

PRIME MINISTER

Charles and I think that what is proposed in the attached letter is something of an over-reaction.

While Mr. Walden's allegations of "smear campaigns", cannot probably be ignored, they look more like the obsession of someone with persecution mania. (You will see that among the alleged "targets" is John Walden himself.) While Hong Kong is, as we know, a febrile place and these allegations may cause a stir there, I cannot see them cutting much ice over here.

I had a word with Len Appleyard to see if the FCO have more reason than is apparent from the letter to think that there is substance in the allegations. Mr. Appleyard said that the Governor had reported that there were some slightly disturbing references on the files which might point to a degree of corroboration.

In those circumstances, I would not suggest that you oppose the Foreign Secretary's intention to appoint an independent person to look into the allegations. But I think that the press line should be very low key, on the lines that Mr. de Winton has been asked to report on whether there appears to be any prima facie evidence which would justify further enquiries being made.

Agree that we should advise the FCO in this sense?

Yes
ms

R.R.B.

20 June 1985

SECRET AND PERSONAL

Prime Minister

5

To note the change of plan.

Foreign and Commonwealth Office

FERS

London SW1A 2AH

21.6.



21 June 1985

Dear Robin,

Hong Kong

Thank you for your letter of 21 June about the allegations by Mr Walden. Sir Geoffrey Howe is grateful for the Prime Minister's advice and agrees that we should avoid any implication at this stage that the allegations might be justified.

The Governor of Hong Kong has now advanced a number of persuasive points to take further account of Hong Kong sensitivities. In the light of his arguments, Sir Geoffrey Howe has decided that it would be wrong to proceed immediately to announce an independent investigation. He has accordingly instructed that further examination should be given, in consultation with the Attorney-General and the Treasury Solicitor, to the Governor's proposal that Mr Walden be invited to come to London to particularise his allegations.

There is still the possibility that the story will break publicly over the weekend. Since a conclusion on the alternative course of action is clearly now impossible before then, we propose instead to say in answer to any publicity that the Secretary of State is carefully considering what Mr Adley has said to him and the documents which were handed to him and that he will make his conclusions known in due course.

I am copying this letter to Henry Steel (Law Officer's Department).

Yours ever,

Le Appleyard

(L V Appleyard)
Private Secretary

F E R Butler Esq
10 Downing Street

SECRET AND PERSONAL

HONG KONG : Future : Pt 18

THE UNIVERSITY OF HONG KONG

LIBRARY



1972

1972

SECRET AND PERSONAL



10 DOWNING STREET

21 June 1985

From the Principal Private Secretary

HONG KONG

Thank you for your letter of 20 June about the allegations by Mr. John Walden, a former Secretary for Home Affairs in Hong Kong, about 'smear campaigns' in the colony.

The Prime Minister has noted the action the Foreign and Commonwealth Secretary proposes to take. Her advice, unless there is corroborative evidence not included in your letter, is that the line taken should not give more prominence to the allegations by suggesting that the authorities believe that they may be justified. The Prime Minister thinks that the press line should be very low key, on the lines that the Foreign and Commonwealth Secretary has been informed of the allegations and has asked Mr. de Winton to report on whether there appears to be any prima facie evidence of improper activity which would justify further inquiries being made.

I am copying this letter to Henry Steel (Law Officers' Department).

Len Appleyard, Esq.,
Foreign and Commonwealth Office.

SECRET AND PERSONAL

file RB 4

LOSA 6 F

[Handwritten signature]



Foreign and Commonwealth Office

London SW1A 2AH

20 June 1985

*Dear Robin,*Hong Kong

The Foreign Secretary thinks that the Prime Minister would wish to know that Robert Adley came to see him at the end of last week with a letter (copy enclosed) from Mr John Walden, a former Secretary for Home Affairs in Hong Kong and still resident there, which makes a series of allegations concerning 'smear operations' which he says have been conducted over the years by certain officials of the Hong Kong Government.

You will see from the confidential enclosures 1 and 2 to Mr Walden's letter that, although the cases are very varied and the supporting material cited is of widely differing kinds, the accusations taken as a whole are too particular and authentic-sounding to be dismissed out of hand. There are some 20 people, some of them very highly placed, who are identified as being in a position to give evidence. These include the former Governor, Lord MacLehose, the present Chief Justice, Sir Denys Roberts, and senior officials such as Sir Philip Haddon-Cave and Sir Jack Cater. Others of those referred to are no longer in Hong Kong Government Service. The Foreign Secretary told Robert Adley that he would study the papers and investigate as necessary and would then let him know his conclusions. He has since written to Mr Adley confirming this.

Sir Geoffrey Howe has been considering three possible ways of investigating the matter. The first would be to have a purely internal investigation carried out in Hong Kong. An intermediate course would be to have a preliminary investigation carried out not by someone in Hong Kong but by a person of standing, disconnected from Hong Kong and current British Government service, who would report to the Foreign Secretary so as to enable him to decide whether any more formal investigation or enquiry (and, if so, what kind) would be appropriate. The third course would be a full-scale judicial enquiry.

The difficulty with the first course would be that the independence and objectivity of an internal investigation in Hong Kong would be liable to be questioned. It is possible that the results of the Governor's own enquiries might satisfy us that there is insufficient substance in any of the allegations to justify a further investigation; but on the face of it this seems unlikely.

/ To go ...



To go straight to the third course - a full-scale enquiry - would seem to give more credence at the outset to the allegations than, taken on their own, they merit.

The Foreign Secretary has consulted the Governor, who has obtained advice from his Attorney-General. The Governor has expressed the view that any outside investigation would be likely to give rise to enormous political and legal repercussions. He has suggested that as a first step Mr Walden should be invited to come to London to particularise his allegations in a statement to the Treasury Solicitor. Sir Geoffrey Howe, who has discussed the whole matter with the Attorney-General, does not favour this course. It would give Mr Walden access to wide publicity here and, by its formality, increase the likelihood of having to move to a full-scale enquiry into the allegations. Sir Geoffrey Howe's decision, and that of the Attorney-General, is for the middle course described above; and he has already given some thought to the choice of a suitable person to carry out a preliminary enquiry. A name which has been recommended for this purpose is that of Michael de Winton, who retired in 1980 after eight years as Assistant Legal Secretary to the Law Officers. He has had experience in overseas territories as well as being an Assistant Legal Adviser in the Colonial Office and subsequently for short periods in the CRO and FCO. He is known to the Foreign Secretary and the Attorney-General, both of whom consider that he would be a good choice. If he were to undertake the task, we would envisage that he might have assistance from someone from the Treasury Solicitor's Department here.

You will see from Mr Walden's letter that he proposed to publish the letter on 23 June unless he had heard from Robert Adley to the contrary before then. Mr Adley, who has been keen to show that he is handling the matter in a responsible way, told Sir Geoffrey Howe that he had urged Mr Walden against publishing but that Walden would nevertheless like to do so. We know that Walden has already sent a copy of his letter, but not the enclosures, to UMELCO. Its contents will therefore be known to all members of UMELCO and to a number of UMELCO officials as well. It therefore seems that, whatever Mr Adley may have said to Walden, the only safe assumption is that the substance of the letter will become public, probably on 23 June. This will be bound to lead to pressures for the two enclosures to be made public as well.

The Governor himself has pointed out that intense public interest will be aroused in Hong Kong when the story breaks; and this will inevitably spill over here in short order. We must

/ therefore ...

SECRET AND PERSONAL



therefore have a press line ready in good time. Its precise drafting will, of course, to some extent depend on the timing and the circumstances when the story becomes public; but Sir Geoffrey Howe thinks it likely that we shall need to say at least that, having studied the papers handed to him by Mr Adley, he has, with the full agreement of the Governor of Hong Kong, set in train arrangements for a preliminary investigation into the matter to be carried out by a suitably qualified person outside Government. Sir Geoffrey's conclusions on this are being conveyed to the Governor.

I shall keep you informed of further important developments. If the Prime Minister has any advice or comments to offer at this stage on the handling of the case, the Foreign Secretary would naturally welcome them.

I am sending a copy of this letter to Henry Steel in the Law Officers' Department.

Yours ever,

Len Appleyard

(L V Appleyard)
Private Secretary

F E R Butler Esq
10 Downing Street

SECRET AND PERSONAL

①



香港大學聖約翰學院
ST. JOHN'S COLLEGE
University of Hong Kong

82 Pokfulam Road Hong Kong Tel: ~~5-8177102~~
5-8191506

Master: The Reverend Paul Tong

May 30, 1985

Mr. Robert Adley M.P.
House of Commons
London SW1A 0AA

Dear Robert,

I am writing this letter in response to the kind offer, in your letter of 20th July 1984, to present to the Foreign Secretary evidence of unethical and illegal actions proposed or carried out by certain officials of the Hong Kong Government, to defame journalists, social workers, Members of Parliament, local politicians and others considered to be critical of the government. These actions will be referred to as "smear tactics" or "smear operations" in this letter.

Encl I

In submitting the information on smear operations contained in Confidential Enclosures I & II, I wish to make it clear that my purpose is not to have publicly brought to book those who may have authorised or carried out smear operations in the past. My purpose is to have it verified, by an internal enquiry, carried out in camera, and preferably by a judge, that smear operations were carried out, thereby providing justification for a direction by Her Majesty's Government to the Governor of Hong Kong, to take steps to ensure that such unethical activities can never be repeated.



香港大學聖約翰學院
ST. JOHN'S COLLEGE
University of Hong Kong

82 Pokfulam Road Hong Kong Tel: ~~5-8177102~~
5-8191506

Master: *The Reverend Paul Tong*

Four considerations have prompted me to pursue this matter through your good offices:-

1. Your allegations, now recorded on pages 98 & 99 of your book, "All Change Hong Kong", that smear tactics were proposed against you, prior to your visit to Hong Kong in November 1983.

From your experience I realized that the objections I had raised to the government's use of smear tactics, whilst still serving as Director of Home Affairs, had had no effect.

2. the unwillingness of UMELCO, the properly constituted body in Hong Kong, to hear evidence on, and investigate allegations of, the use of smear tactics.

This was demonstrated by their recent handling of a complaint lodged by the Hong Kong Observers.

3. smear tactics against critics, as approved or condoned by some senior officials of the Hong Kong Government, in the years 1976 to 1983, are a gross official violation of the rights and freedoms now guaranteed by Article 3(5) of the Sino-British Joint Declaration on the Question of Hong Kong, and steps must be taken now to ensure that such violations do not occur in the future.



香港大學聖約翰學院
ST. JOHN'S COLLEGE
University of Hong Kong

82 Pokfulam Road Hong Kong Tel: ~~5-8177102~~
5-8191506

Master: The Reverend Paul Tong

4. Hong Kong people are being actively encouraged by the Hong Kong Government to participate openly and actively in the process of representative government. If they are to respond they must know, for certain, that outspokenness against the government is not going to result in smear operations against them, organized by those in positions of power.

Confidential Enclosure I contains a generalized account of the evidence to support the existence of a group of civil servants, planning and executing smear operations, together with an example of a specific operation against the Granada Television Team, in 1976. This enclosure also lists over 20 persons who could be called to give evidence under oath, by an investigating officer.

Confidential
Encl I

Confidential Enclosure II is a tabulation of targets, including the Granada Television Team, against whom I know, or suspect, that smear tactics were either proposed or carried out. Names of persons who could be questioned, under oath, not already included in Confidential Enclosure I have been added.

Confidential
Encl II

When you have been able to present this information to the Foreign Secretary I should be grateful if you would let me ^{know} what he proposes to do about it. The fact that I am writing to you is a matter of public knowledge in Hong Kong. And because the issue I am writing about is central to the question of Hong Kong people's ability to exercise the civil rights and political freedoms guaranteed them by the British and Chinese Governments, it is likely that a willingness, on the part of the British Government to take positive action on this



香港大學聖約翰學院
ST. JOHN'S COLLEGE
University of Hong Kong

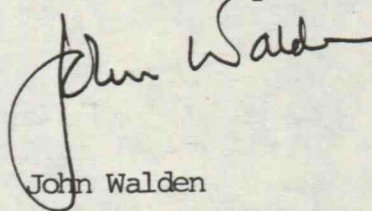
82 Pokfulam Road Hong Kong Tel: ~~5-8177102~~
5-8191506

Master: *The Reverend Paul Tong*

letter will be expected and appreciated.

Would you therefore say whether you would agree to the publication of this letter, but without its three enclosures? If I do not hear from you by 1200 hrs GMT on Sunday 23rd June, I will assume that you do not disagree.

Yours sincerely



John Walden

P.S. Please excuse the imperfect typing of Confidential Enclosures I & II. To ensure strict security I typed them myself. Kindly ensure that by xeroxing, or otherwise, this information does not get into the hands of anyone not authorized to receive it.

Hong Kong Government's Smear

Operations 1976-1983

1. The existence of a small group of civil servants, in the Government Information Services Department, planning and executing operations to damage the reputation and credibility of government critics, with the assistance and cooperation of Hong Kong journalists, can be deduced from unguarded comments made from time to time by those directly involved, or close to the action.

2. That the Governor was well aware of this team, if not a party to its operations, was quite clear to me. At one Friday morning meeting of the Governor's Committee, when I was present, the Governor remarked, in the hearing of all present "we ought to get the dirty tricks team onto that," adding, as an afterthought, "perhaps I shouldn't have said that".

2. On another occasion, in October 1979, the Governor, in my presence, told Mr David Ford he should "get it whispered round the press" that Mrs Elsie Elliot's motive in supporting belligerent sit-in fire victims of the Ma Tsai Hang fire, was to get publicity for an imminent visit to London by a delegation of elected Urban Councillors, to press for democratic reforms in Hong Kong.

3. That the Financial Secretary, the Secretary for Home Affairs, and the Director of Information Services, were also aware of, and involved in these operations, is also clear. At one meeting of the Home Affairs and Information Group, which I attended, in February 1977, the Secretary for Home Affairs, Mr Denys Bray, explained the contents of a loose minute he was holding, that he had received from the then Financial Secretary, Phillip Haddon-Cave. He said that

the Financial Secretary had heard some details of the private life of Michael Woollacott, the Hong Kong correspondent of the Guardian, and had told the SHA that it was about time a character assassination was done on him, using that information. The fact that the minute was addressed to the SHA, is a clear indication that the holder of that post played a key part in smear operations.

5. But the centre of these operations was in the Information Services Department. One Director of Information Services, Mr Johnny Johnson, commenting on my surprise that Kevin Sinclair, a journalist of the South China Morning Post, had done a brilliant job in discrediting Walter Easey in a character profile that made clever use of a Soviet connection, remarked - "it was easy, we dropped him the information and he did the rest".

6. Supporting the assumption that the main executors of these operations were staff of the ISD is a chance remark of Mr David Ford - "for God's sake, don't let Summers loose on them". Summers was an Information Officer, whose close connection with the Star newspaper, in discrediting government critics in the housing field, I had noticed whilst working the Housing Department before taking up the post of Director of Home Affairs.

7. Further evidence is to be found in instructions given to Mr John Slimming (deceased) during an emergency meeting to consider how to deal with the Huey Fong, in January 1979. Slimming was told, I think by the Secretary for Security, Mr Davis, who chaired the meeting, to "get his people onto" spreading it around that the 2,300 Vietnamese refugees on the ship included a large element of undesirables, criminals, ex soldiers etc. The purpose of this smear was to get support for the Government's policy of keeping the Huey Fong out of Hong Kong waters by building up local feeling

against the refugees. This operation was very successful, but it became severely counterproductive, when the Government suddenly changed its policy and allowed the Huey Fong to land its refugees in Hong Kong. Mr Slimming was noticeably embarrassed to receive this instruction openly at the meeting.

9. How the smear team selected its targets, and whether the targets and the methods used to discredit them, were approved by the Governor, or by one of his subordinates, is not known to me. But these, and other details of the smear operations, and those responsible for them could be obtained, in whole, or in part, by calling upon the following persons to give evidence, under oath :-

Lord MacLehose	☐ Mr Richard Lai
Sir Denys Roberts	☐ Mr Bob Sun
Sir Phillip Haddon-Cave	☐ Mr Johnny Johnson
Sir Jack Cater	Mr Geoffrey Summers
Mr Denys Bray	Mr Barry Wiggham
Mr F.K. Li	Mr Kevin Sinclair of SCMP
☐ Mr David Ford	Mr Graham Jenkins formerly
Dr David Wilson	of the Star Newspaper

All Private Secretaries to the Governor.

All members of the Governor's Security Committee 1972-83.

All Directors of Information and Directors of Special

Branch not already mentioned above.

☐ Former Directors of Information Services.

9. The targets chosen for smear treatment, as can be seen from the table of cases in Confidential Enclosure II, included pressure groups, journalists, local politicians, critics and at least two British Members of Parliament. The smear technique most commonly

adopted seems to have been to plant information damaging to the targets' character and credibility upon - cooperative journalists, and leave it to them to spread it through their newspapers. But in the case of Mr Frank Ching, of the Hong Kong Observers, the false information that he had a Soviet connection was conveyed by word of mouth to the father of another leading member of the Observers, by a civil servant working in the Home Affairs Department.

10. The smear operation that best illustrates the standard technique, and in which the direct involvement of officials can best be substantiated is the case of the Granada Television Team. This team came to Hong Kong in November 1976 and produced a TV programme on certain aspects of labour conditions in Hong Kong.

11. John Slimming of the Information Services Department, passed information to Graham Jenkins, then editor of the Star Newspaper, to the effect that the Granada team was financed by the Soviet Union, in order to embarrass China. The Star Newspaper ran the story on November 12th, 1976, ~~Granada~~ Granada Television Ltd threatened to sue for libel, and after protracted legal wrangling the Star accepted liability and agreed to pay damages and costs of \$500,000 and publish a full retraction and apology in the Star Newspaper on January 23rd 1979.

12 The Hong Kong Government offered privately to pay the Star's costs and damages but this offer was not accepted. The former editor of the Star still denies that the information concerning Granada's funding from Soviet sources was given to him by John Slimming. However, I can provide to a properly constituted enquiry, sworn evidence by reputable journalists that will prove the following facts :-

- (1) that at an internal meeting at the Star Newspaper

Mr Jenkins revealed that Mr Slimming had provided him with the information;

- (2) that Mr Jenkins had said to another journalist that he had trusted a friend and had been let down;
- (3) that Mr Slimming had offered the same information to another newspaper before he gave it to the Star. The editor of that newspaper had Granada Television checked out for a possible Soviet connection by his representative in London. Nothing incriminating was found. On the contrary, the fact that Sir Paul Bryan M.P. was found to be the Chairman of Granada Television Ltd convinced the editor that the information was false, and he decided not to run the story though gently pressed by Mr Slimming to do so.

14. As further evidence of the Hong Kong Government's direct involvement in the libel of Granada Television Ltd, I will state, under oath, that shortly before the Star publicly admitted libelling the Granada Television Team, when it had already been advised that it would have to, I, as Director of the Home Affairs was put under great pressure, and against my better judgement, to use the network of City District Offices under my control, to aid and promote the publication of district newspapers by the Star. This was said to have been sanctioned by "up the hill", meaning, by the Governor personally.

15. It was only when the Star published its retraction of its libel against Granada Television Ltd, that I realized that the favourable and unprecedented treatment I had been required to extend to the Star was, in fact, a form of compensation for the losses the Star had incurred as a result of the information it

received from the Government Information Services Department.

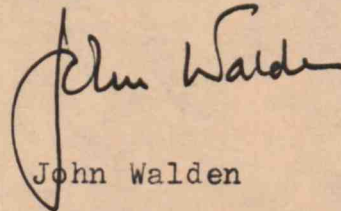
16. It is most important to appreciate the significance of the Granada case because it establishes, beyond any reasonable doubt, the fact of direct government involvement in an attempt to commit criminal libel. The same pattern is to be seen, with variations, in other operations carried out in 1977.

17. The Granada case is also important because it is in the nature of smear operations ^{that} they are carried out, in secret, by a very small group of dedicated officers. Evidence to prove their activities is therefore extremely hard to obtain. The only way to substantiate the activities is to look for a pattern of common features in a number of separate cases, each of which may be inconclusive in itself. The Granada case provides the specific example that shows the method used, verifies the government's involvement, and gives credibility to the other cases listed in Confidential Enclosure 11.

18. The case of Granada Television Ltd, and the others listed in Confidential Enclosure II are only those observed by one man, in the course of normal duty, who was not informed of, or involved, in smear operations. The observed cases may therefore be but a small part of the operations carried out between 1976 and 1983, which may also have extended back beyond 1976, the year in which my duties brought me into a position close to those directly or indirectly involved in them.

19. A properly conducted investigation should be able to ascertain the full extent of, and responsibility for, smear operations, and thereby provide the basis of measures to prevent their re-occurrence. In addition I think the opportunity should be taken to ascertain whether there was any connection between these

smear operations, in which Mr Slimming was deeply involved, and the alleged attempt by the government to cover up the cause of his death by giving the impression that it was accidental death, rather than suicide. Testimony can be given that journalists believed that the cause of death had been falsified, an autopsy prevented and that the deceased, on the day before his death, had complained to a close friend that he had been subjected to heavy reprimands from "up the hill". These beliefs still persist in Hong Kong and it would be better that the truth was determined, one way or the other.



John Walden

29th May 1985

A Tabulation of Some PossibleSmear Operations 1976-1983

Date	Target	Smear	Proposed or Executed	Method Used	Witnesses not named in CE I
11.76	Granada TV Team	Funded by U.S.S.R.	Executed by G.I.S.D.	Defamatory info' given to Star Newspaper.	To be named by Walden if required.
2.77	Michael Woolliacott	Private life.	Proposed by Haddon-Cave. Not known if executed.	Character assass- ination using info' from Haddon-Cave.	Sir John Brem- ridge. SCR 5/484/68
4.77	Observers	Subversive group.	Executed by Special Branch	Adverse assessment circulated to some heads of department	SB file.
.77	Frank Ching	Soviet connection.	Executed by A. Chui Kam.	Father of Kin Yeung told of Frank Ching's Soviet connection.	SCR 5/484/68 Kin Yeung Frank Ching
	Robert Parry M.P.	H.K. Visit paid for by Heung Yi Kuk.	Executed by G.I.S.D.	Defamatory info' given to press.	Bob Parry Mrs Elliot
	Walter Easey	Soviet connection.	Executed by G.I.S.D.	Defamatory info' given to Kevin Sinclair of SCMP.	Walden
1.79	V.Rs on Huey Fong	Undesirables and criminal elements.	Executed by G.I.S.D.	Defamatory info' given to press.	Ron Bridge and others.
4.77	Rosanna Chan	Politically sub- versive in Hawaii	Executed by Housing Dept.	Info' circulated to Housing Author- ity members.	Mrs Elliot MC/55/77 of 3.3.77.
10.79	Elsie Elliot	Backing Ma Tsai Hang sit-in fire victims to get political face.	Proposed by Governor. Not executed when opposed by Walden.	"Whisper" false motives to press.	Walden

Date	Target	Smear	Proposed or Executed	Method Used	Witnesses not named in CE I
1.81	John Walden	Leaked SCOPG report to New Statesman after retirement.	Executed by Alan Scott and others.	Smear leaked to H.K. journalists.	Alan Scott Mary Lee of F.E.E.R.
7.83	John Walden	Intellectual coward- ice. Only critic- ized H.K. Govt when safely in receipt of pension.	Executed by E.Wong and R.T.H.K.	Broadcast review of target's book.	Henry Litton E. Wong D of B RTHK
11.83	Robert Adley M.P.	Any defamatory information.	Proposer not known. Not known if executed.	Give defamatory 'info' to press.	Robert Adley Journalists known to Mr Adley.