get himself recruited as an agent of the Russian intelligence service were not successful. The security service's investigation that led to Bettaney's eventual conviction was effective and conclusive.

Although in the course of his attempts to get himself recruited Bettaney did communicate some secret information to the Russians, he was arrested before he was able to pass over the major proportion of the secret information that he had collected and the grave damage that would have ensued by such communication was averted.

In the light of its investigation, the commission makes a number of recommendations for changes in positive vetting procedures in the security service. The most significant of these is that, at quinquennial review, special and separate reports should always be called for from all those who have supervised the subject since clearance was last given.

The commission also recommends that the revised and improved arrangements which apply at present only to the more senior grades should now be extended to all staff. These recommendations are being put into effect.

In the course of its investigation the commission received evidence of a more general character which was critical of various aspects of the internal organisation and management of the security service. It did not attempt to pass judgment on those criticisms, but has recorded its impression of aspects of organisation and management which seem to it to require examination and reassessment. The last chapter of the report makes some suggestions for changes in management attitudes and arrangements, and indicates a number of matters which, in the commission's view, call for particular consideration.

These criticisms and suggestions are being thoroughly examined and my right hon. and learned Friend the Home Secretary and I are determined to see that action is taken to remedy management weaknesses.

The new director general is giving the utmost care and attention to the Security Commission's criticism of errors in relation to Bettaney's employment, as well as to the general management criticisms to which I have referred. He will make the changes that are judged to be necessary to improve the organisation and management of the service and will report to my right hon. and learned Friend and me later this year. I shall arrange for his conclusions and measures to be reported to the Security Commission for any further comment that it may wish to make.

Hon. Members on both sides of the House have expressed concern about the handling of members of the service who are troubled over particular matters and activities within the service. The director general has been asked to consider, and to report to my right hon. and learned Friend and me, what developments he proposes by way of internal outlets for the expression of grievances or anxieties of individual members of the service.

Finally, I emphasise that the criticisms of management do not extend to operations or overall efficiency.

Indeed, the Commission says:

"nothing in this report is intended in any way to call in question the professional and operational efficiency of the Security Service, which we believe to be of a high order".

Nevertheless, the criticisms that the Commission makes of the handling of Bettaney's case are serious, and every possible effort will be made to see that the shortcomings that it describes do not occur again.

Mr. Neil Kinnock (Islwyn): The Security Commission's report reveals great managerial inefficiencies within the security service, and I am sure that the whole House and the country will share the concern expressed by the Commission.

Plainly, Britain needs an effective and efficient security service. May I, therefore, welcome the Prime Minister's announcement that she will immediately implement the Commission's recommendations on positive vetting and that the new Director General will attend to the other criticisms made by the Commission?

May I also make it clear to the Prime Minister that, unfortunately, her statement does not meet the real seriousness of the problems illustrated by the Bettaney case? When she says:

"Bettaney's attempts to get himself recruited as an agent of the Russian intelligence were not successful",

it seems that the right hon. Lady betrays a certain complacency. The fact is that no man could have tried harder than Bettaney to get himself recruited to the Russian secret service, and his fortunate incompetence is not a sufficient reassurance about the general condition of our services. Yet another internal reorganisation cannot, and will not, allay the widespread concern about the state of Britain's security services.

The Michael Bettaney case is only the latest in a series of incidents which have shown that our security services are not as proficient as they should be—indeed, must be—in clearing spies from within their own ranks and in detecting and defeating the spies from powers that seek to do us harm.

Does the Prime Minister agree with me that it is wrong that the security services should dissipate time and resources in conducting the surveillance of loyal British

The Prime Minister: I am aware that the validity of medical cards has been a source of some concern for those who represent Northern Ireland seats. I understand that my right hon. Friend the Secretary of State for Northern Ireland answered a question on the issue before I entered the Chamber to the effect that he is taking every step possible to ensure that valid medical cards are available.

Q5. **Mr. Budgen** asked the Prime Minister if she will list her official engagements for Thursday 9 May.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Budgen: Will my right hon. Friend take this opportunity of welcoming the proposed privatisation of British Gas? Will she explain why this future private monopoly cannot be broken up according to region and function?

The Prime Minister: I join my hon. Friend in welcoming the decision further to privatise, and to privatise the gas industry. My right hon. Friend the Secretary of State for Energy considered whether the gas industry should be broken up either by region or by function. He came to the conclusion that it would take far too long to break up by region and that that would be far too expensive. He recognised, too, that that could have an adverse effect on the price of gas in some areas. For these reasons he decided that it would be better to go ahead by privatising the gas industry as a whole.

Mr. Leighton: Will the Prime Minister take this opportunity to congratulate the membership of SOGAT, the country's largest printing union, which has recently voted by a majority of nearly 4:1 to retain its political fund?

The Prime Minister: The SOGAT members vote exactly as they will on whether to retain their political fund. They have an opportunity to vote and we insisted that there should be a vote. How they use their vote is a matter for their decision. I shall be only too delighted if more trade unions believe in giving their membership the right to vote by secret ballot. This advance has come about only as a result of the Government's actions.

Mr. Lyell: Does my right hon. Friend agree with the leader of the National Association of Head Teachers that the NUT's refusal to meet the Secretary of State for Education and Science was ill-judged? Does she further agree that the country is entitled to expect an honourable profession not merely to seek to increase its pay by striking, to the sufferance of children, but to come forward with sensible proposals for a restructuring of its profession so that a wise, overall solution can be achieved?

The Prime Minister: Yes, it is disappointing that the NUT will not take part in any meeting with my right hon. Friend. It has said that it wants an improved offer in Burnham and will discuss only this year's pay offer. My hon. and learned Friend is absolutely right to say that we need a restructuring of the profession, proper appraisal provisions and proper contracts of service. Then we can, perhaps, have a much more fundamental talk about the whole pay structure.

people, who have no connection with espionage and pose no threat to the security of this country, when they should be concentrating entirely on real subversives, real spies and real terrorists who do wish us harm?

The Prime Minister has told us of her decision simply to pass to the Director General the evidence to the Security Commission from, as the report says,

"present members of the Service at various levels and from former members".

That evidence is "highly critical" of the service. The right hon. Lady's response to those authoritative criticisms from various levels within the service is not good enough.

Following the report from the Director General, which the right hon. Lady expects later this year, precisely what action will she be prepared to take to remove the problems identified in confidence by those within the service who have made criticisms?

Finally, is the Prime Minister aware that people who share her political affiliation, as well as those who share mine, and people with no political affiliation, believe that it is essential to establish a system of external oversight, representative of all parties, and answerable to the House, with the appropriate safeguards for necessary secrecy? Will she place the security services on a proper statutory footing and establish a parliamentary review procedure so that we can satisfy ourselves and the country that this nation's security is being properly protected?

The Prime Minister: On the right hon. Gentleman's first point, it is a fact that Bettaney was arrested before he was able to hand over some of the information which he accumulated—*[Interruption.]* That is a fact. He was arrested and therefore he was caught within his own organisation before he was able to hand over the information.

Secondly, the Security Commission had two main criticisms. The first concerned the handling of Bettaney's career. The right hon. Gentleman will see that in the paragraphs and chapters of the Security Commission's report it argues very carefully and closely its reasoning. I think that we should leave it to be read in detail and leave the new director general of the security services to deal with that matter, as I am certain he will.

The commission also made a general criticism that it had received from other members of the security services adverse comments on the way in which the service was managed. The commission did not go in to that. The commission did not validate those criticisms, for it is sufficient both for the commission and for us that they were made, and clearly that whole matter must be inquired into. When the Director general has come up with his proposals and put them into operation we shall also refer those proposals to the Security Commission for any further comment that it may make. Therefore, I believe that we have met the legitimate concerns and the serious criticisms of the Security Commission.

The need for external oversight has been argued at length in the House and came up again during the passage of the Interception of Communications Bill. All Governments run the security services in the same way and on the same lines, because they know when they are in power that that is the best way to run them. They must be run under unified management. They cannot be referred to an external group.

Sir Edward Gardner (Fylde): Does my right hon. Friend agree that all that has happened in the past emphasises and underlines the need for a safe and efficient way of dealing with complaints by members of the security services? Will she consider the recent proposal of right hon. and hon. Members on both sides of the House, including two former Home Secretaries, to appoint a complaints commissioner to deal with complaints internally and without any breach of security by members of the service? Bearing in mind that the American CIA has an ombudsman with powers of oversight — an appointment which has proved to be highly successful, so far as one can gather—does my right hon Friend agree that such an appointment of a comparable kind here would be the safest of all safety valves?

The Prime Minister: I saw the speech that my hon. and learned Friend made to this effect during the passage of the Interception of Communications Bill. It was generally in line with what he has just said. We are naturally concerned that for those in the security service who have certain strong feelings about duties which they are asked to perform there should be a channel through which they can make their views known.

I believe that quite a lot will occur through a change in the style of management there. I listened carefully to my hon. and learned Friend's comments. Before jumping to any specific conclusion, I have asked the new Director General to consider this with the staff and to put forward proposals. My hon. and learned Friend's proposal will, of course, also be considered.

Dr. David Owen (Plymouth, Devonport): The professional and operational efficiency of the secret services surely must come into question when Bettaney was not competent enough even to be able to be recruited by the Soviet security services. Although Sir Anthony Duff is a very distinguished public servant, will the Prime Minister give careful consideration to the proposal for a complaints ombudsman covering both the security and intelligence services? If the CIA and the FBI are both capable of being subjected to an ombudsman and also to a Select Committee of Congress, surely it is time now for an all-party parliamentary Select Committee of both Houses to be able to scrutinise the secret Vote of both the security and the intelligence services.

The Prime Minister: No. I do not believe that the right hon. Gentleman is correct in the latter part of his question. He did not do that when he was Foreign Secretary, for, I believe, very good reasons. I think that we should continue to enable the secret services to run in a secret way—after all, those against whom they operate always have the benefit of secrecy—and carry on in the way that we have done in that they are responsible to Ministers, whether the Home Secretary or the Foreign Secretary.

With regard to the internal complaints, I have nothing to add to what I have already said about that matter in answer to my hon. and learned Friend the Member for Fylde (Sir E. Gardner).

Sir Anthony Kershaw (Stroud): Will my right hon. Friend discard the obviously fatuous suggestions of the Leader of the Opposition, which would be likely to prove positively harmful in their effect? Nevertheless, will she recognise that the spasmodic reviews of the security services by the great and the good are not adequate for the purpose, and that a permanent inspectorate within the services would be likely to prove the best solution?

The Prime Minister: I have noted my hon. Friend's comments, but I am sure he will agree that the best way is for the new Director General to consider these matters first and make his own recommendations.

Mr. Merlyn Rees (Morley and Leeds, South): As part of the consideration of what the Prime Minister described as internal complaints, will she report to the House later this year on the ideas of the new Director General on this matter? Several of us agree with the Chairman of the Home Affairs Committee that the best channel would be a sort of ombudsman inside MI5. It took the Bettaney case to achieve any consideration of the matter, and I accept any criticism that might fall on me because of it. It is a serious matter, and the hon. Member for Stroud (Sir A. Kershaw) has made a very good suggestion.

The Prime Minister: Without any commitment, may I consider what the right hon. Member for Morley and Leeds, South (Mr. Rees) has said? It is important to find a solution, and it is important that I report that a solution has been found. I would need to consider whether it would be wise to report the solution precisely.

Mr. Jonathan Aitken (Thanet, South): Does my right hon. Friend agree that in the aftermath of the Blunt revelations about six years ago both she and the then Home Secretary, Lord Whitelaw as he now is, indicated that there would from then on be the tightest possible ministerial oversight of security services? Is it not an uncomfortable fact that the weaknesses revealed by today's statement show that pure ministerial oversight, however good the Ministers may be, is not quite good enough? Will she now be a little more sensitive to the views, held in all parts of the House, that some form of Privy Councillors' committee or ombudsman would reassure public opinion in this area?

The Prime Minister: I think that my hon. Friend would be the first to accept that Ministers should not get involved in the day-to-day management of any service. I am sure that he would accept that. The criticism in the Bettaney case was of that kind of management. That is being inquired into and, I believe will be put right. There are also certain proposals as to what should happen on the quinquennial review of vetting, which was where the problems arose. I do not think that it would be helpful to the security services to have their operations and their management exposed to cross-examination in this House. I think that it would be highly damaging to them.

Mr. A. J. Beith (Berwick-upon-Tweed): Would a purely internal outlet for the expression of grievances of individual members of the service have dealt with the situation where a senior official of MI5 believed that the then Director General, Sir Roger Hollis, was a spy and found himself under investigation for pursuing that line of inquiry?

The Prime Minister: I have already made my views on that quite clear and given the official statement. Therefore, I am surprised at the hon. Gentleman raising it again under the Bettaney case.

I believe that there could be an internal route under a different style of management. It is being considered. The hon. Gentleman heard the reply that I gave to the right hon. Member for Morley and Leeds, South.

Mr. John Browne (Winchester): Will my right hon. Friend accept that many people feel that she is doing her level best to restore the credibility of the security services, but that some of us feel, in the light of the infiltrations at a very senior level and the continued catalogue of errors such as the one we are now facing, that that must call into question not only the management but the actual operation of the security services? For that credibility—which is the key issue—to be restored, surely nothing short of forming a new service will suffice?

The Prime Minister: I do not agree with my hon. Friend. As he will be well aware, the security service has had its very considerable successes, and those successes have received much less publicity than problems of this kind.

I do not believe that we need a new service. I hope that my hon. Friend will recognise the excellent work that the security services do, and try to boost their morale rather than to lower it.

Mr. David Winnick (Walsall, North): Is the right hon. Lady aware that what is so disturbing about her report is that she refuses to comment on, let alone take action over, the allegations that a number of people have been investigated by MI5 and the special branch, not because they were subversive in any possible sense, but because of their opinions? I remind the right hon. Lady of the case of Mrs. Haigh in the west midlands.

Secondly, may I ask the Prime Minister why, in replies to me, she has said that she would not give permission for the newly appointed Director General of MI5 to give evidence, if invited, before a Select Committee, or to come here perhaps once a year to answer questions from hon. Members? Does the Prime Minister not recognise —unlike some of her hon. Friends—that if there is to be confidence in MI5 and the security services, some degree of parliamentary accountability is necessary?

The Prime Minister: The hon. Gentleman will be aware of Lord Harris's definition of subversion. Only when activities fall within that definition are they investigated. The hon. Gentleman referred to further accountability to the House. I remind him of the view taken during the lifetime of the last Labour Government. On 28 July 1977 a Home Office Minister said:

> "I am inhibited from commenting on the allegations in any detail by the long-standing and well-established convention that these matters are not discussed across the Floor of the House." —[*Official Report*, 28 July 1977; Vol. 936, c. 1223.]

I believe that in the case of this service it is necessary to continue that practice.

Dr. John Marek (Wrexham): Is the right hon. Lady satisfied that the personal information that is held and is exempt under section 27 of the Data Protection Act on the ground of national security is relevant to national security, and that no irrelevant information is held? In view of what has been said by hon. Members after her statement today, will the right hon. Lady consider what may be the best way of reassuring the British public that that is so?

The Prime Minister: I do not believe that that question arises from the commission's report on the Bettaney case. I believe that these matters were discussed during the passage of the Interception of Communications Bill, and I have nothing to add to what was said then.

Several Hon. Members *rose*——

Mr. Speaker: Order. There is a very important debate to follow. I shall take one more question.

Business of the House

3.54 pm

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): With permission, Mr. Speaker, I should like to make a statement concerning next week's business. It will be as follows:

Monday 13 May — Until seven o'clock, private Members' motions. Remaining stages of the Surrogacy Arrangements Bill, and of the Prosecution of Offences Bill *[Lords]*.

The Chairman of ways and Means has named opposed private business for consideration at seven o'clock.

Tuesday 14 May — Second Reading of the Oil and Pipleines Bill. Remaining stages of the Ports (Finance) Bill.

Wednesday 15 May—Opposition Day (11th Allotted Day). There will be a debate on an Opposition motion titled "The Government's Neglect of British Industry and the New Technologies."

Motion on the Unfair Dismissal (Variation of the Qualifying Period) Order.

Thursday 16 May — Motion on the Spring Adjournment.

Second Reading of the Administration of Justice Bill *[Lords]*.

Friday 17 May—Private Members' Bills.

Monday 20 May—Debate on a Government motion on the report of the Auld committee of inquiry into proposals to amend the Shops Acts, Cmnd. 9376.

The House will wish to know, Mr. Speaker, that it will be proposed that the House should rise for the Spring Adjournment on Friday 24 May until Monday, 3 June.

Mr. Neil Kinnock (Islwyn): I am grateful to the right hon. Gentleman for his statement.

In view of the hostility that the Unfair Dismissal (Variation of the Qualifying Period) Order will arouse among hourly paid workers, will the right hon. Gentleman ensure that more time is given for that debate next Wednesday so that more right hon. and hon. Members can participate, as the subject will affect many workers in Britain?

May I ask the right hon. Gentleman, for the sixth time, for a debate on the report of the Commission for Racial Equality and tell him that we want such a debate to be held on a day and at a time when it can be reported fully in the press?

Is the right hon. Gentleman aware that there is growing anxiety among management and workers at the prospect of the social security review and its findings undermining the state earnings-related pension scheme, which workers depend on to provide them with pensions that will free them of the need to claim social security in retirement? The Prime Minister said earlier that the discussion of these matters in Cabinet had been concluded. When will we have a statement? Will it attend to each of the subjects separately, or does the right hon. Gentleman hope that they will be lumped together, thereby somewhat restricting the discussion that should take place?

Mr. Biffen: The right hon. Gentleman will have heard that it is proposed that the White Paper should be published shortly after we return from the Whitsun recess and be accompanied by a statement to the House. I note what he said about the desirability——

Dr. Oonagh McDonald (Thurrock): It is a Green Paper.

Mr. Biffen: I am most grateful for that correction. It is a Green Paper. We are linked in a dream partnership that has saved me from those incautious words. I take the right hon. Gentleman's point about the ambit of the statement and will refer it to my right hon. Friend the Secretary of State.

I note what the right hon. Gentleman said about a debate on the report of the Commission for Racial Equality. he will appreciate that this matter has been attended to through the usual channels. I shall ensure that the matter is further attended to.

I take account of the right hon. Gentleman's request for extended time on the debate on the unfair dismissal order on Wednesday. That matter can be helpfully attended to through the usual channels.

Mr. J. Enoch Powell (South Down): Did the Leader of the House notice that the House got on to the Adjournment last night at 8.17 pm? Is this not difficult to reconcile with any suggestion that the Government might find it difficult to provide a little time for the passage of measures desired by the House?

Mr. Biffen: The right hon. Gentleman is entitled to travel hopefully. It is in the essence of Parliament that it should be unpredictable, above all, about the Committee stages of Finance Bills, which are greatly influenced by the wishes of the Opposition. I am not sure whether the Government can be blamed if business ends a little early.

Several hon. Members *rose*——

Mr. Speaker: Order. This is an appropriate moment to say that there is nothing unpredictable about the number of hon. members who wish to participate in the debate on the multi-fibre arrangement. In view of that, I shall allow business questions to continue until 4.15 pm.

Mr. Harry Greenway (Ealing, North): In view of the damage being done to schoolchildren and schools by the Militant Tendency and the Young Socialist organisation of the Labour party office, which are subverting schoolchildren dangerously, keeping them out of school and closing schools, may we have an early statement from the Secretary of State for Education and Science, on which hon. Members may question him and seek an assurance from him that schools will not be closed because those organisations are damaging children's chances of education?

Mr. Biffen: I shall refer my hon. Friend's point to my right hon. Friend the Secretary of State for Education and Science. He makes a legitimate point about a matter which has caused a great deal of anxiety. However, I must point out that he has a chance of raising the matter on the motion for the Spring Adjournment.

Mr. James Hamilton (Motherwell, North): Will the Leader of the House bear in mind the report in the media that the Secretary of State for Scotland will today make a statement about rates in Scotland at the Tory party conference? Will he ensure that the Secretary of State for Scotland makes the self-same statement in the House, and apologises to the House for making the statement outwith the elected Chamber?

Mr. Biffen: If my right hon. Friend the Secretary of State for Scotland is locked in conclave with the

Mr. Ernie Roberts (Hackney, North and Stoke Newington): In view of the serious statement on security by the Prime Minister, will she consider withdrawing a statement sent to me from the Cabinet Office Management and Personnel Office? The Minister concerned said that it was the Government's

"declared policy to introduce competitive tendering for services, including security guarding, in Government Departments . . . I cannot go into detail about the steps which are taken to ensure the suitability of commercial guarding companies".

That is what I was told, and yet the Prime Minister makes statements about her concern for national security.

I am not prepared to allow private companies to be responsible for the security of the correspondence of hon. Members. *[Interruption.]* Hon. Members may laugh. The citizens of this country are entitled to security for their correspondence with their Members of Parliament. To place that security in the hands of private companies——

Mr. Speaker: Order. Does the question have anything to do with the security services?

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Speaker.

Mr. Speaker: I shall take the point of order afterwards.

Mr. Skinner: It is relevant to the statement, Mr. Speaker.

Mr. Speaker: Order. I shall take the point of order afterwards.

Later——

Mr. Harry Cohen (Leyton): On a point of order, Mr. Speaker.

Mr. Speaker: Order. I hope that the hon. Gentleman will be brief, as we have a busy day.

Mr. Cohen: My point of order arises from the Prime Minister's statement. As you will recall, Mr. Speaker, there were only four hon. Members standing at the end of the Prime Minister's statement—myself, my hon. Friend the Member for Newham, North-West (Mr. Banks), who had been trying to ask a question all the time, my hon. Friend the Member for Bolsover (Mr. Skinner), who began to seek to ask a question in the middle of questions, and the hon. Member for Littleborough and Saddleworth (Mr. Dickens), who began to seek to ask a question at the end of questions. You, Mr. Speaker, moved on without calling us, but at the end of business questions you said that you would take questions until 4.15, but called all those hon. Members who had been seeking to ask questions up to now, 4.24. That is wrong, Mr. Speaker, because——

Mr. Speaker: Order. Let me stop the hon. Gentleman right there. These are different matters. The hon. Member will accept that business questions are prized Back-Bench opportunities to put questions to the Leader of the House. He will know that I always seek to call as many hon. Members as possible on business questions. I cannot always call everybody on statements; it would be impossible to do so. More than 32 hon. Members wish to take part in the next debate. I am sure that the hon. Gentleman does not wish to delay that, because many of those hon. Members are colleagues from his side of the House.

Mr. Cohen: I understand that, Mr. Speaker, but the point needs to be made. I appreciate your point about business questions being prime time for Back Benchers, but so are statements on security services. The chances for hon. Members to ask questions are fewer on this subject than on business questions. When we try to raise the matter, it is blocked by the Table Office. I wanted to raise three clear points with the Prime Minister, none of which were made during the supplementary questions. I wanted to ask that anyone in the security services——

Mr. Speaker: Order. The hon. Gentleman cannot do that. I have to exercise discretion. He will know that there are other opportunities to put his questions. I try to be as fair as possible in allocating the available time. I cannot take further points on that now.

Mr. Cohen *rose——*

Mr. Speaker: Order. The hon. Gentleman is being selfish in seeking to keep out other hon. Members. The only sanction that I shall have is to call more hon. Members from Conservative and alliance Benches if the hon. Gentleman wishes to take time from his colleagues.

Mr. Cohen: A question arises out of your first ruling, Mr. Speaker. You said that there are other opportunities for Back-Bench Members to raise this matter. Where are those opportunities for debate on the security services? The Leader of the House said that there will not be a debate next week.

Mr. Speaker: Order. The hon. Gentleman will have to find other opportunities.

Mr. Cohen: There are none.

WHY ARE APPENDICES C, D AND E NOT PUBLISHED?

It would not be in the interests of the operation of national security.

WHY NOT?

Two of the appendices contain material which it is not desirable to publish on security grounds. The third - Appendix D - contains criticism of the internal organisation and managements of the security service which the Security Commission received but did not assess or form judgements on their validity. In these circumstances the Chairman of the Security Commission agreed that it would not be right to publish this evidence.

WHY HAS IT TAKEN SO LONG TO PUBLISH THE REPORT?

The Government received the report just over 2 months ago as a new Director General of the security service was about to take office. It was right for the new Director General to have a chance to consider the report before we presented our reactions to the House.

WHY ARE THE DIRECTOR GENERAL'S PROPOSALS ON PROVIDING AN OUTLET FOR COMPLAINTS TO BE REPORTED TO THE PRIME MINISTER AND THE HOME SECRETARY AND NOT TO THE SECURITY COMMISSION OR THE HOUSE?

The need for an outlet for complaints by members of the security service was not one of the matters on which the Security Commission made a recommendation. It is part of the general management of the service for which my Rt Hon and learned Friend and I are responsible to the House.

RANDOM SEARCHES [To be provided by Mr Hatfield.]

CHECK AGAINST DELIVERY

PRIME MINISTER'S STATEMENT

SECURITY

THURSDAY 9 MAY 1985

WITH PERMISSION, MR. SPEAKER, I SHALL MAKE A STATEMENT ON SECURITY.

ON 22 FEBRUARY I RECEIVED THE REPORT OF THE SECURITY COMMISSION ON THEIR INQUIRY INTO THE CASE OF MICHAEL BETTANEY, THE FORMER SECURITY SERVICE OFFICER WHO WAS TRIED FOR OFFENCES UNDER THE OFFICIAL SECRETS ACTS AND WAS SENTENCED TO 23 YEARS' IMPRISONMENT IN APRIL LAST YEAR.

THE REPORT IS BEING PRESENTED TO PARLIAMENT AS A COMMAND PAPER THIS AFTERNOON.

THE COMMISSION HAVE FULLY EXAMINED BETTANEY'S CAREER IN THE SECURITY SERVICE, WITH THE OBJECT OF IDENTIFYING ANY ERRORS ON THE PART OF MANAGEMENT IN RELATION TO BETTANEY'S EMPLOYMENT.

THE COMMISSION FIND THAT THE PROCESS OF RECRUITING BETTANEY WAS CARRIED OUT CONSISTENTLY WITH THE PROCEDURES AT THE TIME.

THERE IS IN FACT NO REASON TO DOUBT HIS LOYALTY AT THAT TIME, OR TO SUPPOSE THAT HE HAD AT THAT STAGE EVER CONTEMPLATED THE POSSIBILITY OF TURNING SPY.

THE COMMISSION MAKE A NUMBER OF SERIOUS CRITICISMS OF THE ERRORS BY THE SECURITY SERVICE IN RELATION TO THE MANAGEMENT OF BETTANEY'S CAREER.

IN PARTICULAR, THEY CONCLUDE THAT THERE CAME A POINT IN OCTOBER 1982 WHEN THERE SHOULD HAVE BEEN, BUT WAS NOT, A VERY FULL INVESTIGATION OF BETTANEY'S LIFESTYLE, WHICH WOULD PROBABLY HAVE LED TO THE REMOVAL OF HIS POSITIVE VETTING CLEARANCE AND THE CESSATION OF HIS EMPLOYMENT IN THE SECURITY SERVICE.

IT REMAINS THE CASE, HOWEVER, THAT BETTANEY'S ATTEMPTS TO GET HIMSELF RECRUITED AS AN AGENT OF THE RUSSIAN INTELLIGENCE SERVICE WERE NOT SUCCESSFUL.

THE SECURITY SERVICE'S INVESTIGATION WHICH LED TO BETTANEY'S EVENTUAL CONVICTION WAS EFFECTIVE AND CONCLUSIVE.

ALTHOUGH IN THE COURSE OF HIS ATTEMPTS TO GET HIMSELF RECRUITED BETTANEY DID COMMUNICATE SOME SECRET INFORMATION TO THE RUSSIANS, HE WAS ARRESTED BEFORE HE WAS ABLE TO PASS OVER THE MAJOR PROPORTION OF THE SECRET INFORMATION THAT HE HAD COLLECTED AND THE GRAVE DAMAGE THAT WOULD HAVE ENSUED BY SUCH COMMUNICATION WAS AVERTED.

IN THE LIGHT OF THEIR INVESTIGATION, THE COMMISSION MAKE A NUMBER OF RECOMMENDATIONS FOR CHANGES IN POSITIVE VETTING PROCEDURES IN THE SECURITY SERVICE.

THE MOST SIGNIFICANT OF THESE IS THAT, AT QUINQUENNIAL REVIEW, SPECIAL AND SEPARATE REPORTS SHOULD ALWAYS BE CALLED FOR FROM ALL THOSE WHO HAVE SUPERVISED THE SUBJECT SINCE CLEARANCE WAS LAST GIVEN.

THE COMMISSION ALSO RECOMMEND THAT THE REVISED AND IMPROVED ARRANGEMENTS WHICH APPLY AT PRESENT ONLY TO THE MORE SENIOR GRADES SHOULD NOW BE EXTENDED TO ALL STAFF.

THESE RECOMMENDATIONS ARE BEING PUT INTO EFFECT.

IN THE COURSE OF THEIR INVESTIGATION, THE COMMISSION RECEIVED EVIDENCE OF A MORE GENERAL CHARACTER WHICH WAS CRITICAL OF VARIOUS ASPECTS OF THE INTERNAL ORGANISATION AND MANAGEMENT OF THE SECURITY SERVICE.

THEY DID NOT ATTEMPT TO PASS JUDGEMENT ON THOSE CRITICISMS, BUT HAVE RECORDED THEIR IMPRESSION OF ASPECTS OF ORGANISATION AND MANAGEMENT WHICH SEEM TO THEM TO REQUIRE EXAMINATION AND REASSESSMENT.

THE LAST CHAPTER OF THE REPORT MAKES SOME SUGGESTIONS FOR CHANGES IN MANAGEMENT ATTITUDES AND ARRANGEMENTS, AND INDICATES A NUMBER OF MATTERS WHICH IN THE COMMISSION'S VIEW CALL FOR PARTICULAR CONSIDERATION.

THESE CRITICISMS AND SUGGESTIONS ARE BEING THOROUGHLY EXAMINED AND MY RIGHT HON. AND LEARNED FRIEND THE HOME SECRETARY AND I ARE DETERMINED TO SEE THAT ACTION IS TAKEN TO REMEDY MANAGEMENT WEAKNESSES.

THE NEW DIRECTOR GENERAL IS GIVING THE UTMOST CARE AND ATTENTION TO THE SECURITY COMMISSION'S CRITICISM OF ERRORS IN RELATION TO BETTANEY'S EMPLOYMENT, AS WELL AS TO THE GENERAL MANAGEMENT CRITICISMS TO WHICH I HAVE REFERRED.

HE WILL MAKE THE CHANGES WHICH ARE JUDGED TO BE NECESSARY TO IMPROVE THE ORGANISATION AND MANAGEMENT OF THE SERVICE AND WILL REPORT TO MY RIGHT HON. AND LEARNED FRIEND AND ME LATER THIS YEAR.

I SHALL ARRANGE FOR HIS CONCLUSIONS AND MEASURES TO BE REPORTED TO THE SECURITY COMMISSION FOR ANY FURTHER COMMENT THEY MAY WISH TO MAKE.

HON. MEMBERS, ON BOTH SIDES OF THE HOUSE, HAVE EXPRESSED CONCERN ABOUT THE HANDLING OF MEMBERS OF THE SERVICE WHO ARE TROUBLED OVER PARTICULAR MATTERS AND ACTIVITIES WITHIN THE SERVICE.

THE DIRECTOR GENERAL HAS BEEN ASKED TO CONSIDER, AND TO REPORT TO MY RIGHT HON. AND LEARNED FRIEND AND ME, WHAT DEVELOPMENTS HE PROPOSES BY WAY OF INTERNAL OUTLETS FOR THE EXPRESSION OF GRIEVANCES OR ANXIETIES OF INDIVIDUAL MEMBERS OF THE SERVICE.

FINALLY, I EMPHASISE THAT THE CRITICISMS OF MANAGEMENT DO NOT EXTEND TO OPERATIONS OR OVERALL EFFICIENCY.

INDEED THE COMMISSION SAY THAT - AND I QUOTE -

"NOTHING IN THIS REPORT IS INTENDED IN ANY WAY TO CALL IN QUESTION THE PROFESSIONAL AND OPERATIONAL EFFICIENCY OF THE SECURITY SERVICE, WHICH WE BELIEVE TO BE OF A HIGH ORDER".

NEVERTHELESS THE CRITICISMS THE COMMISSION MAKE OF THE HANDLING OF BETTANEY'S CASE ARE SERIOUS AND EVERY POSSIBLE EFFORT WILL BE MADE TO SEE THAT THE SHORTCOMINGS THEY DESCRIBE DO NOT OCCUR AGAIN.

SECRET AND PERSONAL

10 DOWNING STREET

From the Private Secretary

MR. HATFIELD

SECURITY COMMISSION REPORT ON BETTANEY

I enclose the latest draft of the Prime Minister's statement tomorrow on the Security Commission report, revised after the meeting this afternoon. As I have already mentioned, the draft includes a reference to the report by the Director General to the Prime Minister and the Home Secretary being "later this year". I have placed the last sentence of the statement in square brackets. As you know, we believe that the previous sentence is a sufficiently conclusive end for the statement.

I am sending a copy of this minute and attachment to Miss Lewis-Jones (Lord President's Office), Mr. Taylor (Home Office), Mr. Appleyard (Foreign and Commonwealth Office), Mr. Steel (Law Officers' Department) and to the Director General of the Security Service.

(TIM FLESHER)
8 May 1985

SECRET AND PERSONAL

SECRET AND PERSONAL

Z1

Prime Minister

Here is the extra material you asked for.

FERB

Ref. A085/1281

MR BUTLER

Security Commission Report on Bettaney

You asked for a "glossary" containing brief notes on the Security Commission; the Three Advisers; the Judicial Monitor of Interception; the Commissioner and Tribunal to be established under the Interception of Communications Bill; and the changes recommended in successive Security Commission Reports relating
--- to positive vetting procedures. This is attached at Annex A.

--- 2. I also attach as Annex B an additional background note relating to Bettaney's correspondence from prison with his lawyer along with the line to take if this is raised in supplementaries.
--- I also attach at Annex C as additional background to Supplementary Question 13 a copy of a reply the Prime Minister gave to Mr Marlow MP on 9 January 1980 concerning policy with regard to the employment of homosexuals within the Security Service.

3. Finally there are a number of minor corrections and adjustments to be made to the supplementaries attached to my minute of 3 May (A085/1264) to Mr Flesher. For convenience I attach copies of revised pages containing the questions concerned (pages 1, 5, 9, 13, 14) and I have also incorporated the line to take on Bettaney's correspondence in these revised pages (Question 5a page 1).

Incorporated in the folder ---

4. I am sending copies of this minute and attachments to Miss Lewis-Jones, Mr Taylor, Mr Appleyard, Mr Steel and the Director General of the Security Service.

R P HATFIELD

8 May 1985

SECRET AND PERSONAL

THE NATIONAL ARCHIVES

DEPARTMENT/SERIES ..... crem 19 ..... PIECE/ITEM ..... 1954 ..... (one piece/item number)	Date and sign
Extract details: Annex dated circa 8th of May 1985	X
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	AC 18/05/23
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	

ANNEX B 20A

BACKGROUND NOTE: BETTANEY'S CORRESPONDENCE

Bettaney is a Category A prisoner, which is our highest security category. Such prisoners are normally sent to long-term high-security prisons where there is ample opportunity for prisoners to associate with each other. Because of the risks of his passing information to politically motivated prisoners, Bettaney has, instead, been held in a special unit at Coldingley prison with two selected prisoners to act as companions.

Under the Prison Rules, prisoners' correspondence may be read by prison staff unless it is with legal advisers acting for prisoners who are party to legal proceedings. The Prison Department arranged for the correspondence of Bettaney, and the other prisoners in the unit, to be checked by the Security Service as part of the overall security arrangements that have been made for him. While Bettaney was a party to legal proceedings his correspondence with the lawyers acting for him was not read; when he ceased to be a party to proceedings his correspondence with his legal advisers was sent by the prison to Prison Department headquarters for action to be considered. In January a package of photocopies of correspondence from the prison went astray in the post and was delivered by the Post Office in March to Bettaney's lawyers, Seifert Sedley and Company. There was publicity in The Observer and Mr. Alf. Dubs M.P. has asked the attached Parliamentary Questions and spoken about this on the radio.

Comment

There is clear power for the prison staff to read the correspondence in question, and this situation is not at all like that of a private citizen's communications. But some complicated legal arguments can be mounted about the way the European Convention on Human Rights (E.C.H.R.) applies to disclosure of prisoners' correspondence to law enforcement agencies in various circumstances. (There are also minor points in domestic law about the copyright in letters.) There are various changes in procedure that could be made to deal effectively with the E.C.H.R. points if Ministers judge it to be necessary.

Line to take

Prisoners' correspondence may be read under the Prison Rules. The publicised episode about Bettaney's correspondence has nothing whatsoever to do with the matters under discussion. The Home Secretary is well aware of the matter /and will take note of what has been said/.

e when he was Chief Scientist, Central Policy Review Staff. When the Central Policy Review Staff was disbanded in July 1983 I announced that Sir Robin Nicholson would continue as Chief Scientific Adviser, Cabinet Office and continue to advise me and the Secretary of the Cabinet on scientific and technological matters and scientific and technological aspects of other issues which came to me or to the Cabinet Office. This remains the position.

United States Navy

Mr. Donald Stewart asked the Prime Minister whether consultations have taken place between Her Majesty's Government and the United States Government on the granting of port facilities in the United Kingdom for United States Navy maritime pre-positioning ships.

The Prime Minister: Consultations take place at regular intervals between Her Majesty's Government and the United States Government on a range of aspects of contingency planning.

It would not be in the public interest to give details of such consultations.

Falkland Islands

Mr. Donald Stewart asked the Prime Minister what moneys have been spent on infrastructure and development in the Falklands, excluding defence expenditure, in the financial years 1982-83, 1983-84 and 1984-85; and how much will be spent in the next three financial years.

The Prime Minister: Expenditure on infrastructure and development in the Falkland Islands against commitments of a £15 million rehabilitation grant and a £31 million development aid grant announced in 1982 has been as follows:

	£ million
1982-83	10·4
1983-84	6·0
1984-85	• 6·6

• Estimate.

Expenditure is likely to continue at about the current level for the next three years.

MI5

Mr. Winnick asked the Prime Minister what is the general policy of Her Majesty's Government concerning the appearance before the Home Affairs Committee of the Director General of MI5; and if she will make a statement.

The Prime Minister: As my right hon. Friend the Leader of the House stated in his letter of 27 April 1983 to my right hon. Friend the Member for Taunton (Mr. du Cann), at columns 444-48, there is a long-standing convention under which the Government do not provide information or answer questions in Parliament on matters of security or intelligence, and the Government would regard themselves as bound by that convention in relation to departmental Select Committees, no less than in relation to Parliament itself. In the light of that policy the Government would not consider it appropriate for the Director General or other members of the Security Service to appear before a Select Committee.

Local Revenue

Mr. Norman Hogg asked the Prime Minister what consideration Her Majesty's Government are currently giving to new methods of raising local revenue, with particular reference to a poll tax.

The Prime Minister: The local government finance studies are looking at all the main aspects of the present finance system including how total local authority revenues might best be raised. A poll tax is one of a number of options for raising revenue locally.

HOME DEPARTMENT

Crimes of Violence and Vandalism (Convictions)

Sir Anthony Grant asked the Secretary of State for the Home Department what was the number of convictions of persons under 18 years for crimes of violence or vandalism in each of the last 10 years.

Mr. Mellor: The readily available information relates to offenders aged under 17 years and is published annually in tables S4.1(A) and S4.1(B) of "Criminal Statistics, England and Wales, supplementary tables, vol. 4".

Government Property (Damage)

Sir Anthony Grant asked the Secretary of State for the Home Department what was the number of convictions for damage to Government property in each of the last 10 years.

Mr. Mellor: Information collected centrally does not distinguish offences of damaging Government property from other offences of criminal damage. The available information for indictable offences is published annually in table 5.1 of "Criminal Statistics, England and Wales, 1983" (Cmnd. 9349) and for summary offences in table S4.1(B) of supplementary tables, vol. 4.

Prisoners (Correspondence)

Mr. Dubs asked the Secretary of State for the Home Department how many letters to and from prisoners have been *(a)* photocopied and *(b)* retained in each of the last five years; and how many prisoners this has involved.

Mr. Mellor: This information is not available.

Mr. Dubs asked the Secretary of State for the Home Department (1) what is his practice regarding the photocopying of correspondence between prisoners and *(a)* solicitors, *(b)* Members of Parliament, *(c)* probation officers, *(d)* social workers and *(e)* members of their family; where such copies are retained; for how long and for what purpose; and if he will make a statement;

(2) if it is with his authority that letters to and from prisoners are photocopied by the prison service and sent to his Department's P5 division.

Mr. Mellor: Under prison rule 33(1) the Secretary of State may, with a view to securing discipline and good order or the prevention of crime or in the interests of any persons, impose restrictions, either generally or in a particular case, upon the communications to be permitted between a prisoner and other persons. Under prison rule 33(3) letters to or from a prisoner may be read or examined. Under rule 37A(1) a prisoner who is a party to

legal proceedings may correspond with his legal adviser in connection with the proceedings, and unless the Governor has reason to suppose that any such correspondence contains matter not relating to the proceedings it shall not be read or stopped. It may be necessary for correspondence not protected by rule 37A(1) to be photocopied for these procedures to operate effectively, or for the prevention of crime or in the interests of any persons, particularly where questions of national security arise; and his specific authority is not required for that. In such cases the photocopies would be held at establishements or elsewhere for so long as necessary and would be destroyed when they were no longer needed.

Victim Support Schemes (Funding)

Mr. Campbell-Savours asked the Secretary of State for the Home Department whether he has received representations from individuals and organisations concerning his Department's funding to victim support schemes.

Mr. Mellor: The Home Office has received some 60 letters from hon. Members and a number from victims' support schemes and others supporting the recommendations of the Home Affairs Committee concerning the funding of victims' support schemes in its report on compensation and support for victims of crime (HC 43). The Government's reply to the Committee's report was given in a White Paper (Cmnd. 9457) published on 7 March.

Intex 85

Mr. Sackville asked the Secretary of State for the Home Department what action he proposes to take to encourage local authorities to take part in the warning and monitoring exercise Intex 85.

Mr. Giles Shaw: The Intex 85 exercise was held on 16/17 March. The United Kingdom warning and monitoring organisation informed county level authorities of the exercise and invited them to take part; 29 in England and Wales and four in Scotland did so. We are considering what more can be done to encourage local authorities in the future. We are ready to help in any way we can.

Prisoners (Segregation)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many prisoners segregated under rule 43 are sharing cells; and how many cells are involved.

Mr. Mellor: The information requested is not held centrally.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many prisoners segregated under rule 43 at Leeds prison are currently sharing cells; and how many cells are involved.

Mr. Mellor: I will reply as soon as possible.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department in what ways facilities for work, education, recreation and association are more limited for segregated prisoners at Leeds prison than for the other prisoners.

Mr. Mellor: I will reply as soon as possible.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department if the wing in which segregated prisoners are accommodated at Leeds prison is properly separated from other parts of the prison.

Mr. Mellor: The part of the wing at Leeds prison in which prisoners segregated under prison rule 43 for their own protection are located, is physically separated from the rest of the prison.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department if the wing in which segregated prisoners are accommodated at Leeds prison has facilities for keeping food hot.

Mr. Mellor: A hot plate has been provided in the part of the wing at Leeds prison in which prisoners segregated under prison rule 43 for their own protection are located.

Gloucester Prison

Mr. Kilroy-Silk asked the Secretary of State for the Home Department if he plans to re-examine the Chief Inspector of Prisons' recommendation to relocate C wing at Gloucester prison elsewhere.

Mr. Mellor: No.

Murder (Sentencing Recommendations)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many recommendations have been made by judges under section 1(2) of the Murder (Abolition of Death Penalty) Act 1965; and in how many cases prisoners have been released before the minimum period recommended.

Mr. Mellor: In England and Wales, 201 such recommendations were made from 1965 — when the power was introduced—until the end of 1984.

Up until the end of 1984, three life sentence prisoners have been released on life licence at an earlier date than that recommended by the trial judge. In accordance with the provisions of section 61 of the Criminal Justice Act 1967, all three prisoners were released on the recommendation of the parole board and after consultation with the Lord Chief Justice and, where he was available, the trial judge.

Prisons (Food Hygiene)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what specific training or qualifications prison medical officers have in relation to their responsibilities for supervising food hygiene standards in prisons.

Mr. Mellor: All medical practitioners receive instruction in general health and hygiene as part of their training. The prison department does not provide further training in these subjects for prison medical officers but those who wish to do so attend external courses.

Cruelty to Animals Act 1876

Mr. Kilroy-Silk asked the Secretary of State for the Home Department when the revised White Paper on the amendment of the Cruelty to Animals Act 1876 will be published.

Mr. Mellor: My right hon. and learned Friend hopes to publish a further White Paper shortly.

Vol 76

Mr. Mellor: The new regime in detention centres is being covered under the general arrangements for operational oversight and statistical monitoring of young offender establishments.

Mr. Bermingham asked the Secretary of State for the Home Department if he will list the categories of offenders sentenced to periods at detention centres who will be excluded from the short, sharp shock regime.

Mr. Mellor: The new regime is in operation in all detention centres in England and Wales. All new receptions at detention centres have a thorough medical examination, and where an inmate appears to be unfit the medical officer is able to direct what restrictions should be placed on his activities or, if necessary, arrange for his admission to an outside hospital.

Mr. Bermingham asked the Secretary of State for the Home Department whether he has received any allegations of assault or mistreatment of inmates at Aldington detention centre.

Mr. Mellor: Recent allegations of staff misconduct at Aldington have been referred to the police for investigation.

Parole

Mr. Bermingham asked the Secretary of State for the Home Department how many prisoners, who were eligible for parole following the exercise of the powers contained in section 33 of the Criminal Justice Act 1982, had not been considered for parole by the time of their earliest release date in 1984 by the Prison Department.

Mr. Mellor: I am not aware of any eligible inmate who had not been considered for parole by his earliest date of release in 1984. If the hon. Member has any particular case in mind, perhaps he will write to me about it.

Mr. Bermingham asked the Secretary of State for the Home Department if he will list the criteria which are used by the Home Office to determine exceptions to the new parole regulations.

Mr. Mellor: Parole cases are considered on their individual merits. It is not possible to specify the circumstances that may be found to be exceptional.

Time Trials

Mr. Bermingham asked the Secretary of State for the Home Department when he hopes to introduce time trials to determine the length of statutory limit for remands; and if he will make a statement about the nature of those trials.

Mr. Mellor: We hope after consultation to begin the field trials later this year. We are considering their precise form and the areas where they should be held. The trials will be designed to test the feasibility and effectiveness of particular time limits, both generally and in relation to variations in the courts' work load between different areas; their implications for all concerned in the operation of the criminal justice process; and the procedures required to ensure and check compliance with such limits. My right hon. and learned Friend will ask prosecutors and the courts in the areas selected to arrange for cases to be brought to committal or trial as if the time limits which he will specify for the purpose of the trials were operative. Although under the field trials no legal consequences will follow from failure to comply with a time limit, arrangements will be made to identify those cases and to asses whether under the statutory scheme there would have been grounds for extending the limit.

Prisoners (Correspondence)

Mr. Dubs asked the Secretary of State for the Home Department in respect of which categories of prisoners correspondence to and from *(a)* Members of Parliament, *(b)* social workers, *(c)* probation officers and *(d)* legal advisers the correspondence is photocopied.

Mr. Mellor: I refer the hon. Member to the reply given to his questions on 25 March at columns 14-15. A prisoner's security category is not a relevant consideration, except to the extent that there is a relaxation of censorship in open establishments.

P5 Division

Mr. Dubs asked the Secretary of State for the Home Department what are the functions of P5 division of his Department; and in what circumstances this division liaises with the police.

Mr. Mellor: P5 division forms part of the directorate of operational policy in the prison department of the Home Office. Its role is to carry out various duties in relation to the following: prison security and control, the effective use of prison accommodation, policy and casework on unsentenced prisoners, fire precautions in prison department establishments, the transport of prisoners to court and between establishments, the security of custody areas in Crown court buildings, the production of prisoners at court in certain circumstances—for example, where a prisoner is a party to civil proceedings—planning for emergencies, prison statistics and the management of the prison dog service. In many of these functions there is naturally close liaison between the division and the police.

Terrorism (Deaths)

Mr. McNamara asked the Secretary of State for the Home Department if he will publish in the *Official Report* a table showing the number of deaths which have occurred in England and Wales for the years 1983 and 1984, respectively, connected with the present civil unrest in Northern Ireland; and how many of these deaths were caused by action taken by the police and each of the known terrorist or paramilitary groups.

Mr. Giles Shaw: I refer the hon. Member to the reply given to his question on 1 February at column 331.

Electoral Divisions (Shire Counties)

Dr. Cunningham asked the Secretary of State for the Home Department if he will publish a list of all the county electoral divisions or wards within the 39 English shire counties, identifying the district councils in which these divisions are situated.

Mr. Mellor: No such list exists at present and it could be compiled only at disproportionate cost. Copies of the relevant county electoral arrangemens orders are sent to the headquarters of all the major political parties.

ANNEX C

Extract from Hansard dated 9.1.1980

Security Services

Mr. Marlow asked the Prime Minister what is the policy with regard to the employment of homosexuals within the security services.

The Prime Minister: Especially rigorous standards are applied to the recruiting and employment policies in respect of areas of the public service whose work is wholly secret. Homosexuality would be a factor to be taken into account.

ALLEGATIONS ARISING FROM THE BETTANEY CASE

Q1. DAMAGE?

Q2. OTHER SPIES?

Q3. LINK WITH RECENT EXPULSIONS?

Q4. SPECULATION ABOUT THE SKINNER CASE/OTHER RUMOURS?

A. (General Line to Take)

The Commission's Report as laid before the House gives a full and fair account of their findings (which were based on an exhaustive investigation of the case and the surrounding circumstances) and gives as much information as can be given without prejudicing national security. I am not prepared to go beyond what is said in the Report or to comment on other allegations and speculation.

Q5. SECURITY LEAKS AT BETTANEY'S TRIAL?

A. I have nothing to add to the Security Commission's comments in Annex A of the Report.

Q5A. READING OF BETTANEY'S CORRESPONDENCE?

A. Prisoners' correspondence may be read under the Prison Rules. The publicised episode about Bettaney's correspondence has nothing whatsoever to do with the matters under discussion. The Home Secretary is well aware of the matter [and will take note of what has been said].

SECURITY SERVICE WEAKNESSES

Q14. IS THIS NOT A WHOLLY DAMNING REPORT?

A. No. As I said in my statement, the Security Commission have specifically stated that they regard the professional and operational efficiency of the Security Service to be of a high order. They have however made criticisms - some of them severe - about the way in which Bettaney was managed. They also heard a number of more general criticisms from a selection of individuals who did not however constitute a representative cross-section of the Security Service. Although the Commission have not been able to pass judgment on these criticisms the fact that they have been made must and will be taken seriously. As I have already said they will be considered with the utmost care.

Q15. WHAT CHANGES WILL BE MADE TO IMPROVE SECURITY ARRANGEMENTS AND STAFF MANAGEMENT PROCEDURES?

A. As I have already stated, all these matters are being examined.

Q16. WHY ARE THREE ANNEXES NOT BEING PUBLISHED?

A. It would not be in the interests of national security to publish the annexes in question.

Q17. DOES NOT ONE ANNEX CONTAIN FURTHER CRITICISM OF THE SECURITY SERVICE?

A. As the Commission make clear in their report [Chapter 8.1], they did not seek to judge the validity of the evidence recorded in this annex which relates to the internal organisation and management of the Security Service in general and was not directly relevant to the Bettaney case. Nevertheless, I repeat that we are determined to see that both the criticisms made to

only, and we are in touch with interested parties, including the British Medical Association, to discuss the detailed implementation of this proposal.

Q26. PSYCHOLOGICAL TESTING?

A. The possibility of introducing psychological testing in security screening is, as recommended by the Security Commission, being studied.

GENERAL ALLEGATIONS ABOUT SECURITY SERVICE OPERATIONS

Q34. ILLEGAL ACTIONS BY THE SECURITY SERVICE?

A. I am not prepared to depart from the policy which successive Governments have followed of not commenting on the operations of the Security Service, even if this means that false and misleading allegations have to go unanswered. But it is quite clear that no-one is above the law in this country, and that members of the Security Service are no more immune from prosecution than anyone else if they commit criminal offences.

Q35. SECURITY SERVICE SURVEILLANCE OF THOSE WHO OPPOSE GOVERNMENT POLICIES (EG CND, NCCL, TRADE UNIONS)?

A. The published Directive of the Security Service makes clear that it is concerned with the defence of the realm from internal and external threats arising from attempts at espionage and sabotage, or from actions of people or organisations which may be judged to be subversive of the security of the State. The Directive also emphasises that the Security Service should be kept absolutely free from political bias or influence. My Rt Hon and Learned Friend and I are fully satisfied that it is.

My Rt Hon and Learned Friend has made clear on a number of occasions that peaceful campaigning to change the mind of the Government or people generally about political issues cannot constitute subversion, and cannot therefore give rise to surveillance by the Security Service. Similar considerations apply in relation to trade unions and their members.

Q36. DEFINITION OF SUBVERSION TOO WIDE?

A. I remind the House that the definition currently used to guide the Security Service in its work on subversion, was first

enunciated in 1975 by Lord Harris of Greenwich, who was then a Minister in the Labour Government:

> "Activities which threaten the safety or well-being of the State, and which are intended to undermine or overthrow Parliamentary democracy by political, industrial or violent means."

The definition was closely examined by the Home Affairs Select Committee in its recent inquiry into Special Branches, and My Rt Hon and Learned Friend explained very carefully and in some detail why this Government, like the Labour Government before it, considers that this definition is the right one, and why it is not in fact open to the breadth of interpretation that some have tried to suggest. Those who do so simply have not read the definition properly.

VR

FILE

cc: CO.

10 DOWNING STREET

THE PRIME MINISTER

7 May, 1985

Confidential

Dear Mr. Kinnock.

The Security Commission submitted their Report on the case of Michael John Bettaney to me on 22 February.

I propose to make a Statement about this on 9 May prior to publication, as a Command Paper, of the full text of the Report, save for three appendices which have been omitted on security grounds. This has been agreed with Lord Bridge. I enclose for your information, on Privy Counsellor terms until publication, the text of the proposed Paper.

Yours sincerely

Margaret Thatcher

The Rt. Hon. Neil Kinnock, M.P.

Rey

20

covering TOP SECRET

Ref. A085/1264

MR FLESHER

Security Commission Report on Bettaney

As agreed, I attach the following material in preparation for the Prime Minister's oral statement on the Security Commission Report on the case of Michael Bettaney:

In folder

___ revised draft statement;

___ supplementaries;

___ background material to supplementaries (including copies of the Attorney General's Answers relating to the 20/20 Vision programme);

___ draft letter for the Prime Minister to send to the Leader of the Opposition;

___ a proof copy of the White Paper to be passed to Mr Kinnock.

___ 2. You will have received separately the extracts from the Second Reading and Committee Stage debates on the Interception of ___ Communications Bill (from Mr Webber) and the transcripts of the public proceedings of the Bettaney trial (from the Director of Public Prosecutions).

Statement

3. The revised draft statement incorporates the amendments ___ agreed at Wednesday's meeting and recorded in Mr Butler's minute of 1 May; a revised paragraph concerning Bettaney's attempts to

get himself recruited as an agent of the Russian Intelligence Service (now paragraph 5); and a reference to the main changes in the Positive Vetting procedures in the Security Service recommended in the Commission's Report (this is now in paragraph 6). In addition, there are two other changes to the revised statement. First, the very first sentence has been expanded slightly to remind the House of exactly who Michael Bettaney was and, second, at the request of Lord Bridge, the beginning of the second sentence of paragraph 7 has been amended slightly to reflect more precisely what the Security Commission say in their Report ("seek to examine" has been replaced by "attempt to pass judgment"). I should add that Lord Bridge is entirely content with the proposal that the Security Commission should be consulted again when the Director General has reached his conclusions and formulated the measures he proposes to take.

Background

4. The background notes for supplementaries cover various allegations and speculations which have been linked in the media with the Bettaney case: Bettaney's motivation (including a copy of the Security Service's written evidence - not for copy recipients); previous Security Commission recommendations on the Positive Vetting system; and the Attorney General's recent Answers relating to prosecutions in respect of the 20/20 Vision television programme.

5. I am sending copies of this minute and attachments to Miss Lewis-Jones (Lord President's Office), Mr Taylor (Home Office), Mr Appleyard (FCO), Mr Steel (Law Officers' Department) and the Director General of the Security Service.

R P HATFIELD

3 May 1985

SECRET AND PERSONAL

19

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

H.STEEL, CMG OBE
LEGAL SECRETARY

3 May, 1985

R Hatfield Esq
Cabinet Office
70 Whitehall
London SW1

Dear Robert,

with TF?

SECURITY COMMISSION REPORT ON BETTANEY

I have seen my copy of your letter of 2 May to Howard Webber. As I read it there are two tasks which fall to me. The first is to arrange for Tim Flesher to be sent copies of the transcripts of the public proceedings in the Bettaney trial. I have spoken to the DPP about this and he is organising that. They should get to Tim Flesher in the course of today.

My second task is to provide the answers to the two questions at the foot of the first page of the Annex: that is to say, "why no prosecution of Massiter?" and "why no prosecution as a result of allegations?". The suggested answers to these two questions are in the enclosure to this letter.

I am copying this letter and its enclosure to Tim Flesher in No.10 but to nobody else.

Yours ever,

H STEEL

SECRET AND PERSONAL

18

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. A085/1251

2 May 1985

Dear Howard,

Security Commission Report on Bettaney

You will by now have seen Robin Butler's note reporting yesterday's meeting to discuss the Security Commission Report on Bettaney. This office has been given responsibility for co-ordinating the various material required in preparation for the Prime Minister's oral statement next week.

Mr Flesher has confirmed that the intention is for the Prime Minister to make an oral statement next Thursday, 9 May, and the statement will be repeated in the House of Lords by the Lord President.

Statement

Robin Butler's minute records a number of amendments to the draft statement which were agreed at yesterday's meeting. In addition, it was agreed that paragraph 4 should be redrafted and that the main changes in the Positive Vetting procedures in the Security Service recommended by the Commission should be specified. The Security Service have agreed to take the former and the Cabinet Office will assume responsibility for the latter piece of drafting. I will also arrange for all the amendments to be incorporated in a revised version of the draft.

Background Material

The Prime Minister has asked for various background material in preparation for the statement. We have already spoken about this and you have agreed to take responsibility for providing copies of the relevant proceedings from the Second Reading and Committee Stage of the Interception of Communications Bill including the Home Secretary's speech on Second Reading, Sir Edward Gardner's proposals, and the ideas

/put forward

put forward by Mr Callaghan. I would be grateful if you would send this material direct to Mr Flesher with copies to Janet Lewis-Jones in the Lord President's office and to myself.

The Prime Minister has also asked to read the public proceedings in the Bettaney trial and I would be grateful if Henry Steel could arrange for this to be sent to Mr Flesher, also in time for the weekend. I understand that the Lord President does not require a copy.

Supplementaries

--- I attach at annex a list of the main areas which I believe that supplementaries will need to cover and would be grateful if you and copy addressees would take responsibility for preparing draft Questions and Answers in each area as suggested, except where I have identified separate responsibility for a specific Question. I would, however, welcome any suggestions from anyone for other Questions (and Answers!) whether or not they are in an area specifically assigned to them.

Timing

In view of the need to get this into the Prime Minister's weekend box, I must ask for contributions both for the draft statement and the supplmentaries not later than 3.00 pm tomorrow, Friday.

I am sending copies of this letter and attachments to Henry Steel (Law Officer's Department),
Jeffrey James and Rex Davie (Cabinet Office) and for information to Tim Flesher, Janet Lewis-Jones and Len Appleyard.

Yours

(R P Hatfield)
Private Secretary

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

H S Webber Esq

ANNEX

DAMAGE (Security Service)
To include:
Other spies?
Link with recent expulsions?
Press speculation about link with Niall Campbell.

BETTANEY (Security Service)
To include:
Motivation.
Should he have been recruited?
When did he go bad?
Drinking/Odd Behaviour.
Why given a Second Chance?

SECURITY SERVICE WEAKNESSES (Security Service)
To include:
A Damning Report?
Weaknesses in Security Arrangements/What Changes Being Made?
Criticisms of Management/What Changes?

OVERSIGHT/ACCOUNTABILITY (Home Office)
To include:
General Accountability/Select Committee?
Interception Bill.
Demands for a Debate.

PREVIOUS SECURITY COMMISSION RECOMMENDATIONS (Cabinet Office)
To include:
PV Process.
Polygraph.
Other "Prime" Recommendations.

20/20 VISION (Home Office)
To include:
Why no Prosecution of Massiter? (Law Officers)
Why no Prosecution as Result of Allegations? (Law Officers)
Does the Security Service Engage in Illegal Operations?
Allegations about improper Interception?
Other Allegations In the Programme?

OTHER SECURITY ISSUES

To include:

Murrell Allegations (Home Office)

Three Advisers (Cabinet Office)

Unions in GCHQ (Cabinet Office)

Hollis Allegations (Cabinet Office)

Changes in Security Commission Membership (Cabinet Office)

Cyprus Case? (Cabinet Office)

SUBJECT
e Master Set.

MS
file 17

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

Security Commission Report on Bettaney

The Prime Minister discussed today your submission of 26 April (A085/1201) with the Lord President, Foreign and Commonwealth Secretary, Home Secretary, Attorney General, yourself and Sir Antony Duff.

The following amendments to the draft statement at Annex B were agreed:-

Para 2: The opening words should read "The Commission have fully examined Bettaney's career in the Security Service ..."

Para 3: The third sentence should read:-

"The Commission make a number of criticisms of errors by the Security Service in relation to the management of Bettaney's career"

and that should be the beginning of a new paragraph.

Para 4: The paragraph should be redrafted to make clear that Bettaney attempted to get himself recruited as an agent of the RIS; that these attempts were not successful; but they involved some disclosure of classified information which involved damage to national security.

Para 5: The main changes in the positive vetting procedures in the Security Service recommended by the Commission should be specified.

Para 10: This should be included in the amended form:

"I propose thereafter to arrange for his conclusions and proposed measures to improve the organisation and management of the Service to be reported to the Security Commission for

SC

any further comment they may wish to make".

Para 12: This should be inserted at the end of paragraph 5.

Para 13: The words "and I quote" should be inserted after ".... the Commission saw".

In further discussion, it was agreed that the response should be made as an oral statement and that, subject to the agreement of the business managers, this should be on Thursday 9 May. The Prime Minister would be grateful if notes for supplementaries and background material could be provided for her weekend box. These notes should cover the various suggestions which have been made for oversight of the Security Service, the allegations in the recent Channel 4 television programme "20/20" and previous changes in positive vetting procedures following reports by the Security Commission. The Prime Minister would also like to read the public proceedings in the Bettaney trial, and the relevant proceedings on Second Reading and at Committee Stage of the Interception of Communications Bill including the Home Secretary's speech on Second Reading and Sir Edward Gardner's proposals for oversight of the Security Service at the Committee Stage. The Prime Minister will also need the Attorney General's recent answer on prosecutions in respect of the Channel 4 television programme. I have asked Mr. Flesher to liaise with your office in assembling this material for the Prime Minister's weekend box.

It was also agreed that the Prime Minister would send the Leader of the Opposition two days before the statement the Security Commission report in the form in which it is to be published, making clear that three appendices had been omitted. It would be open for the Leader of the Opposition to ask to see these appendices if he wished to do so. I should be grateful if your office could provide a draft letter to Mr. Kinnock by close of play on Friday.

In more general discussion of the possible forms of oversight of the Security Service outlined in your minute, it was recognised that there could be advantages in arrangements which would help to reassure Parliament and the public that the Security Service was operating on a reasonable basis in the light of its directive and in a non-political way. On the other hand, it would be difficult in practice to confine such oversight to priorities and objectives and to exclude methods of operation or management; and it might also be difficult to find qualified former Ministers who would be suitable for such a body.

Summing up this part of the discussion, the Prime Minister said that the proposals for an overseeing body could not be taken further at present. The best line to be taken in Parliament was that there was no substitute for the trust which Parliament had traditionally reposed in the Prime Minister and the Home Secretary to

ensure that the Security Service acted in accordance with its directive. The Lord President should therefore aim to resist amendments to the Interception of Communications Bill in the House of Lords proposing forms of external oversight of the Security Service, and would be reinforced in doing so by the announcement that the Director General had been asked to consider and to report to the Prime Minister and the Home Secretary proposals to establish internal outlets for the expression of grievances or anxieties of individual members of the Service. If in the event the Lord President concluded that this would not be sufficient to achieve rejection of such amendments to the Interception of Communciations Bill he should report back to the Prime Minister and the Home Secretary.

I am copying this minute to Miss Lewis-Jones (Lord President's Office), Mr. Appleyard (Foreign and Commonwealth Office), Mr. Taylor (Home Office), Mr. Steel (Law Officers' Department) and to Sir Antony Duff.

F.E.R.B.

1 May 1985

SECRET AND PERSONAL

PRIME MINISTER

BETTANEY REPORT:
MEETING AT 1530 ON WEDNESDAY 1 MAY

The questions which this meeting has to settle are:-

(i) Should there be a body to oversee the Security Service consisting either of three senior Privy Counsellors or of three non-political persons or of the Security Commission?

(ii) If not, should we say that the Security Commission would review in six months or a year's time the new Director-General's progress in dealing with criticisms and recommendations in the Security Commission report on Bettaney and in providing internal outlets of complaint for those in the Service? i.e. should the words at paragraph 10 of the draft statement attached to Sir Robert Armstrong's minute be included?

(iii) Is that draft statement satisfactory? and should it be delivered as an oral statement or as a written answer?

(iv) What should be done about consulting the Leader of the Opposition on the Security Commission report? (It used to be the convention that reports of the Security Commission were shown to the Leader of the Opposition before publication. In the case of the report on Prime, Mr Foot was invited to put down the written question which you answered announcing publication of the Report. You would have been prepared to show him the report, including the sections withheld from publication, if he had asked. In the event he did not do so. The circumstances were unusual because it was the day before the dissolution of Parliament on 12 May 1983; but you may nevertheless feel that we could follow that precedent).

F.E.R.B

29 April 1985

SECRET AND PERSONAL

Caveny TOP SECRET 16

Prime Minister ?

Ref. A085/1201

PRIME MINISTER

Two supplementary points :-
i. A revised version of the Security Commission Report has been prepared (Flag B) relegating the evidence critical of the management and organisation of the Security Service to an Appendix D, which would not be published;
ii. You will have to decide whether the leader of the opposition should see the full Report.

Oversight of the Security Service

I think you may need a meeting with the Lord President, Home Secretary, Sir Robert Armstrong, Sir Anthony Duff - and perhaps the Foreign Secretary who has an interest in the implications for MI6. Agree?

The purpose of this memorandum is to examine the case for instituting some system of external oversight of the work of the Security Service; and the form which such oversight might take. What is in mind here is some system which does not detract from, but complements and supports, the responsibilities of Ministers in this regard.

FERB
27.4

2. Of the three security and intelligence agencies, it is the Security Service which gives rise to the greatest political and public attention. This is partly because of the general fascination which counter-espionage has for the general public; at a deeper level it is because, while the other two agencies are concerned with gathering intelligence about foreigners, the Security Service gathers intelligence ("snoops") not only on foreigners in this country but also on British citizens thought to be involved in espionage, terrorism or subversive activity. Its activities and operations are recognised as protecting the home base, but also as liable to affect the rights of British citizens.

3. The range of activities of the Security Service are publicly defined in the 1952 directive to the Director General, which still remains in force (copy attached as Annex A). The Director General is personally responsible to the Home Secretary for ensuring that the Security Service carries out its duties within the letter and spirit of that directive, and for the efficient management and operation of the Service. Financial control and accountability are provided by the Committee of Permanent Secretaries on the Intelligence Services (PSIS) reporting to the

Prime Minister and the Home Secretary, and through the processes associated with the Secret Vote, for which the Secretary of the Cabinet is the Accounting Officer.

4. It has always been held that the need to maintain effective secrecy about details of the Security Service's activities and operations precluded any form of external oversight. On the whole Parliament has accepted that the Service is responsible to the Home Secretary and the Prime Minister, and that Ministers, as (in a sense) the representatives of Parliament, should and can be trusted to exercise proper control and should not be required to account for their stewardship by the normal Parliamentary processes that apply to ordinary departmental Ministers. In discharging their responsibility the Home Secretary and the Prime Minister are supported by a small number of officials in the Home Office and the Cabinet Office, and in particular by the Permanent Under Secretary in the Home Office and by the Secretary of the Cabinet and the Intelligence Co-ordinator who are in constant contact with the Security Service, particularly on operational and financial business. Ministers are also supported by the work of the judicial monitor of interception (to become a Commissioner when the Interception of Communications Bill becomes law), whose remit can take him into the details of a case for interception and the arrangements in the Security Service for handling intercepted material.

5. This small group of Ministers and officials constitutes the existing "external oversight" of the Security Service, and is qualified to exercise that oversight by the regularity and frequency of the contacts and by the high degree of confidence that subsists between them and the senior management of the Service. Moreover, they not only represent the Parliamentary and public interest in their contacts with of the Service; they also have the responsibility of safeguarding the interests of the Service in Parliament and the outside world. Their importance to the Service in this regard ensures the readiness of the Service

to share information with them and to do all that can be done to satisfy them that Ministers can honourably reassure Parliamentary and public opinion about the propriety of the Service's activities.

6. These arrangements are secret, except in the most general outline, and are operated in secret. In practice Parliament and the public are asked to trust the Prime Minister and the Home Secretary to see that all is well. The question is whether these arrangements do, or at any rate should, satisfy reasonable Parliamentary and public opinion, or whether they can no longer be regarded as doing so and the time has come to supplement them with some form of non-governmental external oversight.

7. There are regularly recurring expressions of the view that there should be some form of external "accountability" for the Security Service; and these expressions of view are not confined to left-wing organisations and people whose motive might be to undermine the effectiveness of the Service, but extend to responsible people who would have no such motive, such as Mr Callaghan and Dr David Owen.

8. The pressure for some form of external accountability has been revived by the introduction of the Interception of Communications Bill, in the course of debates in which speeches in this sense have been made by Mr Callaghan and Sir Edward Gardner (among others). The different proponents of change argue their case on somewhat different grounds. Some are concerned with the propriety of the operations and activities of the Security Service. Others are more concerned with policy and objectives: Mr Callaghan argues that there would be advantage in some independent discussion between the Director General of the Security Service "and a group of outsiders, whom I will not define more closely than that at present, about the objectives, targets and priorities of MI5 from time to time and, indeed, fairly regularly". Another proposal, from Sir Edward Gardner,

claiming the support of Mr Callaghan, Mr Rees and senior Government backbenchers, was that there should be an independent commissioner to whom a discontented or troubled member of the Security Service could turn if he thought that there was impropriety or abuse of authority, so that the allegation could be independently investigated. This proposal is likely to be taken up again when the Bill reaches the House of Lords.

9. The pressure is likely to be renewed by the publication in due course of the Security Commission's report on the Bettaney case, which is critical of some aspects of the personnel management of the Security Service. The report, as prepared for publication, goes on to record that the Commission "received much evidence of a more general character relating to the internal organisation and management of the Security Service, some of it highly critical .... The very fact of the Service's comparative isolation makes it the more important that those responsible at the higher levels for management should maintain a self-critical attitude and be constantly alert to the need to keep the Service's organisation, practices and procedures under review .... It it is true that the Service tends to be inflexible and resistant to change in management matters, this will no doubt take time to be eradicate". The Commission say earlier that nothing in their report "is intended in any way to call in question the professional and operational efficiency of the Security Service, which we believe to be of a high order". Nevertheless, their comments about management generally are plainly not restricted to personnel management as such: they will be read as strengthening the case for external scrutiny and even for accountability, as well as the case advanced by Sir Edward Gardner for some external outlet for the troubled member of the Service.

10. This is therefore a good time to consider whether some form of external oversight should be instituted, and if so whether that should be announced when the Security Commission's Report is published.

11. The Security Service itself is feeling rather embattled, amidst the pressures generated by the Pincher and Wright attempts to reopen the Hollis affair, by the Bettaney affair, by the Interception Bill, and by the Channel 4 television programme featuring the revelations of Miss Cathy Massiter. Furthermore, while accepting that there is a need for a fundamental re-examination of the organisation and management of the Service, senior and middle-ranking managers in the Service are critical of the Security Commission for accepting and indeed encouraging the criticisms made to them without seeking the views of a representative cross-section of the Service. Senior management in the Service would accept, and even welcome, the introduction of some system of external oversight if it effectively reinforced the efforts of Ministers to recreate a body of reasonable Parliamentary and public opinion which supported the Service and its purposes without creating unacceptable risk of damage to the security and effectiveness of its work.

12. The problem is to devise a system that would meet both of those requirements.

13. There are two broad areas to which external oversight might be directed: to the objectives and purposes of the Security Service's work (broadly speaking, whether it is implementing the directive in a sensible way), and to the management of the Service. Though it is the second area to which the Security Commission's recommendations in its Bettaney Report are directed, it is the first area which is of primary concern to interested Parliamentary and public opinion. We do not believe that the management of the Service requires external oversight, or would indeed benefit greatly from it (given the unusual nature of the

work of the Service, to which there is no even remotely comparable analogue in the private sector). We believe that its shortcomings in organisation and management can be remedied by the new Director General, reporting to the Home Secretary and supported by him and by the group of officials referred to in paragraph 4 above. If the Director General feels the need for assistance from outside the Service in this area, he can call on resources and services available within the Government. We do not therefore recommend, and this note does not further consider, the introduction of external oversight for the management of the Security Service.

14. As to the work of the Security Service, any system of external oversight would have to be such as not to warp or impair the responsibilities of the Director General to Ministers and of Ministers to Parliament. It would not be concerned with, and should not be informed about methods of operation; those are rightly among the most jealously guarded secrets of the Service and can involve breaches of the law, and they are not divulged even to Ministers and civil servants except where there is a compelling operational reason for doing so.

15. Subject to that limitation an oversight body might function as follows:-

(a) It would have the general task of enquiring and reporting (to the Prime Minister) on whether the Service had got its priorities and detailed objectives right and took sensible decisions about target areas against which it should deploy its resources. Although it would have access, for illustrative purposes, to information about individual targets, its task and reports would inevitably be focused at some level of generality.

(b) It could receive a report once a year from the Director General about the objectives and priorities of the Service, and then look into particular aspects of or questions raised by that report, interviewing and cross-examining the Director General and other members of senior management of the Service, and perhaps officials from the Home Office and the Cabinet Office, and then reporting its conclusions to the Prime Minister. It could also be used to inquire ad hoc into major issues arising in between annual reviews.

(c) It could consist of a group of three senior Privy Counsellors, with at least two of its members selected from people in the main political parties. These might best, but need not necessarily, be people who had held senior Ministerial office, preferably as Home Secretary, and who therefore started with some familiarity with the special problems and peculiarities of the Service and with the need to protect its effectiveness. The third member might be a non-political Privy Counsellor, like Lord Hunt of Tanworth or Sir Michael Palliser.

16. Such a system raises the following questions:-

(a) Would the limitations on its remit (notably, the exclusion of methods of operation) be workable and would they impair its political usefulness? There would be some presentational advantage in moving even to an oversight body with the remit we have described, since it would allay any Parliamentary or public concern that the Security Service had got its priorities wrong, eg on subversion, or that it was over-zealous and harassing in its selection of targets. But some critics would undoubtedly seize on any limitation, particularly one which excluded for instance the allegations in the Channel 4 programme of improper surveillance. As to workability, there would need to be some give and take

between the body and the Director General about how far they could go. Sir Antony Duff believes that on balance the limitation would be workable.

(b) Even with the restriction excluding methods of operation, would the body find that everything the Security Service did was within the terms of the directive? There must be some risk here, given the age of the directive itself. There is the particular problem of the activities of the Security Service which are more clearly defined in the unpublished, supplementary directive (copy attached). Ultimately the oversight body would want to certify that they had found nothing that went beyond the published directive. It would be very difficult for them to suppress any doubts about this on the basis that an unpublished document provided the necessary authority.

(c) Even if methods of operation are excluded, illustrative information about individual targets would be very sensitive. There would be bound to be some unease about extending outside Government the circle of people to which very sensitive information was to be entrusted. The unease would be compounded if the Government of the day could not count on being able to control the appointments to the group: if an Opposition party were given some degree of say on the choice of its "representative" on the group, an irresponsible Opposition could make it difficult for the Government to prevent the appointment of an irresponsible "representative". If on the other hand the group was to be denied information about individual targets, even on an illustrative basis, its members could feel that they were being denied the information which they needed to carry out the task assigned to them, and the group's political credibility would be weakened.

(d) This illustrates the dilemma inherent in this whole issue. Is it satisfactory to give to the group of Privy Counsellors a role which is for all practical purposes the role which ought to be exercised by the Home Secretary and the Prime Minister? Can an oversight body be expected to be merely advisory and helpful, or if the Home Secretary is to be put into commission, in effect, is it politically realistic to expect that the body will not at some stage make life difficult for the Government on a matter which is in the end totally central to the Government's responsibilities? Or would the trend be to make it difficult to hold the line against pressures to allow the group to report direct to Parliament - or to set up a Select Committee that could report to Parliament?

17. We have considered variations of the scheme in paragraph 15 to see whether the difficulties just mentioned could be eased:-

(i) The oversight body could consist instead of a group of three non-political persons, who might include a retired civil servant, a senior industrialist, possibly an academic (but it would be better to keep the judiciary out of this). Some of the difficulties in the foregoing paragraph would be less compelling: non-politicians are less exposed to the pressures of political and public life (including the media and the pressure groups), and could more readily be given a right of at least partial access to information about individual targets and methods of operation. But it is questionable whether the appointment of a group of non-politicians reporting to the Home Secretary would satisfy the pressures in Parliament and elsewhere for some kind of external accountability. It would be claimed that, if it was possible to trust a group of non-political persons with the Security Service's

innermost secrets, it should also be possible to trust a group of responsible senior political figures with them.

(ii) We have considered whether a less difficult alternative might be to make the Security Commission the body responsible for external oversight. That would be some way from the Security Commission's present function, which is to consider on an ad hoc basis, as and when cases are referred to them, individual breaches of security anywhere in Government, not just in the Security Service, and to consider whether they suggest the need for changes in existing security arrangements. We do not know whether existing Commissioners would be prepared to accept such an extension of their functions. Nonetheless, the Commission is part of the present landscape; an extension of its remit on these lines could be presented as an extension of its role in the Bettaney affair (though it was concerned in that case with allegations of managerial inefficiency rather than with allegations of impropriety; and it could be strengthened by the addition to its number of two senior Privy Counsellors and former Ministers, or indeed of two non-political figures from outside the public service for the purpose of this part of its remit. It would build on an existing body, removed from Parliament, and might be less likely to lead to early demands for accountability to Parliament through a group of Privy Counsellors or a Select Committee. But it would not avoid the difficulties which we have identified.

18. There would be a danger that setting up external oversight by a group of non-political figures would concede the principle of external oversight without satisfying the demands of Parliamentary and public opinion, would thus fail to provide the

reassurance which the Security Service would hope to derive from a system of external oversight, and would make it impossible to resist demands for a system of Parliamentary oversight which could put the secrecy and the effectiveness of the Service at risk.

19. On the other hand, if those risks were thought to be acceptable, Sir Antony Duff believes that an oversight body on the lines of paragraph 15 would be a bonus as far as the Security Service is concerned; and that it would be possible to have a manageable relationship with it.

20. If the difficulties are felt to exclude the introduction of any form of external oversight of the Security Service, it would seem that in present circumstances the only course, in the interests of maintaining the secrecy and operational effectiveness of the Security Service, is to stick to the line that has been followed hitherto, that the Director General is accountable to the Prime Minister and the Home Secretary, and that Parliament can and should continue to trust those Ministers to exercise the necessary political control of the Service.

21. There remains the question of the response to the Security Commission's Report on the Bettaney affair and its criticisms and recommendations, mainly in the area of internal management. We should much prefer a response to the effect that, with a new Director General appointed from outside the Service, the right course must be to give him a period of months in which to take stock of the Service, its problems and its needs, and to make up his mind about what changes he wants to make in the light of the Security Commission's report; and then to ask him to report in, say, September 1985 to the Home Secretary and the Prime Minister.

22. If it was felt that this was not by itself an adequate response, it would be possible (as the Home Secretary suggested in his minute of 8 March 1985) to announce that the Security

Commission would receive and be asked to consider in, say, six months' or a year's time a report on the progress that had been made in dealing with the criticisms and recommendations on management matters in its Bettaney Report and in providing internal outlets for anyone in the Service who believes that something is going wrong. This could help greatly in the House of Lords when Sir Edward Gardner's proposal is revived.

23. This idea presents certain difficulties, based on three considerations:

(1) As has already been indicated, the Security Commission is not intended to be a continuous monitor of the Security Service; it is a panel of people on whom we call ad hoc from time to time to report on particular breaches of security and consider whether changes of procedure are called for. To invite the Security Commission to review progress of management changes would thus be to give it a new role, and would begin to look like the first step towards making the Security Service in some sense accountable to the Commission.

(2) If we wanted to create this degree of external accountability for the management of the Security Service, it is doubtful whether we should want to use the Security Commission for the purpose, at any rate as now constituted. Its members do not have, and could hardly claim, any special qualification to review questions of financial or personnel management, and might well not feel comfortable with the task.

(3) If we announced that the Security Commission was going to review progress in six months' or a year's time, that would provide a basis for renewed questions at that time, and

demands for a statement on the Security Commission's Report. That would seem likely to make it inevitable that the issue was kept open and brought back into public discussion.

24. Attached as Annex B is a draft of a possible Government response to the Security Commission's Report. This has been deliberately drafted as a "minimalist" response, so that Ministers can take a view about its credibility. If it was decided to announce a reference to the Security Commission in six months' or a year's time for a progress report, the draft could readily be amended accordingly: a form of words is suggested in square brackets in paragraph 10 of the draft.

25. Whatever the response to the Commission's report, the criticisms they set out will be regarded as important and of public interest. You will wish to consider whether the response should take the form of an oral statement or a Written Answer to an arranged Question. There are precedents for giving responses to Security Commission reports as Written Answers, and that procedure has the advantage of giving time for the report and the response to be digested before supplementary questions are asked. But a written statement might be criticised as inadequate, in the face of the criticisms set out in the report; and an oral statement would provide opportunities for ripostes to criticisms and reassurances as to the professional effectiveness of the Security Service.

26. If Ministers decide on a response which rests on the need to give the new Director General time to find his bearings and make up his mind about what he wants to do, the sooner it is announced the better: the new Director General has already been in office for nearly two months, and the story will begin to wear a little thin if it is kept on ice for too long.

27. I am sending copies of this minute and the annexes to the Lord President and the Home Secretary.

RCA

ROBERT ARMSTRONG

26 April 1985

I THE DIRECTIVE TO THE DIRECTOR GENERAL OF THE SECURITY SERVICE
(Denning, para. 238)

On 24 September, 1952, Sir David Maxwell Fyfe, then Home Secretary, issued this Directive to the Director General of the Security Service, which is the governing instrument today:

> "In your appointment as Director General of the Security Service you will be responsible to the Home Secretary personally. The Security Service is not, however, a part of the Home Office. On appropriate occasion you will have right of direct access to the Prime Minister.
>
> The Security Service is part of the Defence Forces of the country. Its task is the Defence of the Realm as a whole, from external and internal dangers arising from attempts at espionage and sabotage, or from actions of persons and organisations whether directed from within or without the country, which may be judged to be subversive to the State.
>
> You will take special care to see that the work of the Security Service is strictly limited to what is necessary for the purposes of this task.
>
> It is essential that the Security Service should be kept absolutely free from any political bias or influence and nothing should be done that might lend colour to any suggestion that it is concerned with the interests of any particular section of the community, or with any other matter than the Defence of the Realm as a whole.

> No enquiry is to be carried out on behalf of any Government Department unless you are satisfied that an important public interest bearing on the Defence of the Realm, as defined in paragraph 2, is at stake.
>
> You and your staff will maintain the well-established convention whereby Ministers do not concern themselves with the detailed information which may be obtained by the Security Service in particular cases, but are furnished with such information only as may be necessary for the determination of any issue on which guidance is sought."

THE NATIONAL ARCHIVES

DEPARTMENT/SERIES Prem 19 PIECE/ITEM 1954 (one piece/item number)	Date and sign
Extract details: Supplementary directive 13th of December 1965	X
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	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	

ANNEX B

DRAFT RESPONSE BY THE PRIME MINISTER

On 22 February I received the report of the Security Commission on their inquiry into the case of Michael Bettaney. The report is being presented to Parliament as a Command paper this afternoon.

2. The Commission have examined ~~every aspect of~~ Bettaney's career in the Security Service, with the object of identifying any errors on the part of management in relation to Bettaney's employment.

3. The Commission find that the process of recruiting Bettaney was carried out consistently with the procedures operating at the time. There is in fact no reason to doubt his loyalty at that time, or to suppose that he had at that stage even contemplated the possibility of turning spy. The Commission make a number of criticisms of errors by the Security Service in relation to the employment of Bettaney. In particular, they conclude that there came a point in October 1982 when there should have been, but was not, a very full investigation of Bettaney's lifestyle, which would

probably have led to the removal of his positive vetting clearance and the cessation of his employment in the Security Service.

4. ~~It remains the case, however, that~~ Bettaney's attempts to get himself recruited as an agent of the RIS were not successful, and that, though those attempts involved some disclosure of classified information, no serious damage was done to the interests of national security. The Security Service investigation which led to Bettaney's eventual conviction was effective and ~~swift, skilful and conclusive~~.

5. In the light of their investigation the Commission make a number of recommendations for changes in positive vetting procedures in the Security Service.

6. In the course of their investigation the Commission received evidence of a more general character which was critical of various aspects of the internal organisation and management of the Security Service. They did not seek to examine those criticisms, but have recorded their impression of aspects of organisation and

management which seem to them to require examination and reassessment. The last chapter of the report makes some suggestions for changes in management attitudes and arrangements, and indicates a number of matters which in the Commission's view call for particular consideration.

7. My Right Hon Friend the Home Secretary and I are determined to see that these criticisms and suggestions are thoroughly examined and that action is taken to remedy any management weaknesses.

8. As my Hon Friend the Minister of State, Home Office informed the House on 13 March, a new Director General of the Security Service has recently been appointed. He is a man from outside the Service, and a public servant of great skill and distinction. My Rt Hon Friend the Home Secretary and I have the greatest possible confidence in him.

9. The new Director General will consider the general management criticisms with the utmost care and attention, and also the Security Commission's own criticisms of errors made by the Security

Service in relation to Bettaney's employment. He is already taking stock of the Service and its needs. By the end of the year he will have set in hand, in consultation with my Rt Hon Friend and me, the changes which are judged to be necessary.

[10. I propose thereafter to arrange for his conclusions and proposed measures to be referred back to the Security Commission, ~~(so that they can judge, and report to me as necessary, on the measures being taken to improve the organisation and management of the Service.]~~ for any further comment they may wish to make)

11. Hon Members, on both sides of the House, have expressed concern about the handling of members of the Service who are troubled over particular matters and activities within the Service. The Director General has been asked to consider, and to report to my Rt Hon Friend and me, what developments he proposes by way of internal outlets for the expression of grievances or anxieties of individual members of the Service.

12. The new Director General will give effect to the Security Commission's recommendations on positive vetting procedures.

13. Finally, I emphasise that the criticisms of management do not extend to operations or overall efficiency. I am glad to say that the Commission say that nothing in their report is intended in any way to call in question the professional and operational efficiency of the Security Service, which they believe to be of a high order. Our freedoms depend on these guardians of our security, and we are very greatly in their debt.

CONFIDENTIAL

File

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

SECURITY COMMISSION: THE BETTANEY CASE

Thank you for your minute of 26 March (A085/904). The Prime Minister agrees that in the circumstances decisions on publication and on the Government's response to the Bettaney Report should be made after her return from the Far East. She will look forward to receiving a submission in the week beginning 14 April.

I am sending a copy of this minute to Mr. Taylor (Home Office).

E. E. R. BUTLER

27 March 1985

CONFIDENTIAL

D10

1

Prime Minister

When publication takes place, it will be clear that there has been a long delay; but there is no pressure for this Report and x/ is an important consideration. Agree to defer consideration until after your return from the Far East?

Ref. A085/904

MR BUTLER

Security Commission: The Bettaney Case

I had hoped to make a submission to you this week on the publication of and response to the Security Commission's report on the Bettaney case, with a view to an announcement before Easter.

FERB 26.3.

x/ 2. The Home Secretary has the Committee Stage of the Interception of Communications Bill in the House of Commons next week, and in order not to complicate that would prefer publication of the Bettaney Report to be deferred until after Easter. There is also an important question of policy to be decided before the Government's response can be finalised. A separate submission will be made to the Prime Minister as soon as possible; but it is unlikely to be possible for that to be done before the Prime Minister leaves for her overseas trip on 4 April. Decisions on publication and on the Government's response to the Bettaney report will therefore have to wait until after her return.

3. I am sending a copy of this minute to the private secretary to the Home Secretary.

RWA

ROBERT ARMSTRONG

26 March 1985

SECRET

VC 15

10 DOWNING STREET

From the Principal Private Secretary

11 March 1985

The Prime Minister was grateful for the Home Secretary's comments on the Security Commission's Report on the Bettaney case. She has made one point at this stage, which is that she thinks that the supervision of management changes by outsiders from private industry would be a dangerous precedent and she thinks that its implications would need to be very carefully considered.

You will have noted that there was speculation in the Sunday Times over the weekend that Sir Antony Duff is to be appointed Director General of the Security Service, and it would be difficult now to make the first point in the Home Secretary's minute and keep his name confidential.

I am copying this letter to Sir Robert Armstrong.

Hugh Taylor, Esq.,
Home Office.

SECRET

14

Prime Minister
Sir Robert Armstrong is preparing advice which will come forward next week.

FERB
8.3.

Prime Minister

I have been studying the Security Commission's report on the Bettaney case. We need to consider, carefully and urgently, what can be published and what should be our response to the Commission's criticisms. The current controversies and the Interception Bill give a particular importance to the timing of publication of the report or any part of it. Critics will be quick to allege deliberate delay.

I thought it would be helpful for you to have my preliminary views on the way forward. I understand that officials are preparing detailed advice for us.

I see no credible objections on security grounds to the publication of the bulk of the report. Publication is generally expected, not least, I believe, by the Commission themselves. But chapters 8 and 9, in particular, contain tendentious material about the management of the Security Service and the people in it. It would be unfair to publish all this, and it would also be damaging to the morale and standing of the Service and therefore to its effectiveness.

In my view we should publish a substantially modified version, which omits for instance the more casual comments about "odd people" in the Service and also the criticisms which the

SECRET

Commission heard about management but did not examine or validate.

There will nevertheless be some criticisms in the published report of the management of the Service. As we have recognised before, some of this is fair. And I see the criticisms as covering not just staff management but also the general style of management and supervision of the Service as a whole and its activities. A more open and collegiate and less authoritarian approach is needed to ensure efficiency and propriety. (The critics too would be quick to see the Commission's comments about "an inward looking and inflexible ethos" within a "self-contained and substantially autonomous organisation" as justifying their allegations and concerns in the current controversy.)

The Government's response on all this will need to be especially firm and cogent. I am inclined to the view that it should include the following three elements:

First, we should say that a new Director General has been appointed from outside the Service with immense prestige and experience. This could be done without breaking the practice of keeping the Director General's name confidential.

But the press will quickly follow up and work out his identity.

Second, the management changes which are needed should be supervised by a team chaired by the new Director General and including a senior Security Service official and (probably two)

a dangerous precedent

outsiders from private industry who are security cleared and have experience of managing the staff and operations and safeguards of a large organisation. This too might be announced.

Third, we should publicly ask the Security Commission to review progress in six months' time on these general management changes and report on how they are going and how they should be monitored in future.

I am sending a copy of this minute to Sir Robert Armstrong.

L.B.

8 March 1985

PRIME MINISTER

The Foreign Secretary asked if he might see the Security Commission's Report on Bettaney. I have been in touch with the Home Office, and they see no objection to Sir Geoffrey's having it on a personal basis. But, especially since it is critical of the ~~sister~~ Security service, they would not want their sister agency to see it in its unpublished form!

Agree that I may let Sir Geoffrey have a copy for his personal use? only.

FCRB

MJ.

7 March 1985

Note: Discussed with Sir R. Armstrong who will supply a copy of the Report to the FCS on the terms above.

FCRB 8/3

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10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

I think that you will know that the Chairman of the Security Commission has now submitted his report on the case of Michael John Bettaney. I enclose a copy of Lord Bridge's letter and the Prime Minister's acknowledgement. I should be grateful if you would arrange for the Prime Minister to receive advice on the next steps.

F.E.R.B.

25 February 1985

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cc: C.O.

10 DOWNING STREET

THE PRIME MINISTER

25 February 1985

Dear Lord Bridge,

Thank you for your letter of 22 February with which you submitted the report of the Security Commission on the case of Michael John Bettaney.

I am grateful to you and other members of the Security Commission for this report and for preparing it in a form which will facilitate publication. In considering the latter aspect, I will take particular note of the commments in your letter.

Yours sincerely

Margaret Thatcher

The Right Honourable The Lord Bridge of Harwich

IN CONFIDENCE

JSG

10 DOWNING STREET

Prime Minister

I attach the Security Commission's report on Bettaney.

Please will you sign the acknowledgement to Lord Bridge below.

There is no Summary of the Report but it is not long and you will probably want to read it through. If you do not have time to do so, Chapters 8 and 9 sum it up.

I have asked Sir Robert Armstrong for advice on the next steps.

FCRB 22.2.

REKD

13

From: The Right Honourable The Lord Bridge of Harwich

SECRET

The Right Honourable Margaret Thatcher MP
10 Downing Street
London SW1

22 February 1985

Dear Prime Minister,

I have pleasure in submitting the Report of the Security Commission on the case of Michael John Bettaney.

We have endeavoured to present the Report in such a form as to facilitate publication, if you so decide, by excluding from the body of the Report material which we assumed must be kept secret. This applies, in particular, to Appendix C.

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The material in Appendices A and B, on the other hand, is not, so far as we are concerned, excluded from the body of the Report on security grounds. Appendix A relates to a subordinate issue distinct from the main subject matter of the Report. Appendix B embodies too long a quotation to be conveniently included in the main text. We would see no objection to the publication of either of these appendices.

Yours sincerely
Bridge of Harwich

BRIDGE OF HARWICH

SECRET

CONFIDENTIAL

From: N H R A Broomfield
Soviet Department

Date: 22 May 1984

Parliamentary Unit

Copied to: Mr Jenkins
Mr Ridgway (News Department)
Mr Short (PUSD)

EXPULSIONS IN LONDON AND MOSCOW

1. I attach a copy of the on-the-record statement made by the FCO spokesman at 1230 hours today. I also attach a copy of the supplementaries which were prepared for the spokesman's use.

2. Both the statement and the supplementaries were communicated to No 10 under cover of a letter from the Private Secretary on 21 May.

3. The details and the background to these expulsions are well known to the Prime Minister..

22 May 1984

N H R A Broomfield
Soviet Department

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BACKGROUND NOTE

EXPULSIONS IN LONDON AND MOSCOW

1. At 1230 hours today, 22 May, the FCO Spokesman made the following statement on the record:

> On 21 May, the British Ambassador in Moscow, Sir Iain Sutherland, was requested by the Soviet Foreign Ministry to withdraw First Secretary at the Embassy. Sir I Sutherland protested strongly at this totally unjustified move against a member of the Embassy.
>
> It is clear that the Soviet action was taken in response to the fact that on 14 May, the Soviet Charge d'Affaires in London was informed by Sir Antony Acland, Permanent Under Secretary at the FCO, that in accordance with the provisions of Article 9 of the Vienna Convention, Mr A V Guk, First Secretary at the Soviet Embassy, should leave the UK by 21 May.

2. The Soviet authorities asked that should be withdrawn within 7 days, ie by 28 May.

3. Article 9 of the Vienna Convention states that:

> 1. The receiving state may at any time and without having to explain its decision, notify the sending state that the head of the mission is persona non grata or that any other member of the staff of the mission is not acceptable. In any such case, the sending state shall, as appropriate, either recall the person concerned or terminate his functions with the Mission. A person may be declared non grata or not acceptable before arriving in the territory of the receiving state.
>
> 2. If the sending state refuses or fails within a reasonable period to carry out its obligations under paragraph 1 of this Article, the receiving state may refuse to recognise the person concerned as a member of the mission.

4. By basing our action Article 9 of the Vienna Convention, we have on this occasion deliberately avoided the formula (used in the expulsion of the Czechoslovak diplomats) that Mr Guk was being expelled for "activities incompatible with his status as a diplomat". We have not given a reason.

5. Attached to this Background Note are the supplementary questions and answers which were approved for the FCO Spokesman's use if asked, at today's mid-day news conference.

22 May 1984

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EXPULSION OF GUK AND

NOTES FOR SUPPLEMENTARIES

1. Is Guk being expelled for inadmissible activities?

Nothing to add to FCO statement of today.

2. Does this affect the ceilings on numbers of Russians in London?

No.

3. Why is the Government departing from its policy of reducing the appropriate ceiling if a Soviet official is required to leave the country as a result of his having been detected in intelligence activities?

Our overall policy was set out in the House of Commons by the Foreign and Commonwealth Secretary on 1 May. It is for the Government to decide on each occasion how best that policy and our specific policy with regard to Soviet officials in London is applied.

4. Does this mean that Mr Guk is or is not engaged in espionage?

No comment. We do not comment on security matters.

5. Was Bettaney right to believe him to be the senior KGB officer in the Embassy?

No comment. We do not comment on security matters.

6. Will you retaliate?

No. [If asked why not] Our overall policy was set out in the House of Commons by the Foreign and Commonwealth Secretary on 1 May. It is for the Government to decide on each occasion how best that policy and our specific policy with regard to Soviet officials in London is applied.

7. Is the expulsion of Mr Guk the first step in the new policy referred to by the Foreign and Commonwealth Secretary in his statement to the House of Commons on 1 May? Is this an exemplary measure?

Sir G Howe's statement in the House on 1 May set out HMG's overall policy. It would not be helpful to categorise individual decisions.

8. Why did Russians choose

They gave no reason to the Ambassador, but clearly this move is in response to our request that Guk be withdrawn.

9. Did the Russians choose because of his evidence in the Skinner inquest?

Nothing to add to the above.

10. Did your expulsion of Guk have anything to do with Mr Skinner's death/inquest?

No.

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OF THE PUBLIC RECORDS ACT

CONFIDENTIAL

10 DOWNING STREET

From the Principal Private Secretary 22 May 1984

Expulsion of A V Guk:
Soviet Retaliation

Thank you for your letter of 21 May, which the Prime Minister has considered. The Prime Minister agrees that on belance the right course is to take the initiative and make the announcement in the terms suggested in your minute on Tuesday 22 May. The Prime Minister also agrees that we should make clear, if asked, that we do not intend to retaliate to the Soviet expulsion of

I am copying this letter to Sir Robert Armstrong and Sir John Jones.

Len Appleyard, Esq.,
Foreign and Commonwealth Office.

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SECRET

12

Prime Minister

The Foreign Secretary found this a difficult decision but has reached the view that it is better to announce the deportation of Guk and [redacted] tomorrow. If we simply wait until [redacted] deportation is noticed it will look as though we have been trying to hide something — and it will be less easy to control the publicity.

Agree announcement as at Flag C tomorrow?

Yes MR A.J.C. 21/5

Foreign and Commonwealth Office
London SW1A 2AH

21 May 1984

Dear Robin,

Expulsion of A V Guk: Soviet Retaliation

In your letter of 17 May you recorded the Prime Minister's agreement with the advice in my letter of 16 May to you that we should take the initiative in announcing publicly the expulsion of our Post Security Officer in Moscow (together with that of Guk) once the Soviet authorities had retaliated.

The expected retaliation has now come, and is recorded in Moscow telegrams Nos 623 and 624. I enclose copies.

// In the light of the fairly moderate line on avoiding publicity taken by the Russians, we considered whether to allow matters to take their course in Moscow and respond to questions when [redacted] departure is noticed. We could then tell the Russians that what we had predicted had occurred. However, this is not a strong position. And although there will be considerable speculation about a possible link between Guk's expulsion, Bettaney and the Skinner verdict whenever the expulsions are announced, we believe on balance that it would be better to go ahead as planned, take the initiative ourselves and make the matter public at 1230 hours on Tuesday, 22 May, / in the terms of the attached News Department statement. / I also enclose a copy of the supplementary answers. We would inform the Russians in London and Moscow shortly before releasing the news.

It was agreed earlier in response to the PUS's letter to Sir Robert Armstrong of 8 May that we would not threaten counter-retaliation in the event of the Soviet expulsion of [redacted] We would propose to make clear tomorrow, if asked, that we do not intend to retaliate.

/I am

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SECRET

SECRET

I am sending a copy of this letter to Sir Robert Armstrong and to John Jones for their information.

Yours ever,

Len Appleyard

(L V Appleyard)
Private Secretary

F E R Butler Esq
10 Downing Street

SECRET

. CONFIDENTIAL

DEDIP

FROM MOSCOW 211015Z MAY

TO FLASH F C O

TELEGRAM NUMBER 624 OF 21 MAY

MIPT : EXPULSION OF POST SECURITY OFFICER.

1. THE FOLLOWING IS AN INFORMAL TRANSLATION OF SUSLOV'S ORAL STATEMENT:

BEGINS IN CONNECTION WITH THE FOREIGN OFFICE'S AIDE MEMOIRE OF 14 MAY 1984 I AM INSTRUCTED TO STATE THE FOLLOWING :

THE SOVIET SIDE EXPRESSES ITS FIRM PROTEST IN RELATION TO THE PROVOCATIVE ACTION OF THE BRITISH SIDE IN CONNECTION WITH A V GUK, FIRST SECRETARY OF THE SOVIET EMBASSY IN LONDON. THIS UNFRIENDLY ACTION IS DEVOID OF ALL FOUNDATION AND IS NOT IN ACCORDANCE WITH THE STATEMENTS OF BRITISH OFFICIALS ABOUT THEIR WISH TO PROMOTE THE POSITIVE DEVELOPMENTS OF SOVIET/BRITISH RELATIONS.

THE UNACCEPTABILITY OF UNWORTHY EFFORTS TO CAST A SHADOW OVER A SOVIET DIPLOMAT HAD ALREADY BEEN CLEARLY STATED TO THE BRITISH AMBASSADOR ON 9 APRIL OF THIS YEAR.
LIKE ALL SOVIET PERSONNEL IN BRITAIN, A V GUK ACTED IN STRICT ACCORDANCE WITH THE GENERALLY ACCEPTED NORMS OF CONDUCT AND WAS GUIDED EXCLUSIVELY BY THE INTERESTS OF DEVELOPING SOVIET/BRITISH RELATIONS. OFFICIAL REPRESENTATIVES OF THE BRITISH FOREIGN OFFICE THEMSELVES STATED THAT THE BRITISH SIDE HAD NO COMPLAINTS AGAINST HIM.

THE ENTIRE RESPONSIBILITY FOR THE POSSIBLE CONSEQUENCES OF THE UNSEEMLY ACTION BY THE BRITISH AUTHORITIES, REFERRED TO ABOVE, LIES WHOLLY AND COMPLETELY WITH THE BRITISH SIDE.

ON THE BASIS OF ARTICLE 9 OF THE VIENNA CONVENTION ON
DIPLOMATIC RELATIONS IT IS PROPOSED TO THE BRITISH EMBASSY
IN MOSCOW THAT IT SHOULD ENSURE THE DEPARTURE FROM MOSCOW
WITHIN A WEEK OF FIRST SECRETARY, WHOSE FURTHER
SOJOURN IN THE SOVIET UNION IS UNACCEPTABLE.

624

THE SOVIET SIDE DOES NOT INTEND TO MAKE A STATEMENT TO
THE PRESS ON THE QUESTION IN HAND. HOWEVER THIS MAY PROVE
UNAVOIDABLE IF REPORTS APPEAR IN THE BRITISH PRESS

ENDS.

SUTHERLAND

NNNN

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EDIP

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FROM MOSCOW 211000Z MAY

TO FLASH F C O

TELEGRAM NUMBER 623 OF 21 MAY

YOUR TELNO 445 AND TELECON MEYER/BROOMFIELD:

EXPULSION OF POST SECURITY OFFICER.

1. AS THE DEPARTMENT WERE PREVIOUSLY INFORMED BY TELEPHONE, SUSLOV , HEAD OF THE SECOND EUROPEAN DEPARTMENT , ASKED TO SEE ME URGENTLY THIS MORNING ON AN UNSPECIFIED BILATERAL MATTER. SINCE BOTH HE AND I WERE TO TAKE PART IN THE FORMAL OPENING OF THE UK/SOVIET JOINT COMMISSION, I INSISTED ON ACCOMPANYING MR CHANNON TO THIS FIRST. AFTER ABOUT AN HOUR OF THE JOINT COMMISSION'S PROCEEDINGS, I ADJOURNED TO ANOTHER ROOM IN THE FOREIGN MINISTRY'S GUESTHOUSE WHERE I HEARD WHAT SUSLOV HAD TO SAY.

2. SUSLOV MADE AN ORAL STATEMENT (FULL INFORMAL TRANSLATION IN MY IMMEDIATELY FOLLOWING TELEGRAM) OF WHICH THE MAIN POINTS WERE :

(I) THE SOVIET SIDE MADE A FIRM PROTEST AT THE ''PROVOCATIVE ACTION' TAKEN BY THE BRITISH AUTHORITIES WITH REGARD TO GUK.

(II) ON THE BASIS OF ARTICLE 9 OF THE VIENNA CONVENTION, THE BRITISH EMBASSY WERE INVITED TO ENSURE THE DEPARTURE OF MOSCOW WITHIN A WEEK OF

(III) THE SOVIET AUTHORITIES HAD NO INTENTION OF SAYING ANYTHING TO THE PRESS ALTHOUGH THIS MIGHT PROVE UNAVOIDABLE IF ANYTHING APPEARED IN BRITISH NEWSPAPERS.

3. I SAID THAT I PROTESTED ENERGETICALLY AND STRONGLY AT THE SOVIET ACTION. IT WAS ABSOLUTELY WITHOUT JUSTIFICATION. I ALSO RECALLED WHAT THE P U S HAD SAID TO DOLGOV ON 14 MAY (YOUR TELNO 424) . ON PUBLICITY I SPOKE AS INSTRUCTED IN PARA 2 OF

4. SUSLOV SAID THAT ON 9 APRIL (MY TELNO 447) HE HAD ON INSTRUCTIONS DRAWN TO MY ATTENTION THE SOVIET WISH TO AVOID OBSTACLES IN THE DEVELOPMENT OF OUR BILATERAL RELATIONS AND, IN THIS CONTEXT, HAD RAISED BASELESS ALLEGATIONS WHICH HAD BEEN MADE AGAINST A MEMBER OF THE SOVIET EMBASSY STAFF. IT HAD BEEN CONSIDERED THAT THE BRITISH SIDE WOULD RECEIVE THIS DEMARCHE IN THE PROPER WAY AND WOULD NOT PERMIT ACTIONS OF A PROVOCATIVE CHARACTER. UNFORTUNATELY THESE HAD OCCURRED WHICH WAS WHY SUSLOV HAD BEEN INSTRUCTED TO SPEAK TO ME TODAY. FURTHER DEVELOPMENTS WOULD DEPEND ON THE ACTIONS OF THE BRITISH SIDE. FOR ITS PART THE SOVIET SIDE WAS INTERESTED IN A STABLE AND NORMAL RELATIONSHIP AND HOPED THAT WE WERE TOO. AS TO HANDLING THE PRESS, THIS WAS A MATTER FOR THE BRITISH AUTHORITIES.

5. I SAID THAT I REGRETTED THE SOVIET AUTHORITIES' FAILURE TO ACCEPT THE PUS'S SUGGESTION THAT CUK'S WITHDRAWAL FROM THE UK SHOULD BE ACCOMPLISHED QUIETLY. I REITERATED THAT IT WAS NOW IMPOSSIBLE TO KEEP THE EXPULSIONS FROM THE PUBLIC DOMAIN. IT REMAINED THE BRITISH GOVERNMENT'S DETERMINATION THAT THESE EVENTS SHOULD NOT AFFECT THE DEVELOPMENT OF RELATIONS.

6. IN A FINAL EXCHANGE, SUSLOV SAID THAT MY REMARKS WOULD BE NOTED. BUT THERE WAS NO BASIS FOR MY PROTEST, STILL LESS FOR THE FIRM TONES IN WHICH IT HAD BEEN COUCHED. TODAY'S DEVELOPMENT WAS WHOLLY THE BRITISH AUTHORITIES' FAULT. I RETORTED THAT I COULD NOT ACCEPT THIS AND THAT THERE WAS NO JUSTIFICATION FOR BURNETT'S EXPULSION.

SUTHERLAND

NNNN

cMAJOR.

SECRET - File

RM.

1

10 DOWNING STREET

From the Principal Private Secretary

18 May, 1984

During a discussion this morning with the Prime Minister, and the Home Secretary, Sir John Jones mentioned his concern about the present plan that the appeal of Michael Bettaney should not be heard until October. The volatility of Bettaney's mood, combined with the access to outside lawyers which the period leading up to the appeal will provide, could pose a threat to the protection of very delicate information.

The Prime Minister asked the Home Secretary if, in the circumstances, he would explore with the Lord Chancellor the possibility of Bettaney's appeal being heard earlier.

I am sending a copy of this letter to Sir Robert Armstrong.

E. R. BUTLER

H. Taylor, Esq.,
Home

SECRET

RAMAAS

CST

SECRET

File

10 DOWNING STREET

From the Principal Private Secretary

17 May 1984

A. V. GUK

The Prime Minister has seen your letter of 16 May and agrees that if the Russians retaliated in Moscow by expelling our Post Security Officer, it would be better to take the initiative and announce this expulsion and our expulsion of Mr. Guk.

I am sending a copy of this letter to Sir Robert Armstrong.

E. E. R. BUTLER

Len Appleyard, Esq.,
Foreign and Commonwealth Office.

SECRET

Prime Minister

In view of X| and Y|, agree that if the Russians expel our Post Security Officer, we should announce the fact and our expulsion of Guk?

SECRET

Foreign and Commonwealth Office

London SW1A 2AH

9 FEB 16.5.

16 May, 1984

Dear Robert,

A V Guk

In your letter of 14 May, you recorded the decision taken at the Prime Minister's meeting with Sir Robert Armstrong and Sir Antony Acland that morning that we should proceed to the immediate expulsion of Guk. In my letter to you of 14 May, I enclosed a copy of our reporting telegram to Moscow giving an account of Sir Antony Acland's meeting that afternoon with the Soviet Charge d'Affaires.

As matters now stand, we still await a Soviet reaction to our suggestion that the matter might be handled quietly and without publicity if the Soviet authorities could give us an assurance that they too would give no publicity. We certainly hope that the Russians will take this option. But we consider that the odds are that they will retaliate against our Embassy in Moscow, even if they do not give prior publicity to Guk's expulsion.

We have noted the Prime Minister's hope that even if the Russians retaliated by expelling our Post Security Officer in Moscow it would be possible to avoid publicity. Although we would of course like to be able to arrange matters in this way, we do not realistically think that it will be possible. It was for this reason that in the final paragraph of the second page of my letter of 11 May to you we made the point that if subsequently there was to be retaliation, then publicity would be unavoidable. Sir Antony Acland made the same point when speaking to the Soviet Charge d'Affaires (paragraph 5 of FCO telegram number 424 enclosed with my letter of 14 May to you). X|

The reason is that in Moscow diplomats and press live in a few ghettos for foreigners where the arrival and departure of anyone of diplomatic rank is a public event. If the Russians retaliated against our Post Security Officer, his early departure would be bound to be noticed. The most likely line of questioning would be to assume a connection with the inquest on Mr Skinner. The conclusion would almost certainly be that withdrawal indicated that we were defensive about some aspect of the handling of the Skinner incident. Even if we were to give non-committal answers, the interest aroused could very easily lead back to Bettaney and thus to Guk. Y|

Our view is therefore that if the Russians do retaliate in Moscow it would be better to take the initiative and make their action public, even if this also meant announcing our expulsion of Guk. We would at least have made it clear to the

SECRET /Russians

Russians that we were prepared to handle the matter quietly, and that it was their choice that it became public.

I am sending a copy of this letter to Sir Robert Armstrong.

Yours ever,

Len Appleyard

(L V Appleyard)
Private Secretary

Robin Butler Esq
10 Downing Street

SECURITY : Beltaney ; Oct 83

SECRET

file

cc MASTER SET

10 DOWNING STREET

From the Principal Private Secretary

14 May 1984

Thank you for your letter of 11 May about the possible expulsion of A. V. Gouk.

The Prime Minister discussed this matter further with Sir Robert Armstrong and Sir Antony Acland this morning.

The Prime Minister said that her inclination still was to proceed immediately to the expulsion of Gouk. Given that as a result of the Bettaney case he had been publicly identified as the KGB resident in London, if some other case brought it to the attention of the public that he had not been expelled, it would be difficult to explain that fact.

There was some discussion of the timing of the expulsion in relation to the Skinner case. It was agreed that, if Gouk was to be expelled, the Soviet Charge d'Affaires should be so informed before Wednesday 16 May, so that the expulsion could be seen not to be related to the Skinner case.

Sir Antony Acland said that there were two possibilities, if it were decided to proceed with the expulsion of Gouk: either to proceed directly to his expulsion, as proposed in your letter of 11 May, or to summon the Soviet Charge d'Affaires, express surprise that Gouk had not been recalled following the warning to Mr. Dolgov on 3 April, saying that we were anxious that this matter should not adversely affect the tenor or relations between the United Kingdom and the Soviet Union but emphasising that Gouk had to go and that,

/ if

if he were not recalled within the next fortnight, we should be bound to proceed to expulsion at the end of that period. After discussion, the Prime Minister agreed that it would be preferable to proceed to immediate expulsion, she accordingly agreed that Sir Antony Acland should see the Soviet Charge d'Affaires on the afternoon of 14 May, and speak in accordance with the speaking note enclosed with your letter. If the Charge d'Affaires asked whether the ceiling would be reduced, Sir Antony Acland would say that on this occasion it was not proposed to reduce the ceiling. The Prime Minister hoped that it would be possible to avoid publicity, even if the Russians retaliated by expelling the Post Security Officer in Moscow; but she accepted that the Russians might, for their own reasons, give the matter publicity.

I am copying this letter to Sir Robert Armstrong.

E. E. R. BUTLER

Len Appleyard, Esq.,
Foreign and Commonwealth Office.

SECRET

Pl. type for my signature, dating it today.

FERB
14.5.

Ref. A084/1426

MR BUTLER

I attach a draft letter for you to send to Mr Appleyard in reply to his letter of 11 May about the expulsion of A V Gouk.

with FERB

Approved by
ROBERT ARMSTRONG
and signed in his absence.

14 May 1984

SECRET

DRAFT LETTER FROM F E R BUTLER ESQ TO

L V Appleyard Esq
Foreign and Commonwealth Office

Thank you for your letter of 11 May about the possible expulsion of A V Gouk.

The Prime Minister discussed this matter further with Sir Robert Armstrong and Sir Antony Acland this morning.

The Prime Minister said that her inclination still was to proceed immediately to the expulsion of Gouk. Given that as a result of the Bettaney case he had been publicly identified as the KGB resident in London, if some other case brought it to the attention of the public that he had not been expelled, it would be difficult to explain that fact.

There was some discussion of the timing of the expulsion in relation to the Skinner case. It was agreed that, if Gouk was to be expelled, the Soviet Charge d'Affaires should be so informed before Wednesday 16 May, so that the expulsion could be seen not to be related to the Skinner case.

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following the warning to Mr Dolgov on 3 April, saying that we were anxious that this matter should not adversely affect the tenor or relations between the United Kingdom and the Soviet Union but emphasising that Gouk had to go and that, if he were not recalled within the next fortnight, we should be bound to proceed to expulsion at the end of that period. After discussion, the Prime Minister agreed that it would be preferable to proceed to immediate expulsion, she accordingly agreed that Sir Antony Acland should see the Soviet Charge d'Affaires on the afternoon of 14 May, and speak in accordance with the speaking note enclosed with your letter. If the Charge d'Affaires asked whether the ceiling would be reduced, Sir Antony Acland would say that on this occasion it was not proposed to reduce the ceiling. The Prime Minister hoped that it would be possible to avoid publicity, even if the Russians retaliated by expelling the Post Security Officer in Moscow; but she accepted that the Russians might, for their own reasons, give the matter publicity.

I am copying this letter to Sir Robert Armstrong.

SECRET

Mr. Coles - to see
AJL 14/5 NBPM

Foreign and Commonwealth Office

London SW1A 2AH

6

14 May 1984

With AJL

Dear Robin,

A V Guk

Following the meeting this morning between the Prime Minister, Sir Robert Armstrong and Sir Antony Acland, the latter took action this afternoon with the Soviet Chargé d'Affaires on the lines set out in my letter of 11 May to you.

I enclose a copy of Sir Antony Acland's speaking note and the reporting telegram. It remains to be seen how the Russians will react. For the time being, we are ensuring that no publicity is given to Guk's expulsion.

Yours ever.

Len Appleyard

(L V Appleyard)
Private Secretary

F E R Butler Esq
10 Downing Street

SECRET

SPEAKING NOTE

I have been instructed to ask you to arrange for the withdrawal of Mr A V Guk, First Secretary at the Soviet Embassy, within seven days; that is not later than Monday 21 May. I have also been instructed to hand you this Aide Memoire which is self explanatory, and to say that this action is being taken on the basis of Article 9 of the Vienna Convention to which the Soviet Union and Great Britain are parties. Once you have read it, I shall have one further point to make.

I wish to emphasise that, while our decision is final, we nevertheless wish to handle this in a way which is least disruptive to Anglo-Soviet relations. Our strong desire is not to allow this incident to affect a more positive development of our bilateral relations to which the British Government attach great importance. We shall continue to work for the development of a more constructive relationship between our two countries.

I can say that on the part of the British authorities there is no desire to give publicity to this affair. We are ready to handle the case quietly if you can give me an assurance that the Soviet side for their part will give it no publicity.

Can you give me such an assurance?

[If Dolgov gives an assurance] I am glad to note that. We will proceed on that basis.

[If Dolgov refuses such an assurance] I regret this. I have to tell you that the British press will be informed of Mr Guk's expulsion later today.

[If Dolgov cannot give an assurance, but undertakes to report/ recommend to his authorities] I take note of what you say, and require the most rapid reply. Until we have it, the British authorities for their part will give no publicity, and expect there to be no publicity from the Soviet side either.

I should add that while the British authorities do not intend themselves to give this question publicity and will do everything to ensure that this remains the case, you should nevertheless be clear on one other point. If there were to be any retaliation against our Embassy in Moscow, for which we would see no possible justification, then there would be no question that the matter would become public.

[If Dolgov asks what Guk has done] I have not said what he has done or not done. [~~If Dolgov presses strongly~~] but his continued presence is not compatible with the normal development of UK/Soviet relations.

[If Dolgov asserts that British purpose is to stir up anti-Soviet press campaign] Certainly not our intention. British press is of course not under our control.

OUT TELEGRAM

5A

		Classification and Caveats	Precedence/Deskby
		SECRET DEDIP	IMMEDIATE

ZCZC	1	ZCZC
GRS	2	GRS
CLASS	3	SECRET
CAVEATS	4	DEDIP
DESKBY	5	
FM FCO	6	FM FCO 14 Z MAY 84
PRE/ADD	7	TO IMMEDIATE MOSCOW
TEL NO	8	TELEGRAM NUMBER
	9	MY TELNO 419 : GUK
	10	1. The PUS saw the Soviet Charge d'Affaires at 1500 hours today.
	11	The PUS spoke as in para 1 of the Speaking Note and handed over a
	12	copy of the Aide Memoire. He went on to make the points in
	13	paragraphs 2 and 3 of the Speaking Note, and asked Dolgov if he
	14	could give an assurance about publicity.
	15	2. Dolgov asked about the reference to Article 9 of the Vienna
	16	Convention. Head of Soviet Department read it to him. Dolgov
	17	replied that if the British authorities did not wish to give an
	18	explanation it was up to them. But their request was not
	19	conducive to the positive development of UK/Soviet relations.
	20	Soviet views had already been made clear. They did not accept
	21	any claims or insinuations against Guk. He had himself been
///	22	assured in the FCO on a previous occasion that the British side
//	23	had no reproaches to make in connection with Guk. The British
/	24	action was therefore without foundation. Dolgov said that he
	25	would report our views on publicity. He pressed to know the

NNNN ends telegram	BLANK	Catchword reasons
File number	Dept Soviet	Distribution Restricted Hd Soviet D — PS/Mr Rifkind Hd PUSD — PS Hd News D Mr Jenkins Mr Wright Sir J Bullard PS/PUS
Drafted by (Block capitals) N H R A BROOMFIELD		
Telephone number 233 3387		
Authorised for despatch		
Comcen reference	Time of despatch	

<<<<

<<<<

reasons for the British action.

3. The PUS requested Dolgov to obtain as rapid a reply as possible on publicity. Until they received it, the British authorities for their part would give no publicity and expected there to be no publicity from the Soviet side either.

4. The PUS said that he was not prepared to discuss what Guk had done or had not done, but in our view his continued presence was not compatible with the normal development of UK/Soviet relations. Our desire was to see these develop positively. We were ready to handle this case quietly. As for what had been said on a previous occasion, that referred to that incident.

5. The PUS went on to emphasise that while the British authorities did not themselves intend to give this question publicity, and would do everything to ensure that this remained the case, the Soviet authorities should be clear that if there were to be any retaliation against our Embassy in Moscow, for which we would see no possible justification, then there would be no question that the matter would become public.

6. Dolgov said he would report. But as far as Guk was concerned he was known to the British authorities with whom he cooperated as the Embassy Security Officer. This was his function. There could be no grounds for the British action. The PUS said he was not prepared to discuss the details. Dolgov should report carefully what had been said to him and obtain a rapid reply.

HOWE

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/

NNNN ends telegram	BLANK	Catchword

I.P. Ltd Dmd 8200051 56-00 8/80

SECRET
Bettaney
Oct 83

10 DOWNING STREET

Robin

I wish you
a happy
Christmas

Robert

Prime Minister
A word with Sir Robert Armstrong and Sir Antony Acland on Monday before deciding?

SECRET

Foreign and Commonwealth Office

London SW1A 2AH

11 May 1984

FCRB 11.5

S.

Dear Robin,

Soviet Embassy: Expulsion of A V Guk

When the Prime Minister and Foreign Secretary discussed the possible expulsion of Guk at their meeting on 11 May, it was agreed that I should write to you setting out the background and Sir Geoffrey Howe's views on how we should proceed.

The possibility of getting rid of Guk was raised with us by the Security Service shortly before Bettaney's trial. They asked us to see if the Russians could be persuaded to withdraw Guk. We agreed to this, and with their concurrence on 3 April we spoke to the Soviet Minister/Counsellor. Dolgov was told that although we were not suggesting that Guk had behaved improperly in connection with the Bettaney case, and we were therefore not formally requesting that he should be withdrawn, we nevertheless suggested that the Embassy might wish to consider whether to bring forward his departure, in view of the publicity likely to develop as a result of his being named at Bettaney's trial. The Russians rejected this approach. This and the earlier background to Guk's presence in the Soviet Embassy were set out in my letter of 10 April to you.

Following the trial, and after receiving Robert Armstrong's letter of 27 April, we discussed the question again with the Security Service on 30 April. They gave additional background to their identification of Guk as the KGB Resident and the reasons whey they would like him removed. Nevertheless, they recognised that the case was not a straightforward one, since Guk fell outside our normal policy guidelines for dealing with identified intelligence officers. Although he must have coordinated and directed the activities of the seven other KGB/GRU officers whom we have expelled in the last two years, we had and still have no specific evidence on Guk himself. These and the other wider political factors were set out in Antony Acland's letter of 8 May.

/Since

Since then, as you know, the Soviet Union has issued a statement announcing its intention to withdraw from the Olympic Games. This line is likely to be followed by all the rest of the Warsaw Pact, with the exception of Romania. The Soviet decision exemplifies their present mood of truculence and their determination to do whatever they can to obstruct and isolate the US and President Reagan personally. In this mood, they will tend to see any bilateral act against them in a wider East/West context, and correspondingly over-react in response. We had previously assessed that the expulsion of Guk would put at risk Sir Geoffrey Howe's visit to Moscow, particularly if this expulsion led to a series of others. We would now assess the possibility of the visit being cancelled, or at least postponed, as substantial.

There is a further complicating factor. The inquest on Mr Dennis Skinner opens on 14 May. Mrs Skinner appears to have broken down under the pressure of waiting for the inquest. She made some wild allegations in a recent interview with Customs and Excise. She alleged that she had now identified the Russian spy in the Security Services, of whom Skinner had written shortly before his death in Moscow, as Bettaney. She claimed that Bettaney's approach to the Russians in April 1983 had been a Russian 'ploy'. Although there is no foundation whatever for these allegations, as far as the Security Service and SIS are aware, if Mrs Skinner were to repeat them at the inquests, they would no doubt provoke press interest and speculation. The Russians might see this as fresh evidence of a deliberate anti-Soviet campaign, and this might further increase the likelihood of retaliation if and when we take action against Guk.

It is just possible that we might be able to avoid publicity. We would tell the Soviet Chargé d'Affaires that we would be prepared to handle the case quietly and not ourselves initiate publicity. (I enclose copies of the texts we had prepared for use today.) The Russians may agree, but if they do not, or if subsequently they retaliate and expel a member of our Embassy in Moscow, then publicity will be unavoidable. In that case there will need to be very careful press and public handling. If, as we had proposed, Guk is expelled but we do not reduce the ceiling or threaten counter-retaliation if the Russians retaliate, we will have to answer the questions why we are departing from our public policy since 1971, of reducing the appropriate ceiling by one if any Soviet official is required to leave the country 'as a result of his having been detected in intelligence activities'. We would propose to say that our overall policy was set out in the House on 1 May by Sir Geoffrey Howe, and that it was for the Government to

/

/decide

decide on each occasion how best that policy and our specific policy with regard to Soviet officials in London is applied.

Given the Soviet frame of mind even before their Olympic announcement, Sir Geoffrey Howe's expectations from his visit in July had not been particularly high. Nevertheless, its cancellation or postponement would represent a set-back to our efforts to re-establish contact at a high level between HMG and the Soviet leadership. This set-back would be underlined when Mr Kinnock and Mr Healey visit Moscow in October or November which, we understand, are the dates currently under discussion. The contrast would also be drawn between our experience and the visits of Herr Genscher and President Mitterrand, expected to take place in late May and late June respectively.

Against this background and notwithstanding the undoubted foreign policy (I enclose a copy of Sir Iain Sutherland's personal telegram of 10 May) and domestic presentational problems involved, it remains Sir Geoffrey Howe's view that the factors which led him to the conclusion set out in Antony Acland's letter of 8 May still hold good. Unless the Prime Minister sees any reason to the contrary, he would propose to go ahead with the expulsion of Guk early next week.

I am sending copies of this letter to Robert Armstrong and to John Jones at the Security Service.

Yours ever,

Len Appleyard

(L V Appleyard)
Private Secretary

F E R Butler Esq
10 Downing Street

A

AIDE MEMOIRE

The Soviet Embassy is requested to arrange for Mr A V Guk, First Secretary, to leave the United Kingdom within one week from the date of this Aide Memoire, that is not later than ~~Friday 18~~ Monday 21 May 1984.

Foreign and Commonwealth Office

LONDON SW1

14 May 1984

B

SPEAKING NOTE

I have been instructed to ask you to arrange for the withdrawal of Mr A V Guk, First Secretary at the Soviet Embassy, within seven days; that is not later than Friday 18 May. I have also been instructed to hand you this Aide Memoire which is self explanatory, and to say that this action is being taken on the basis of Article 9 of the Vienna Convention to which the Soviet Union and Great Britain are parties. Once you have read it, I shall have one further point to make.

I wish to emphasise that while our decision is final we nevertheless wish to handle this is a way which is least disruptive to Anglo-Soviet relations. INSERT (A) I can say that on the part of the British authorities there is no desire to give publicity to this affair. We are ready to handle the case quietly if you can give me an assurance that the Soviet side for their part will give it no publicity.

Can you give such an assurance?

[If Dolgov gives an assurance] I am glad to note that. We will proceed on that basis.

[If Dolgov refuses such an assurance] I regret this. I have to tell you that the British press will be informed of Mr Guk's expulsion later today.

[If Dolgov cannot give an assurance, but undertakes to report/ recommend to his authorities] I take note of what you say, and require the most rapid reply. Until we have it, the British side for its part will give no publicity, and expect there to be no publicity from the Soviet side either.

[If Dolgov asks what Guk has done] I have not said what he has done or not done. ~~I have already explained why we are requesting his withdrawal.~~

[If Dolgov asserts that British purpose is to stir up anti-Soviet press campaign] Certainly not our intention. British press is of course not under our control. Our strong desire is not to allow this incident to affect a more positive development of our bilateral relations to which the British Government attach great importance. We shall continue to work for the development of a more constructive relationship between our two countries.

D

RESTRICTED

GUIDANCE FOR NEWS DEPARTMENT

A. Text of on the record statement for use at ..... on ~~14~~ 14 May

The Soviet Charge D'Affaires was asked to call on the FCO this afternoon. He was informed that, in accordance with the provisions of Article 9 of the Vienna Convention, Mr A V Guk, First Secretary at the Soviet Embassy, should leave the UK within 7 days.

B. Notes for supplementaries

1. Who saw the Soviet Charge?

~~Sir J Bullard.~~ Sir A Acland.

2. What does Article 9 of the Vienna Convention say?

''1. The receiving State may at any time and without having to explain its decision, notify the sending State that the head of the mission is persona non grata or that any other member of the staff of the mission is not acceptable. In any such case, the sending State shall, as appropriate, either recall the person concerned or terminate his functions with the mission. A person may be declared non grata or not acceptable before arriving in the territory of the receiving State.

2. If the sending State refuses or fails within a reasonable period to carry out its obligations under paragraph 1 of this Article, the receiving State may refuse to recognise the person concerned as a member of the mission.''

3. Is Guk being expelled for inadmissible activities?

Nothing to add to earlier statement.

4. Does it affect the ceilings?

No.

RESTRICTED

5. Does this mean that Mr Guk is or is not engaged in espionage?
No comment. We do not comment on security matters.

6. Was Bettaney right to believe him to be the senior KGB officer in the Embassy?
No comment. We do not comment on security matters.

7. If the Russians expel a member of our Embassy, will you retaliate?
We would decide how best to respond to that situation if it arose.

10. Details about Guk?
Arrived: September 1980
Previous London posting: 1956-59

E

CONTINGENCY PRESS STATEMENT

(If the Russians issue their own press statement criticising the British decision and referring explicitly to assurances given by the FCO on 3 April that we had told them that in regard to the Bettaney case there was no suggestion that Guk had behaved improperly and that we had not requested that Guk should be withdrawn.)

It is not our normal practice to give details of our confidential exchanges with the Soviet authorities. In this case, since the Soviet Embassy/authorities have chosen to give a partial account of that conversation, we can add that the Embassy were also advised to consider whether to bring forward Mr Guk's departure date.

4A

FROM MOSCOW 1015102 MAY

TO IMMEDIATE F C O

TELEGRAM NUMBER 594 OF 10 MAY

FOLLOWING FOR BROOMFIELD SOVIET DEPARTMENT.

GUK.

RATFORD, WITH WHOM I HAD A FEW MINUTES CONVERSATION AT MOSCOW AIRPORT ON MY RETURN THIS EVENING, TOLD ME THAT HE HAD HAD NO ADVICE ON ACTION WHICH WE CONTEMPLATED TAKING OVER GUK. AS YOU KNOW, HE, BEATTIE AND BURNETT ARE DUE IN LONDON LATER TODAY TO ATTEND SKINNER HEARINGS. I HAVE ASKED RATFORD TO CONTACT YOU TOMORROW (FRIDAY) MORNING BEFORE GORDON LENNOX'S OFFICE MEETING ON THE SKINNER CASE. IF IT IS AGREED THAT GUK IS TO BE DECLARED P.N.G. I CONSIDER IT HIGHLY DESIRABLE THAT BURNETT, WHO IS MOST AT RISK FROM RETALIATORY ACTION, SHOULD BE INFORMED BEFORE ANY ANNOUNCEMENT IS MADE.

2. HAVING LOOKED AGAIN AT THE PAPERS SINCE MY RETURN, I AM ALL THE MORE CONVINCED THAT, AS I ADVISED YOU AND MR RIFKIND, BRITISH CREDIBILITY AND OUR REPUTATION FOR VERACITY WILL BE SERIOUSLY DAMAGED BY THE ACTION RECOMMENDED, IN THE LIGHT OF STATEMENT BY JENKINS QUOTED IN PARA 3 OF YOUR TELNO 319 AND WHAT I SUBSEQUENTLY TOLD SUSLOV (MY TELNO 447 PARA 3) SEMICLN AND THAT STRICTLY FROM THE POINT OF VIEW OF ANGLO-SOVIET RELATIONS A DECISION TO EXPEL A MEMBER OF THE SOVIET EMBASSY AGAINST WHOM WE DO NOT HAVE SPECIFIC EVIDENCE RECOGNISABLE AS SUCH BY THE RUSSIANS WOULD BE A MISTAKE.

3. ADVANCE COPIES ALSO TO P U S AND BULLARD.

SUTHERLAND

NNNN

(NOT ADVANCED TO PUS)

SECRET

SECRET AND PERSONAL

4

Prime Minister
You had a brief exchange about this with the Foreign Secretary yesterday but I think that you should see Sir Antony Acland's letter below.
Agree that Mr. Gouk should be expelled on the terms proposed?
FEEB 10.5

Ref. A084/1389

MR BUTLER

When I saw the Prime Minister on 27 April, she instructed me to write to the Foreign and Commonwealth Office, asking them to reconsider as a matter of urgency the expulsion of Mr Gouk, the KGB Resident in London. I attach a copy of the letter which I sent.

Yes MT

2. I also attach a copy of Sir Antony Acland's reply. You will see that it is proposed that Mr Gouk should now be expelled, but that we should not threaten further expulsions if the Russians retaliate, and we should not reduce the ceiling for the Soviet Embassy.

3. I should be glad to know whether the Prime Minister is content with what is now proposed.

4. If you would like me to come and see her about the background to this case, I am of course very happy to do so.

RtA

ROBERT ARMSTRONG

10 May 1984

SECRET AND PERSONAL

SECRET AND PERSONAL

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.A084/1271

27 April 1984

My dear Antony,

The Prime Minister has noted that the published accounts of the Bettaney trial have identified Mr Gouk as the KGB Resident in London: the accounts said that Bettaney believed Mr Gouk to be the KGB Resident, and it is clear that Bettaney was in a position where he would be entitled officially to know whom the Security Service believed to be the KGB Resident.

In these circumstances she is concerned about Mr Gouk's continued presence in the United Kingdom. Since Operation FOOT it has been Government policy to expel those positively identified as KGB intelligence officers. There is likely to be further publicity for these matters when the Security Commission reports, if not before, and there would be bound (the Prime Minister believes) to be questions as to why Mr Gouk had been allowed to remain, if he was still serving at the time.

She would therefore be grateful if the Foreign and Commonwealth Office, in consultation with the Security Service, would as a matter of urgency consider the expulsion of Mr Gouk without delay. I should be grateful if you could let me know the outcome of this consideration, so that I can report it to her. I have to add that she would need convincing reasons to be advanced, if it was recommended that he should not be expelled.

I am sending a copy of this letter to John Jones.

Yours ever

Robert

Sir Antony Acland KCMG KCVO

SECRET AND PERSONAL

SECRET

3A

Sir Antony Acland KCMG KCVO
Permanent Under-Secretary of State

Foreign and Commonwealth Office

London SW1A 2AH

8 May 1984

CABINET OFFICE
A .3279.....
8 MAY 1984
INSTRUCTION
.....

Sir Robert Armstrong GCB CVO
CABINET OFFICE

My dear Robert,

SOVIET EMBASSY: EXPULSION OF A V GUK

1. Thank you for your letter of 27 April, in which you asked the Foreign and Commonwealth Office, in consultation with the Security Service, to consider the expulsion of A V Guk from the Soviet Embassy in London.

2. This case has been discussed with the Foreign and Commonwealth Secretary. The background was given in Len Appleyard's letter of 10 April to Robin Butler, which was copied to Richard Hatfield. In that letter, it was explained why Guk was admitted to the UK in the first place, and that he had subsequently taken good care to ensure that the evidence of his own activities did not as such give grounds for expulsion. In this context, I should point out that the Government's policy towards KGB intelligence officers is not exactly that described in paragraph 2 of your letter: as a matter of policy we expel an intelligence officer where there is conclusive evidence that he has been engaged in espionage, but it is not our practice to expel all members of the Soviet Embassy identified as intelligence officers. For example, we know that certain posts (eg on the communications side) are always occupied by KGB officers; and for that matter that the service attachés are always members of the GRU (Soviet military intelligence).

3. In the case of Guk, we thought it right to see whether we could not persuade the Russians to withdraw him voluntarily given the adverse publicity that would follow the mention of his name in open court. The Russians responded negatively. Subsequently, the trial of Bettaney generated wide publicity to the effect that Guk was believed by Bettaney (who, by implication, was clearly in a position to know) to be the senior KGB officer in the Embassy. The case has been referred to the Security Commission who will no doubt enquire into this point and may well want to refer to it in their public conclusions, thus giving rise to further publicity.

/4.

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

4. In these circumstances, the Foreign and Commonwealth Secretary has considered whether it would now be right to expel Guk. To do so would have the following disadvantages:

a. the Soviet reaction would be unpredictable. Before the Bettaney trial we gave them to understand, both in London and in Moscow, that we had no complaint about Guk's behaviour in the specific case of Bettaney. They may therefore have concluded that Guk would not be expelled as a result of the Bettaney trial. When they find that this is not the case their reaction may be correspondingly stronger. They may feel that we have broken the unwritten ground rules which operate in this area, with some effect, Sir Iain Sutherland believes, on our general credibility.

of the KGB as their post security officer in
Our normal policy in the case of such a retaliation would be to expel another member of the Soviet Embassy. This could lead to a further Soviet move in Moscow to which we would again have to respond in London. We should thus find ourselves engaged once again in a 'war of expulsions';

b. even if we were to call it a day after a Soviet expulsion of one member of our Embassy in Moscow, the incident would lead to a distinct cooling in our bilateral relations for at least some weeks or months. If there were a series of expulsions and retaliations in Moscow and London, it is quite possible that the Russians would postpone Sir Geoffrey Howe's visit to Moscow in July with all that we had hoped this might achieve, including the possibility of developing contacts with other members of the Soviet leadership;

c. there would also be an effect on Mr Channon's visit to Moscow at the end of May for the Anglo-Soviet Joint Economic Commission. Soviet practice in such circumstances would be to tell British business participants that normal commercial relations were being made impossible by the British Government;

d. Soviet cooperation might be withdrawn on a number of lesser issues in which the KGB are involved, such as visas for the BBC TV office (we have just managed to get the Russians to drop their objections to Mr Tim Sebastian), Financial Times, Guardian and Reuters correspondents.

/5.

From 19/1954

Letter dated
08.05.84

5. Despite these disadvantages, and after careful consideration, the Foreign and Commonwealth Secretary believes that Guk should be expelled, because (a) his continued presence here, given the widespread publicity attached to him during the Bettaney trial, and the widely held (and correct) belief that he is the senior KGB officer in London, would be anomalous; and (b) this consideration is reinforced by the Foreign and Commonwealth Secretary's statement in the House on 1 May that the Government would watch closely the activities of Embassies in London, and not hesitate to take remedial action if necessary.

6. We shall need to consider carefully how to present Guk's expulsion both to the Russians, and to Parliament and the public in the UK. In speaking to the Russians, we would propose to remind them of our advice given before the trial, regret that the Russians had failed to act on our earlier suggestions, and go on to say that we now formally requested Guk's withdrawal because his continued presence in the UK was not compatible with the normal development of UK/Soviet relations.

7. Sir Geoffrey Howe considers that we should try to avoid an escalation of the incident through a series of expulsions in London and Moscow. He would therefore on this occasion not propose that we should threaten further expulsions if the Russians retaliate. We would also not reduce the ceiling for the Soviet Embassy. Although we would not make these points explicitly to the Russians, we would expect them to note and understand the omission. This course of action may do something to prevent matters developing along the lines of paragraph 4. The Security Service, whom we have consulted, have said that they would wish Guk to be expelled, and regard the likely expulsion of their own officer from Moscow as a price worth paying.

8. In presenting the expulsion in the UK, we would propose to issue a press statement confirming that we had formally requested Guk's withdrawal because his continued presence in the UK was not compatible with the normal development of UK/Soviet relations. It can be assumed that the Russians will make a statement of their own in strongly critical terms. If asked why Guk had not been expelled earlier we should decline to comment, leaving the press and public to draw the conclusion that his departure was a delayed but inevitable consequence of the Bettaney case. If asked subsequently why we were not retaliating in the event of the expulsion of our officer in Moscow (assuming it takes place) we would say that it is for the Government to decide on each occasion how to handle the individual case concerned.

/9.

9. I should be grateful if you would arrange for the Prime Minister to see these papers soon. If we are to take action against Guk, the earlier we do so the better, given that Mr Channon's visit is due to take place from 21 to 25 May.

10. I am sending copies of this letter to John Jones and Brian Cubbon.

Yours ever

Antony

Antony Acland

File

889

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

SECURITY COMMISSION

I attach copies of replies which the Prime Minister has received from Lord Allen, Sir Alasdair Steedman and Sir Michael Palliser in response to her invitation to them to serve on the Security Commission inquiry into the case of Michael Bettaney.

Before writing his letter, Sir Michael Palliser spoke to me on the telephone and asked whether the Prime Minister would want a reply in these terms, or would prefer that he sorted out his engagements and then gave a definite reply. I encouraged him to send a reply in the terms attached. Sir Michael Palliser confirmed that he would have no objection to a public statement, if necessary, that he had been asked to serve on the Commission for this inquiry.

FERB

1 May 1984

12b Wedderburn Road
London NW3 5QG
Tel. (01) 794 0440

PPS R28

CONFIDENTIAL

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

27 April 1984

Dear Prime Minister,

I am writing in reply to your letter of 24 April in which you asked if I would be willing to serve as a member of the Security Commission on the enquiry in regard to the case of Michael John Bettaney.

I am, in principle, very willing to do this provided that I can reconcile it with a certain number of inescapable commitments that I have undertaken over the next two or three months. I think this should be possible and I am in touch with Lord Bridge about it.

Yours sincerely,

Michael Palliser

Michael Palliser

Security : Bettaney 10/83

FROM:- THE LORD ALLEN OF ABBEYDALE

HOLLY LODGE,
ENGLEFIELD GREEN,
SURREY. TW20 0JP
Egham 32291

27.4.84

R30

Dear Prime Minister,

Thank you for your letter of 24 April about the Security Commission investigation into the case of Michael John Bettaney.

I shall be glad to serve as a member of the Commission on this important inquiry.

Yours sincerely,

Philip Allen

P.S. I have been away at a conference, & did not see your letter until today.

P.A.

Security; Bethaney

FROM: AIR CHIEF MARSHAL SIR ALASDAIR STEEDMAN GCB, CBE, DFC.

PPS - CF R30

THE ROYAL AIR FORCE BENEVOLENT FUND

REGISTERED UNDER THE WAR CHARITIES ACT 1940 AND THE CHARITIES ACT 1960

PATRON: HER MAJESTY THE QUEEN PRESIDENT: HRH THE DUKE OF KENT

CHAIRMAN OF COUNCIL: THE LORD CATTO OF CAIRNCATTO

67 PORTLAND PLACE, LONDON W1N 4AR CONTROLLER TELEPHONE 01-580 8346

RAF GPTN CONNECTED

PERSONAL & CONFIDENTIAL

AS/Pers 14

26th April 1984

Dear Prime Minister

Thank you for your letter of the 24th April about the Security Commission. I would be willing to serve as a member of the Commission on the inquiry concerning Michael John Bettaney. I have some commitments - for example, in the United States and the Federal Republic of Germany in the second half of May - from which I cannot now retreat. However, I would hope to be able to come to a mutually satisfactory arrangement with the Chairman of the Commission.

Yours sincerely

Alasdair Steedman

Rt.Hon. Mrs Margaret Thatcher PC FRS MP
The Prime Minister
10 Downing Street
London SW1

security Bethany

PERSONAL AND CONFIDENTIAL

DG

FILE

cc: CO

10 DOWNING STREET

THE PRIME MINISTER

24 April, 1984

Dear Sir Alasdair,

I have decided, following consultation with the Leader of the Opposition, to ask the Security Commission to investigate and report on the case of Michael John Bettaney. The terms of reference are:

> "To investigate the circumstances in which breaches of security have or may have occurred arising out of the case of Michael John Bettaney, who was found guilty on 16 April 1984 of offences under the Official Secrets Act 1911; and to advise in the light of that investigation whether any change in security arrangements is necessary or desirable."

The purpose of this letter is to ask if you would be willing to serve as a Member of the Commission on this inquiry.

Yours sincerely

Margaret Thatcher

Air Chief Marshal Sir Alasdair Steedman, G.C.B., C.B.E., D.F.C.

PERSONAL AND CONFIDENTIAL

RDT

PERSONAL AND CONFIDENTIAL

10 DOWNING STREET

THE PRIME MINISTER

24 April, 1984

Dear Lord Allen.

I have decided, following consultation with the Leader of the Opposition, to ask the Security Commission to investigate and report on the case of Michael John Bettaney. The terms of reference are:

> "To investigate the circumstances in which breaches of security have or may have occurred arising out of the case of Michael John Bettaney, who was found guilty on 16 April 1984 of offences under the Official Secrets Act 1911; and to advise in the light of that investigation whether any change in security arrangements is necessary or desirable."

The purpose of this letter is to ask if you would be willing to serve as a Member of the Commission on this inquiry.

Yours sincerely

Margaret Thatcher

The Lord Allen of Abbeydale, G.C.B.

PERSONAL AND CONFIDENTIAL

PERSONAL AND CONFIDENTIAL

FILE

DG

cc: CO

10 DOWNING STREET

THE PRIME MINISTER

24 April, 1984

Dear Sir Michael.

I have decided, following consultation with the Leader of the Opposition, to ask the Security Commission to investigate and report on the case of Michael John Bettaney. The terms of reference are:

> "To investigate the circumstances in which breaches of security have or may have occurred arising out of the case of Michael John Bettaney, who was found guilty on 16 April 1984 of offences under the Official Secrets Act 1911; and to advise in the light of that investigation whether any change in security arrangements is necessary or desirable."

The purpose of this letter is to ask if you would be willing to serve as a Member of the Commission on this inquiry.

Yours sincerely

Margaret Thatcher

The Rt. Hon. Sir Michael Palliser, G.C.M.G.

PERSONAL AND CONFIDENTIAL

CONFIDENTIAL

FILE

cc: CO

JD

10 DOWNING STREET

THE PRIME MINISTER

24 April, 1984

Dear Lord Bridge.

In the light of your advice, and after consulting the Leader of the Opposition, I have decided, in accordance with the arrangements announced in 1969, formally to ask the Security Commission to investigate and report upon the case of Michael John Bettaney. The terms of reference are:

> "To investigate the circumstances in which breaches of security have or may have occurred arising out of the case of Michael John Bettaney, who was found guilty on 16 April, 1984, of offences under the Official Secrets Act 1911; and to advise in the light of that investigation whether any change in security arrangements is necessary or desirable."

I am inviting Lord Allen of Abbeydale, Sir Michael Palliser and Air Chief Marshal Sir Alasdair Steedman to serve with you as the other three Members for this investigation.

I am very grateful to you and your colleagues for undertaking this task.

Yours sincerely

Margaret Thatcher

The Rt. Hon. the Lord Bridge of Harwich

CONFIDENTIAL

PW

PERSONAL AND CONFIDENTIAL

FLE JD

cc: CO

10 DOWNING STREET

THE PRIME MINISTER

24 April, 1984

Dear Mr. Kinnock.

I was grateful to you for indicating, in response to my letter of 17 April, that you were content that the Bettaney case should be referred to the Security Commission.

In view of the press speculation, I thought it right to announce the decision to make the reference immediately, by means of a press notice. That notice did not, however, include the formal terms of reference. I should like to announce these to the House of Commons, and I am therefore writing to ask whether, in accordance with precedent, you would be prepared to put down a Question to me, for Written Answer, on the following lines:

> "To ask the Prime Minister, what terms of reference are being given to the Security Commission for its inquiry into the Bettaney case."

Yours sincerely

Margaret Thatcher

The Rt. Hon. Neil Kinnock, M.P.

PERSONAL AND CONFIDENTIAL

RW.

File

DRAFT

TO: ALAN BEITH ESQ MP

FROM: RT HON JOHN BIFFEN MP

THANK YOU FOR YOUR LETTER OF THE 17TH APRIL PROPOSING THAT THE BUSINESS OF THE HOUSE ANNOUNCED FOR THIS WEEK SHOULD BE RE-ARRANGED TO PERMIT A DEBATE IN GOVERNMENT TIME ON THE IMPLICATION OF THE BETTANY CASE.

THIS MATTER [~~HAS BEEN~~] [IS BEING] REFERRED TO THE SECURITY COMMISSION FOR THEIR CONSIDERATION AND I DO NOT THEREFORE THINK THAT IT WOULD NECESSARILY BE HELPFUL TO HAVE A DEBATE IN THE HOUSE OF COMMONS [~~IN ADVANCE OF THEIR REPORT BEING AVAILABLE.~~]

at this time. I should

24TH APRIL 1984

HOUSE OF COMMONS
LONDON SW1A 0AA

17 April 1944

4 APR 19.4
LORD PRIVY SEAL

Dear Clive,

I am writing to report that the
Leaders of the three Groups for next week have
recommended to permit a debate on [illegible]
Bill on the Report Stage of the Finance one.

I think I must arrange a debate to be carried on into
a Sitting occupying Wednesday as the part of the
Sitting remains which has been allotted, and
I should be glad to receive back from you [illegible]
and others that Basic Day might be taken
to start with the Opposition. I think that
to have a debate which is not to be concluded
the first Sitting, but to be put down for
continuation in the course of the next
Session is a difficult form to be [illegible]
that would then be [illegible] for
to make the debate fit into the [illegible]

destructive comment rather than to engage in reasoned debate. If one side is wrong, he/she will be proved so eventually and only the opportunity, but without she/it would not be possible whether which I am not to be the starting point of

I am also sure it is not necessary for you to ask the steps necessary to provide for a debate next week.

Yours ever

Alan.

The Rt. Hon. Gerald Kaufman, M.P.

DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO:

The Rt Hon The Lord Bridge of Harwich
Vine Cottage
Icomb
Cheltenham
Glos

SECURITY COMMISSION: MICHAEL JOHN BETTANEY

In the light of your advice, and after consulting the Leader of the Opposition, I have decided, in accordance with the arrangements announced in 1969, formally to ask the Security Commission to investigate and report upon the case of Michael John Bettaney. The terms of reference are:

> "To investigate the circumstances in which breaches of security have or may have occurred arising out of the case of Michael John Bettaney, who was found guilty on 16 April 1984 of offences under the Official Secrets Act 1911; and to advise in the light of that investigation whether any change in security arrangements is necessary or desirable."

I am inviting Lord Allen of Abbeydale, Sir Michael Palliser and Air Chief Marshal Sir Alasdair Steedman to serve with you as the other three Members for this investigation.

I am very grateful to you and your colleagues for undertaking this task.

DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO:

1. The Lord Allen of Abbeydale GCB
   Holly Lodge
   Harvest Road
   Englefield Green
   Surrey

2. The Rt Hon Sir Michael Palliser GCMG
   12b Wedderburn Road
   London
   NW3 5QG

3. Air Chief Marshal Sir Alasdair Steedman GCB CBE DFC
   8 Clarendon Close
   London
   W2 2NS

SECURITY COMMISSION: MICHAEL JOHN BETTANEY

I have decided, following consultation with the Leader of the Opposition, to ask the Security Commission to investigate and report on the case of Michael John Bettaney. The terms of reference are:

> "To investigate the circumstances in which breaches of security have or may have occurred arising out of the case of Michael John Bettaney, who was found guilty on 16 April 1984 of offences under the Official Secrets Act 1911; and to advise in the light of that investigation whether any change in security arrangements is necessary or desirable."

The purpose of this letter is to ask if you would be willing to serve as a Member of the Commission on this inquiry.

PERSONAL AND CONFIDENTIAL

DRAFT LETTER FROM THE PRIME MINISTER TO

The Rt Hon Neil Kinnock MP
House of Commons

I was grateful to you for indicating, in response to my letter of 17 April, that you were content that the Bettaney case should be referred to the Security Commission.

In view of the press speculation, I thought it right to announce the decision to make the reference immediately, by means of a press notice. That notice did not, however, include the formal terms of reference. I should like to announce these to the House of Commons, and I am therefore writing to ask whether, in accordance with precedent, you would be prepared to put down a Question to me, for Written Answer, on the following lines:

> "To ask the Prime Minister, what terms of reference are being given to the Security Commission for its inquiry into the Bettaney case."

PERSONAL AND CONFIDENTIAL

DRAFT QUESTION AND ANSWER

To ask the Prime Minister, what terms of reference are being given to the Security Commission for its inquiry into the Bettaney case.

DRAFT ANSWER

I have decided, after consulting the Chairman of the Security Commission and the Rt Hon Gentleman, to ask the Security Commission to investigate and report on the case of Michael John Bettaney, who was convicted and sentenced for offences under the Official Secrets Acts on 16 April 1984. The terms of reference for this inquiry will be:

> "To investigate the circumstances in which breaches of security have or may have occurred arising out of the case of Michael John Bettaney, who was convicted on 16 April 1984 of offences under the Official Secrets Act 1911; and to advise in the light of that investigation whether any change in security arrangements is necessary or desirable."

CONFIDENTIAL

c. Question

Prime Minister (1)

(1) Agree terms of letter to Mr Kinnock?

(2) Letters to members of Security Commission for signature

AT 19/4

Ref. A084/1223

MR BUTLER

Security Commission: Mr Michael John Bettaney

The Leader of the Opposition has indicated that he is content for the Bettaney case to be referred to the Security Commission, and a press announcement is being made this week.

2. The next step is for the Prime Minister formally to invite Lord Bridge and his colleagues to serve on the inquiry. I attach the appropriate drafts.

3. As the press notice does not give the detailed terms of reference, the Prime Minister could invite the Leader of the Opposition to put down a Question for Written Answer which would enable her to make a suitable announcement in a Parliamentary context. I attach a draft letter to the Leader of the Opposition, and a draft Written Question and Answer.

RCA

ROBERT ARMSTRONG

19 April 1984

10 DOWNING STREET

Press Notice

BETTANEY CASE TO BE REFERRED TO SECURITY COMMISSION

After consulting the Chairman of the Security Commission, the Rt Hon the Lord Bridge of Harwich, and the Leader of the Opposition, the Prime Minister has decided that there should be a reference to the Security Commission, to investigate the case of Mr Michael John Bettaney and to advise on its implications for security arrangements.

18 April 1984

NOTES TO EDITORS

1. The reference to the Security Commission will be confirmed to Parliament when the House resumes.

2. The Security Commission was established in 1964 with the following terms of reference as announced on 23 January 1964 by the Prime Minister (Sir Alec Douglas-Home):

> "If so requested by the Prime Minister to investigate and report upon the circumstances in which a breach of security is known to have occurred in the public service, and upon any related failure of departmental security arrangements or neglect of duty; and, in the light of any such investigation, to advise whether any change in security arrangements is necessary or desirable." (Hansard cols. 1271-3)

A statement by the Prime Minister (Mr Wilson) on 10 May 1965 widened the terms of reference to cover circumstances where there might be reason to think that a breach of security had occurred.

3. On 26 March 1969 the method and terms of reference were modified when the Prime Minister announced:

> "After consultation with the Rt Hon Gentleman, the Leader of the Opposition, I have revised the procedure for deciding whether or not a case involving a prosecution under the Official Secrets Acts should be referred to the Security Commission. In future when a breach of security has led to a prosecution, the Chairman of the Security Commission will receive a statement outlining the facts

/of the case

of the case and will be asked to give his opinion on whether an investigation by the Commission would be likely to serve a useful purpose. I will then consult the Rt Hon Gentlemen taking into account the views expressed by the Chairman of the Commission, before deciding whether or not to refer the case to the Commission.

"In any other case of known or presumed breach of security I would decide in the light of the circumstances whether or not its significance warranted my consulting the Chairman of the Security Commission and the Rt Hon Gentleman on the question of whether it should be referred to the Security Commission." (Hansard col 311)

4. The three most recent references to the Security Commission were Prim (GCHQ; report published May 1983), Richie (FCO; July 1983) and Aldridge (RAF; March 1984).

Free CC BK

HOUSE OF COMMONS
LONDON SWIA OAA

The Office of the Leader of
the Opposition

18 April 1984

Dear Andrew Turnbull

This is to confirm our telephone conversation of this morning that Mr Kinnock agrees the reference of the Bettaney case to the Security Commission.

Yours sincerely

Richard Clements

RICHARD CLEMENTS

Mr Andrew Turnbull
Private Secretary to the Prime Minister
10 Downing Street
London SW1

PRIME MINISTER

SECURITY COMMISSION: BETTANEY CASE

You will recall writing to Neil Kinnock asking his agreement to a reference to the Security Commission of the Bettaney case. You envisaged then an arranged Parliamentary Question next week. Robert Armstrong's view is that press speculation has got slightly out of hand on this and, subject to Mr. Kinnock's agreement, we should make a bare announcement of your intention to refer to the Commission by means of a press notice as soon as possible. This will be backed up by a detailed announcement of the terms of reference of the referral in an arranged Question next week.

Agree to this procedure?

Yes MT

17 April 1984

RB

Told DB 17.4

B/F to FERB 24/4
with copy of Press Notice
AT 18/4
FERB has seen

Note to be Record
I spoke to the Chancellor's office by phone at 16.00 on 17/4. He came back at 12.00 on 18/4 to confirm Mr Kinnock's agreement to be reference. I told him we proposed a Press Notice this week followed up by a PQ next week. This was agreed too.
Press Notice issued 18/4.
AT 18/4

Ref. A084/1209

MR TURNBULL

Security Commission: Mr Michael John Bettaney

Thank you for your minute of 17 April.

2. The Home Secretary takes the view in the light of today's press and radio comment on this case, that it is desirable to announce the reference to the Security Commission as soon as possible, and if at all possible this week. We have of course been briefing the press to the effect that, while the formal announcement will have to await the return of Parliament, this is the sort of case that is likely to require a reference to the Commission. As Parliament is in only a short Recess, I had thought that it might be reasonable not to make the formal announcement until it could be done by Written Answer to a Parliamentary Question. But I think that the Home Secretary is right to take the view that the position should be left speculative for as short a time as possible. I should like to recommend, therefore, that we should exceptionally aim at making the announcement by means of a press notice from 10 Downing Street in the next day or two. This could if necessary be confirmed by means of a Written Answer next week. We could perhaps defer the announcement of the formal terms of reference until then, so as to give something new to say in the Written Answer.

3. On this basis, a press notice might read on the lines of the draft attached.

4. I should be very grateful if you could do two things:

(i) to seek the Prime Minister's agreement, from Portugal, that we should proceed to announce the reference by press notice as soon as Mr Kinnock has signified his agreement;

(ii) to press Mr Kinnock for a reply, preferably by telephone, at the earliest possible moment.

RCA

ROBERT ARMSTRONG

17 April 1984

DRAFT PRESS NOTICE

After consulting the Chairman of the Security Commission, the Rt Hon the Lord Bridge of Harwich, and the Leader of the Opposition, the Prime Minister has decided that there should be a reference to the Security Commission, to investigate the case of Mr Michael John Bettaney and to advise on its implications for security arrangements.

Security Oct 83 Bethany

file BM.

Covering PERSONAL AND CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

Security Commission:
Michael John Bettaney

The Prime Minister has seen your minute of 16 April (Ref. A084/1194). She has written to Mr. Kinnock along the lines you suggested. A copy of the letter is attached for your records. She was content with your recommendations on the composition of the inquiry. You have agreed to submit the necessary draft to initiate this once we have Mr. Kinnock's agreement to refer the case.

Andrew Turnbull
17 April 1984

Covering PERSONAL AND CONFIDENTIAL

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file
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10 DOWNING STREET

THE PRIME MINISTER

17 April 1984

Dear Mr. Kinnock.

In accordance with the normal procedure established by our predecessors, when there are prosecutions under the Official Secrets Acts, the Chairman of the Security Commission has been consulted about the cases of Sarah Tisdall and Michael John Bettaney.

Lord Bridge has recommended that, while the case of Sarah Tisdall raises some matters which may need to be followed up by the Government, these matters are relatively straightforward and it is not a case in which the Security Commission could usefully be involved. I agree with this, and have decided accordingly not to refer the matter to the Security Commission.

As far as the Bettaney case is concerned, Lord Bridge has advised that there are areas which could usefully be investigated by the Commission. If you agree, therefore, I propose formally to refer the case to the Commission as quickly as possible, with the following terms of reference:

/ "To investigate

BT

"To investigate the circumstances in which breaches of security have or may have occurred arising out of the case of Michael John Bettaney, who was convicted on 16 April 1984 of offences under the Official Secrets Act 1911; and to advise in the light of that investigation whether any change in security arrangements is necessary or desirable".

I would propose to announce this decision immediately after the Easter break, by means of a Written Parliamentary Question.

Yours sincerely

Margaret Thatcher

The Rt Hon Neil Kinnock, M.P.

Prime Minister

Content to sign attached letter to Mr. Kinnock?

Signed A.J.C. 4/11

Ref. A084/1194

MR BUTLER

Security Commission: Michael John Bettaney

In my minute of 26 October 1983, I reported that I had consulted the Chairman of the Security Commission, in accordance with the normal procedure, on the question of referring the case of Michael John Bettaney. Lord Bridge considered that an investigation by the Commission would be likely to serve a useful purpose and, while he saw some advantage in referring the case before the trial, he indicated that he would be perfectly content, if the Prime Minister so decided, for the reference to be deferred until the trial had been completed. In your minute of 27 October, you told me that the Prime Minister had decided to defer the reference.

2. The trial is expected to end today, and the next step is to seek Mr Kinnock's agreement to a formal reference. I attach a draft letter. As you will see, I have included in this draft a reference to the case of Sarah Tisdall: although the Prime Minister has already decided not to refer that matter to the Security Commission, the standard drill requires us to seek the endorsement of the Leader of the Opposition.

3. As far as the membership of the Bettaney enquiry is concerned, I recommend that Lord Bridge should be assisted on this occasion by Lord Allen of Abbeydale, Sir Michael Palliser and Air Chief Marshal Sir Alasdair Steedman. Lord Bridge would be content with this team. I know he feels that Lord Justice Griffiths is heavily pressed on other fronts and that, in any case, he and General Sir Hugh Beach did more than a fair share last year with the cases of Prime, Ritchie and Aldridge. He feels, however, that, even though Lord Allen also shared the burden last year, his experience as a former Permanent Under Secretary of State at the Home Office would be invaluable in the Bettaney case. I have reason to believe that Lord Allen would be ready to

assist again. I should be glad to know whether the Prime Minister would be content with this. If so, I will arrange for the necessary drafts to be submitted once we have Mr Kinnock's agreement to refer the case: we do not, of course, consult him about the membership of any particular inquiry.

RTA

ROBERT ARMSTRONG

16 April 1984

DRAFT LETTER FROM THE PRIME MINISTER TO

The Rt Hon Neil Kinnock MP
House of Commons
LONDON SW1

Security Commission

In accordance with the normal procedure established by our predecessors, when there are prosecutions under the Official Secrets Acts, the Chairman of the Security Commission has been consulted about the cases of Sarah Tisdall and Michael John Bettaney.

Lord Bridge has recommended that, while the case of Sarah Tisdall raises some matters which may need to be followed up by the Government, these matters are relatively straightforward and it is not a case in which the Security Commission could usefully be involved. I agree with this, and have decided accordingly not to refer the matter to the Security Commission.

As far as the Bettaney case is concerned, Lord Bridge has advised that there are areas which could usefully be investigated by the Commission. If you agree, therefore, I propose formally to refer the case to the Commission as quickly as possible, with the following terms of reference:

> "To investigate the circumstances in which breaches of security have or may have occurred arising out of the case of Michael John Bettaney, who was convicted on [16] April 1984 of offences under the Official Secrets Act 1911; and to advise

in the light of that investigation whether any change in security arrangements is necessary or desirable."

I would propose to announce this decision immediately after the Easter break, by means of a Written Parliamentary Question.

Security : Bethanay : 15/83

Foreign and Commonwealth Office

London SW1A 2AH

10 April 1984

Dear Robin,

The trial of Michael Bettaney starts today. In his opening speech for the prosecution, the first part of which will be in open court, the Attorney General will state that Bettaney approached an official at the Soviet Embassy called Guk, and offered him secret information. It is therefore possible that, at Prime Minister's Question Time this afternoon, there will be a question about Guk and HMG's attitude towards him. The Prime Minister may wish to draw on the enclosed notes.

/

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

/I am

I am copying this letter (and enclosure) to Richard Hatfield (Cabinet Office).

Yours ever,

Len Appleyard

(L V Appleyard)
Private Secretary

F E R Butler Esq
10 Downing Street

BETTANEY

LINE TO TAKE

Q1. Is Mr Guk a member of the KGB?

A1. He is a member of the Soviet Embassy. [If pressed] We do not comment on matters affecting security.

Q2. In the light of Mr Guk's role why has he not been expelled?

A2. The Attorney-General's statement makes clear that although Bettaney delivered classified information to Guk's address, the latter did not respond and there is no evidence to suggest that Guk acted improperly in this case.

Q3. Is the Government weakening its policy to expel spies?

A3. The Government's policy remains not to tolerate activities by diplomats which are incompatible with their status. Where evidence of such activities comes to light we take appropriate action.

Q4. Is it policy to exclude known intelligence officers?

A4. (Refer to previous statement). [If pressed] We do not comment on matters relating to security.

SECRET

FILE

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10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

Security Commission: Michael John Bettaney

The Prime Minister has seen your minute of 26 October (A083/3037) and has commented that she shares your preference for deferring a reference to the Security Commission until after the completion of the trial.

E. E. R. BUTLER

27 October 1983

SECRET

Prime Minister

1

As so much depends on a conclusion I should prefer to wait until after the trial but I should have thought that a reference could wait, especially since some time has already passed since Bettaney was arrested.

This is not nearly such an important case as Prime and

Ref. A083/3037

MR BUTLER

Security Commission: Michael John Bettaney

FERB 26.10

The Prime Minister is aware of the case of Michael John Bettaney, the Security Service intelligence officer who has been remanded in custody charged with offences under the Official Secrets Act 1911.

2. We now need to consider the question of a reference to the Security Commission. In accordance with the normal procedure I have consulted the Chairman; the Director General of the Security Service and I have also given him an oral briefing on the background to the case. Lord Bridge considers that an investigation by the Commission would be likely to serve a useful purpose. I share this view; indeed, I think that a reference is unavoidable.

3. I have discussed with Lord Bridge the timing of any reference. In this connection I told him that the Director of Public Prosecutions had said that, in his view, it would be most undesirable that the Security Commission should approach Bettaney until his trial had been concluded; furthermore, it would be preferable that no approach should be made to any potential witness, and that there should be no examination of the documentary exhibits, by the Commission, until after the trial. Notwithstanding this, Lord Bridge would see some advantage in the case being referred to the Commission forthwith, though there would be no announcement of the reference until the trial had been completed. He doubted whether the Commission would need to interview Bettaney himself; and an early reference would enable the members of the Commission to read themselves into the background of the case and decide how they should handle it, so that they could get straight into the process of taking oral evidence once the criminal proceedings were out of the way. But he would be perfectly content if you decided, for other reasons, to defer a reference until after Bettaney's trial.

4. You will remember the implied criticism from Dr David Owen, when the Prime Minister made her statement on the Prime case on 11 November 1982, that the Prime Minister should have referred

the Prime case to the Commission before Prime came up for trial. I attach an extract from the Official Report and, as you will see, Dr Owen said he had assumed that the Prime Minister had "already made a reference to the Security Commission but could not say so because of the sub judice rule". Indeed, he believed that that was why she was not pressed more strongly on the matter at that time. He went on to say that there was great concern in the United States that nothing had been done between the time that Prime had been charged and the time of his trial, and he sought an explanation as to why "she did not act as the former Prime Minister in May 1965 envisaged that future Prime Ministers would act". Presentationally, at least, that adds to the case for making the Bettaney reference now, rather than waiting until after the trial.

5. Against that, it must be said that the Security Commission would not be able to make much headway with the case ahead of the trial; and the issues which the Commission will have to consider - whether there were defects in recruitment or personnel management procedures which, if remedied in time, might have prevented the threat to security which Bettaney presented - will not be prejudiced if the inquiry waits until after the trial.

6. One slight complication in dealing with this issue is that this will be the first time that it has been necessary to consult Mr Kinnock as Leader of the Opposition. Mr Kinnock is an unknown quantity on security issues. It would clearly be necessary to establish very clearly that any consultation with him before the trial would have to be on a "Privy Counsellor" basis, and that he would be asked not to make any allusion to the reference to the Security Commission in Parliament or to the press.

7. I have been minded to suggest to the Prime Minister that she should offer Mr Kinnock a general briefing by me on security arrangements, including the Security Commission. From Mr Kinnock's attitude to such a briefing we might be able to form an impression of whether he was likely to take a reasonably responsible attitude on security matters (as his immediate predecessor on the whole did). If I were to give Mr Kinnock such a briefing, I could take the opportunity of consulting him about

an immediate reference to the Security Commission on the Bettaney case and warning him of the need to keep the fact of such a reference confidential until after the trial.

8. To sum up, I think that the question whether to refer the Bettaney case to the Commission immediately (without an announcement) or after the trial is nicely balanced. The normal practice has been to await the outcome of judicial proceedings, and there is no operational need to refer the case now; Lord Bridge is slightly in favour of an immediate reference, to enable the Commission to make what progress it can ahead of the trial; there are political considerations on both sides. On the whole I should be minded to wait until after the trial, and that would also be the preference of the Director General of the Security Service and the Director of Public Prosecutions; but none of us feels strongly or would object if for political reasons the Prime Minister preferred an immediate unpublished reference.

9. If that is her preference, perhaps I could have a word with her about how to deal with the Leader of the Opposition on the matter.

RA

ROBERT ARMSTRONG

26 October 1983

198 offences under the Official Secrets Act 1911; and to advise on the light of that investigation whether any change in security arrangements is necessary or desirable."

Those terms of reference will enable the commission to inquire into all the questions which this case raises. The commission's findings will be laid before the House to the fullest extent compatible with national security.

Mr. Michael Foot (Ebbw Vale): The right hon. Lady's statement has underlined the seriousness of this case, as did the statement of the Attorney-General to the court. Naturally, therefore, when the right hon. Lady requested my concurrence in the reference of the matter to the Security Commission, I agreed. That is the normal practice that has prevailed in the House since 1964 and I am sure that it is the right course in such a far-reaching case. It is the established practice but, as I shall explain, I believe that there may be a case for going beyond that and adopting further methods of seeking to guard the security of the country in these matters. I hope that even while these investigations are being conducted there will be the utmost vigilance at the Cheltenham heaquarters to ensure that all security procedures are being vigorously carried out. I note the right hon. Lady's wish that the maximum information should be published at the end of the inquiry. I am sure that the House would insist upon that and that the Government would also wish it.

In view of what has happened and the long discussions that have taken place on these matters over a number of years, many hon. Members—certainly Opposition Members and, I should have thought, many Back-Bench Conservative Members—believe that there should be some parliamentary control over this, one of the few aspects of our national life over which there is at present no direct parliamentary control at all. The exact form that that control should take must be a matter for discussion, but I hope that the right hon. Lady will consider the proposition as many of us believe that that is the right way to proceed. If any hon. Members disagree, I suggest that they consider what happens in the United States, where there is indeed some congressional control of these matters.

I therefore ask the Prime Minister not merely to refer the matter to the Security Commission, as she has already announced, and to ensure that the fullest possible report is presented to the House, but to see whether some genuine parliamentary control can be established over our security services.

The Prime Minister: I thank the right hon. Gentleman for his co-operation in the reference of this matter to the Security Commission. With regard to his comments about greater parliamentary control, at present Ministers are answerable to Parliament when such cases occur——

Mr. Bob Cryer (Keighley): Come off it.

The Prime Minister: When one is dealing with matters of secrecy, there is inevitably a conflict between the desire to know and the need to keep the matter to as few people as possible. Otherwise, one could never have these intelligence services at all. As soon as the report has been submitted, we shall place as much as we can before the House, when doubtless we shall need to debate the matter.

Mr. Foot: Is the right hon. Lady aware of the contradiction in what she has just said? She says that Ministers are answerable to the House for their duties in these respects, but they almost always refuse to answer any such questions. I recall that the right hon. Lady herself was unable to answer questions in July, although I believe that that was due more to the sub judice rule than to any other aspect of the matter, and I fully understand that. Nevertheless, it is absurd for the House to think that it cannot devise methods perfectly compatible with our security requirements which would nevertheless give some independent control over the security services.

I do not expect the Prime Minister to agree to my proposition at this moment, but I hope that she and the House will be prepared to consider it as I believe that the House will wish to exercise its rightful authority over this aspect of our national life as well.

The Prime Minister: It is inevitable that we must retain a substantial element of secrecy in these matters. Therefore, I believe that the present arrangements are most appropriate. If we went further, I believe that we should finish up undermining the efficiency of the intelligence services in this country, which is the last thing that most of us would wish to do.

Dr. David Owen (Plymouth, Devonport): Will the Prime Minister re-think her answer on parliamentary accountability? We all understand that there must be secrecy in these matters and that the investigation must be undertaken by only some Members of Parliament, preferably from both Houses. Nevertheless, it is essential to examine the secret votes and to secure greater parliamentary accountability.

Will the right hon. Lady also explain why the Security Commission has not already been investigating this complaint? She referred to the statement of the former Prime Minister, the right hon. Member for Huyton (Sir H. Wilson), reported at column 34 of *Hansard* of 10 May 1965, which changed the procedure to allow the Prime Miniter to make a reference to the Security Commission even though the matter was sub judice, but not to announce it. Anyone reading the Prime Minister's statement to the House on 20 July 1982, reported at columns 211-12 of the *Official Report*, which included a reference to the former Prime Minister's statement in 1965, would assume that she had already made a reference to the Security Commission but could not say so because of the sub judice rule. Indeed, I believe that that is why she was not pressed strongly on the matter at that time.

Many months have passed since then and many of us hoped that the Prime Minister would by now have been able to give an interim report on the recommendations of the Security Commission. She must be aware that there is great concern in the United States that nothing has been done during that period. I hope that she will satisfy us by explaining why she did not act as the former Prime Minister in May 1965 envisaged that future Prime Ministers would act.

The Prime Minister: It was because, while the case was sub judice, the most important thing was to secure a conviction——

Mr. Kevin McNamara (Kingston upon Hull, Central): Not a fair trial?

The Prime Minister: The most important thing was to secure a conviction, should the trial before the court warrant it.

Mr. McNamara: That is better.

covered all these economic issues I can hardly hold out much hope of Government time being available in the near future for the debate that he requests.

Mr. John Silkin (Deptford): Further to his reply on the question relating to early-day motion No. 49, will the Leader of the House give a firm undertaking that the draft order will go to the Northern Ireland Committee before coming to the Floor of the House? As it is a matter that exclusively concerns Northern Ireland, this is the procedure that should be followed.

Mr. Biffen: I think I am right in saying that this relates to dogs in Northern Ireland. Anyone with a rural background will know at once that this is a very serious matter. I do not wish to give an off-the-cuff reply to the right hon. Gentleman but I am fairly certain that we shall be able to arrive at a procedure that satisfies him.

BILL PRESENTED

Mr. Secretary Lawson, supported by Mr. Secretary Younger, Mr. Secretary Edwards, Mr. Secretary Jenkin, Mr. Leon Brittan, Mr. Secretary Tebbit, Mr. Hamish Gray, Mr. Peter Rees, Mr. John Moore and Mr. David Mellor presented a Bill to amend the law relating to electricity so as to facilitate the generation and supply of electricity by persons other than Electricity Boards, and for certain other purposes; and to amend the law relating to the duties of persons responsible for nuclear installations and to compensation for breach of those duties; And the same was read the First time and ordered to be read a Second time upon Friday 12 November and to be printed. [Bill 11.]

Security

Dr. David Owen (Plymouth, Devonport): On a point of order, Mr. Speaker. I have given you notice that I wish to move the Adjournment of the House under Standing Order No. 9. Is this the right time to move the motion?

Mr. Speaker: This is the time for the right hon. Gentleman to make his application.

Dr. Owen: I beg to move the Adjournment of the House under Standing Order No. 9, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the failure of the Prime Minister to comply with the procedures for reference to the Security Commission laid down by the former Prime Minister on 10 May 1965 and her interpretation of the procedure relating to the Security Commission in her reply to questions on 20 July 1982."

The matter is specific, because the Security Commission was established by the former Prime Minister, the right hon. Member for Huyton (Sir H. Wilson), on 23 January 1964 in a statement to the House. In reply to the right hon. Member for Orkney and Shetland (Mr. Grimond), the former Prime Minister made it clear that reference to the Security Commission itself would not preclude discussion in this House. This matter has therefore always been subject to discussion despite a reference to the Security Commission. It is also specific because of a change in procedure on 10 May 1965 in which the former Prime Minister anticipated the situation that at present faces the House.

The right hon. Gentleman said:

"But to delay the activation of the Commission until the matter was no longer *sub judice* might involve months of delay and seriously prejudice the effectiveness of the Commission's inquiries."

He went on:

"I propose to alter the procedure so that a reference can be made to the Commission as soon as the Government are satisfied, or have good reason to think, that a breach of security has occurred in the public service."

He added:

"But when a reference to the Commission relates to a matter which is the subject of criminal proceedings before the courts, then, for the reason I have explained, no public announcement of the reference to the Commission would be made until it is appropriate to make a statement."—[*Official Report*, 10 May 1965; Vol. 712, c. 34.]

On 20 July 1982 the present Prime Minister said:

"With regard to any reference to the security commission"—

on being pushed by the Leader of the Opposition—

"the right hon. Gentleman will know that I am not able to comment. If he examines previous statements to the House he will understand why."—[*Official Report*, 20 July 1982; Vol. 28, c. 211.]

It is my submission that any right hon. or hon. Member hearing the Prime Minister's reply to that question had reason to believe that a submission to the Security Commission could, and probably would, be made by the Prime Minister before the court case.

As for urgency, you, Mr. Speaker, have listened to the debate. There is an overwhelming feeling in the House that the House should discuss this matter; it has been expressed in questions by many hon. Members. Everyone understands that you might have felt that the House would wish to pause for reflection. To have a pause for reflection going on for months, or even weeks, is insufficient. There