

Copy to Mr. Jeffrey.

2.

Prime Minister.

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I told you this morning that the MOD would be letting us have this report of the action they were taking following yesterday's leak.



MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~9307022~~ 218 2111/3

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24th October 1980

Dear Clive,

LEAK OF DOCUMENTS ON PUBLIC EXPENDITURE

We have been in close touch with the Defence Secretary, who is in Belgium for discussions with SACEUR, about the Press Association leak. My Secretary of State has asked that the Prime Minister be told of his very great distress at what has occurred. He has asked me to say that he and the Chiefs of Staff are and have always been in complete accord about the need for the utmost confidentiality in all discussions of matters of Government policy. Indeed he had expressed only yesterday to the Chiefs of Staff the need for extreme confidentiality over the current exchanges about public expenditure. Since coming into office my Secretary of State has had many hard and frank exchanges with his advisers about very many aspects of defence policy, and the basis of close trust upon which these discussions have been based had never until now been breached. My Secretary of State is all the more shocked by what has now happened and is determined that the fullest inquiry should be conducted to discover who was responsible.

attached

You will have seen from Sir Frank Cooper's letter this afternoon to Sir Ian Bancroft that the Defence Secretary has asked him to set in hand the procedures necessary for a full leak inquiry, to be led by a suitably senior and experienced security official.

You will also wish to know that after consulting the Treasury Solicitor the MOD Deputy Chief of Public

C A Whitmore Esq

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Relations was instructed to call on the Press Association.
They handed over photo copies of the documents they
/ had seen and I attach for your information a report on
/ this. We have put out a short press release, copy also
attached, confirming that the Press Association have
handed over papers and that a full security investigation
has been ordered.

My Secretary of State will, of course, report to
the Prime Minister as soon as the results of the
security inquiry are known.

Yours ever,

David Omand

(D B OMAND)

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MOD PRESS RELEASE

The Press Association have handed over to the Ministry of Defence papers relating to recent press stories which they have put out. These papers are being examined in the Ministry of Defence.

The Secretary of State for Defence has ordered a full investigation into the circumstances which led to these press reports. The investigation is conducted by a senior security team, the security authorities are already at work and a report will be made direct to the Secretary of State.

Issued
MOD Press Office
14.00, 24 October 1980

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Loose Minute

PS/PUS

NOTE OF VISIT TO PRESS ASSOCIATION BY MR. IAN McDONALD
(DCPR) ON FRIDAY 24 OCTOBER 1980

1. On the morning of Friday 24 October I was requested by PUS to go to the Press Association buildings in Fleet Street and request from PA staff there the MOD papers which in their tape the previous day they had said were in their possession. I was advised that the purpose of my visit was to make a simple request for the return of MOD material and that I was in no way to enter into legal arguments or to make any kind of threat however indirect. I was also advised that if they did hand over the papers I could sign a receipt for them; but that if they asked whether no further action would be taken if they handed over the papers I was to say no more than the return of the papers would presumably be a factor in the consideration of any possible further action.

2. I arrived at the Press Association buildings at about 11.0 am and on telephoning from the door was met by Bob Hutchinson, the PA Defence Correspondent. He took me up to see Mr. Evans who is in charge of production and operation. I said to Mr. Evans that I had come to request the return of MOD property which I understood was in their possession. He said he would have to consult the Editor-in-Chief Mr. Chipp.

3. After waiting about 15 minutes I was shown up to Mr. Chipp's office. He seemed affable and friendly and offered me a seat. I immediately made my request for the return of MOD property. He said that he had no MOD property in his possession but that he did have copies of MOD papers. The MOD papers themselves, however, were no longer in the possession of PA. He said that if I wanted I could of course have these copies of MOD papers. I accepted this offer and signed a receipt for them. This receipt said no more than that I had taken receipt of 6 copies of documents from the Press Association.

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4. In handing over the copies of the documents to me Mr. Chipp emphasized that they were 6 in number and that they were all he had. This could be interpreted as either saying that he had no further documents or that he had not taken any more photocopies. I did not press the point.

5. He pointed out that he had himself marked the documents by underlining and sidelining to emphasize what seemed to him the most political items. He then went on to say that bearing in mind past legal cases he could say that he had no knowledge of the documents being especially altered before photocopying. Again I did not take him up on this point since it seemed to me he had carefully prepared this statement and that I would get no further by pressing him on it.

6. The meeting with Mr. Chipp lasted for only 4 minutes. Mr. Hutchinson and Mr. Evans were present throughout.

7. It may be of interest that while waiting to see Mr. Chipp I talked with Bob Hutchinson who was anxious to assure me that the original story was not his. He had been consulted yesterday and had been more directly involved in the follow-up stories today. I said no more to him than that I had of course noticed that the original tape was attributed to Andy Webb the Political Correspondent.

24.10.80

IANS McDONALD

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DCPR