

7 January 1982  
Policy Unit

PRIME MINISTER

*Security*

Michael Ivens sent me the attached letter from Chapman Pincher. It is self-explanatory, and I am therefore passing it to you without further comment.

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JOHN HOSKYNS

*Please pass to  
Sir Robert Armstrong*

*Account done.*

*11.11.82*

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14.12.81

Dear Michael,

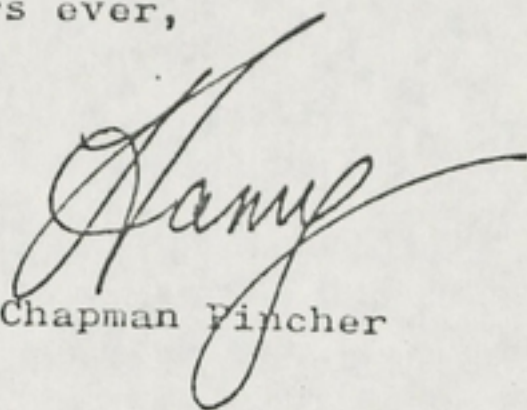
Thank you very much for your Yorick piece and for all your marvellous support over so many years. I think there is no doubt that I am winning this one. I enclose a Times article in case you missed it. Also a Mail piece about missing documents. Neither has yet produced any response in Parliament so the conspiracy of silence continues. You may have noticed, however, that a young man who calls himself Nigel West ( real name Rupert Allason) is pushing pieces knocking the Hollis suspicions. He is being put up to this by Sir Martin Furnival Jones<sup>\*</sup>, the D.G. of MI5 who succeeded Hollis and was recommended by him and, I suspect, by Sir Dick White who recommended Hollis for the top job. So both have a huge professional interest in keeping the lid on the case and maintaining the fiction that Hollis was cleared.

You will see that I have avoided blaming Margaret for misleading the House. She read from a brief prepared by others who concocted it. I suggest that if you write anything further in Yorick you should underline this. You might also suggest that, in her own interests, Mrs T should get a first-hand account of the Hollis Affair from one or more of the men who did the investigations. There is one who would be only too happy to do this and I know that Jonathan Aitken has written to her suggesting this but, no doubt, the Cabinet Office has objected and given her the wrong advice. As I say in The Times she has been pushed out on to a dangerous limb from which she could be sawn off any day. I think my discovery that the White Commonwealth and the Americans were warned as late as May 1974 that Hollis might have been a spy has half sawn through the limb. She should take steps to ease back off it. Perhaps you can encourage her to do so.

*\* now retired*

All best wishes to you and your excellent staff

Yours ever,

A handwritten signature in cursive script, appearing to read "Chapman". The signature is fluid and elegant, with a long horizontal stroke extending to the right.

Chapman Fincher

AS someone who has spent a lifetime investigating Spies and Spycraft there is very little that astonishes me any more.

Yet even my eyes blinked when I heard the Prime Minister admit in the Commons this week that no records prior to 1964 exist anywhere of immunities and inducements offered to spies to secure their confessions.

I doubt if the Prime Minister realised the sensational implications of what she was saying. We have a Civil Service which everyone knows clings almost obsessively to all of its past records.

All the decisions of our present Government and their Civil Service advisers, and of governments and Civil Servants long since past, are carefully preserved.

Yet without any reason being given, we are now told that excluded from all of this is our Secret Service.

And that means that even Mrs Thatcher cannot really tell us what went on during those terrible years of deceit and betrayal which we are at last beginning to learn about.

She does not, for example, know—and I am here happy to inform her—that even Kim Philby, that most monstrous of traitors, was assured in 1963, that he would be granted immunity from prosecution if he assisted MI5 with a full confession of his activities on behalf of his real masters, the KGB.

This assurance had the backing of the then Attorney-General, Sir John Hobson, despite the fact that the authorities knew full well that Philby had been an accessory to the murder of many anti-Soviet agents working for Britain and America.

### Warned

The KGB was not prepared to allow Philby to accept the offer and had a senior man on the spot to ensure his escape to Russia.

There is also strong evidence that a high-level spy in MI5, the counter-espionage agency, believed by some intelligence officers to be the Director General, Sir Roger Hollis, had warned the KGB in advance that the immunity offer was going to be made.

But records of the Philby investigation were lodged in the registries of MI5 and MI6, the Foreign Intelligence Service. Are they missing from both?

Records are the life-blood of any security or intelligence service. Taxpayers have, unknowingly, spent huge sums to modernise the MI5 and MI6 registries where millions of case records and dossiers on suspects and organisations are kept.

When a long-serving spy is caught, it is necessary to back-track over many years. This cannot be done if old records are unavailable.

In any organisation, documents have to be "weeded" at intervals so that those of no possible value can be eliminated, but records of lasting importance seem to be missing.

Igor Gouzenko, the Russian cipher clerk who defected from the Soviet Embassy in Ottawa in 1945, has revealed to me that



ILLUSTRATION: DAVID ACE

# The MI5 chief who destroyed vital files

By Chapman Pincher

In 1972 and 1973 he was questioned about information he had given about a Russian spy code-named 'Elli' who, he claimed, was working in MI5 during the war.

The British security officers who questioned him and showed him photographs were trying to establish the identity of the man who had interviewed him on behalf of MI5 early in 1946 and had put in a false report.

This man is known with certainty to have been Hollis, who may have been 'Elli'—but Gouzenko was left in no doubt that MI5 had no documentary record of the fact.

By what can hardly be coincidence, certain documents

about the early interrogation of Gouzenko have also disappeared from the Canadian records.

Mrs Thatcher may be told that many documents had to be destroyed because of their sheer volume when the MI5 and MI6 registries were computerised during the 1960s.

But in my researches for my book, *Their Trade Is Treachery*, serialised by the Daily Mail, I came across many instances where Hollis had ordered the destruction of documents on a suspiciously selective basis.

One set involved a high-ranking Naval officer who became

an Admiral and was deeply suspected of being a Russian spy. This is what happened:

In 1961 Anatoli Goltsin, a KGB officer, defected to the CIA and revealed that two Soviet spies were operating in the British Admiralty. One of them proved to be John Vassall, a clerk in the office of the Civil Lord.

The MI5 investigators also identified a senior Naval officer who had served on the diplomatic staff in Moscow as being possibly responsible for the leakage of secret NATO documents to which Vassall had no access. Hollis refused to allow the officer to be interrogated and declared the case closed.

Vassall was eventually held responsible for all the leakages and sentenced to 15 years imprisonment.

Later, when Vassall was questioned in prison, the MI5 men became sure that he had not betrayed the NATO documents, but by then Hollis had ordered the destruction of all the papers concerning the suspect Admiral, who is now dead.

Throughout a long career with MI5, a senior officer called Guy Liddell kept office diaries which he dictated each evening. When he left in 1953 he handed them in as an official record and these were stored in the Director General's safe under the code name 'Wall-flowers'.

Shortly before Hollis retired at the end of 1965, he ordered the diaries to be destroyed. Fortunately an MI5 officer who deeply suspected his motives intercepted them and, without Hollis's knowledge they were saved.

I have been assured that, before leaving, Hollis ordered the destruction of tape recordings and transcripts of more than 200 hours of MI5 interviews with Anthony Blunt so that only the summaries remain on file.

### Weeded

He also destroyed material evidence concerning the investigation of his deputy, Graham Mitchell, who had been cleared by an internal inquiry in 1963.

My most recent inquiries reveal that Hollis was notorious among his officers as a destroyer of records, and they regarded this as highly suspect. He also abstracted records and read them for years in his office safe.

The 'weeding' situation in MI6 headquarters was equally incredible. A senior MI6 officer called Colonel Charles 'Dick' Ellis had been suspected of being a spy by MI5 from the early 1950s, but MI6 refused to believe this until he had harboured another Philby.

So after Ellis returned from a brief retirement in Australia in 1959 he was employed by MI6 'weeding' British Service files.

In 1961, he confessed to having spied for Germany during the war and because he spied for money is believed to have been recruited by the Russians who were in a position to blackmail him. Hollis ruled that Ellis should not be prosecuted and he was allowed to continue on full pension.

What Ellis 'weeded' in the way of leads to KGB activities could be of enormous consequence. Recently I saw a handwritten letter from him to a friend in which he had boasted of inserting documents into some MI6 files.

Mrs Thatcher has made it clear that she deplores the way Hollis dispersed virtual immunities and inducements to spies like Leo Long and Charles Ellis without informing the Government.

She has assured Parliament that no Director General will be able to do that again.

She should now give an assurance that steps are being taken to prevent the destruction of documents on the say-so of any MI5 or MI6 officer who might, himself, be a spy.

# Hollis: how the Prime Minister was misled

In March this year the Prime Minister confirmed in Parliament that Sir Roger Hollis, the former Director-General of MI5, had been deeply suspected of being a Russian spy but had been cleared by two separate inquiries. This clearance was so at variance with the evidence of those who had investigated him over seven years that I have spent the intervening eight months trying to discover who had been misled. Was it myself through the evidence against Hollis which I disclosed in my book, *Their Trade is Treachery*? Or was it Mrs Thatcher through the statement prepared for her (by Cabinet office and Home Office officials, with assistance from MI5), in direct response to my book? I am now in no doubt that it was the Prime Minister who was misled.

The first alleged clearance resulted from an internal inquiry by MI5 (the Security Service) with assistance from current and past officials of MI6 (the Secret Intelligence Service). MI5 chiefs led by Sir Martin Furnival Jones, a solicitor, decided to close the case against Hollis with a judgment that, though his innocence could not be proved, there was no evidence which could have incriminated him in a British court of law. He was, therefore, judged to be cleared of suspicion.

This secret decision, which was not promulgated to those investigating officers who had produced the evidence, was taken in 1972. Yet I have now established that in May 1974 an official warning that Hollis might have been a Soviet agent for the whole of his 27 years in MI5 was given to security chiefs of the United States, Canada, Australia and New Zealand so that they could take remedial action, even at that late stage,

against any damage which he might have inflicted on them.

It was considered necessary because Hollis had been deeply involved in setting up counter-espionage organizations in Canada, Australia and New Zealand, and he had had close links with the CIA and FBI. No Whitehall official or politician was told about this warning but the Solicitor General of Canada, Mr Robert Kaplan, has recently confirmed that Canadian security received it "in the mid-1970s" and took what remedial action it could, an admission which has embarrassed Whitehall.

A few weeks after the warning Mr Stephen de Mowbray, one of the officers involved in the Hollis inquiries, was so incensed with what had occurred inside MI5 that he went to see the Prime Minister, then Harold Wilson. Instead he saw the Cabinet Secretary, Sir John Hunt (now Lord Hunt of Tanworth), who was so impressed by his allegations that he recommended a further inquiry by Lord Trend, his predecessor. Wilson concurred.

Lord Trend did no more than review the previous internal inquiry, interviewing witnesses and examining old files. People who have read his secret report confirm that no effort was made to secure any new evidence, though I believe that crucial new information might be available if the Government wished to obtain it. Lord Trend consulted former MI5 and MI6 chiefs who had been party to the original "clearance" and was impressed by their view that if Hollis had been a spy for so long there would have been clinching evidence from a defector or some other source.

In fact one reliable defector, Igor Gouzenko, had reported in 1955 that Soviet

military intelligence had a spy inside MI5 in England for whom Hollis is a near perfect fit. A would-be defector called Volkov had also told of a spy in what now seems to have been MI5 though his information was at first interpreted as applying to Philby, who was in MI6.

Mrs Thatcher's statement, which revealed that Lord Trend had agreed with the original clearance, has been analysed by some of the former investigating officers. They have found at least six areas where it is grossly at variance with the facts as they knew them. The statement was worded to give the impression that all the events I described in my book were very old when in fact Hollis was not interrogated until 1970 and was still being investigated in 1975, two years after his death.

It indicated that the inquiries leading to the suspicion of Hollis arose from routine investigations after the defection of Burgess and Maclean in 1951. In fact they were undertaken because so many MI5 operations in the 1950s and 1960s went so seriously wrong that they could be explained only if there was a high-level spy still in the organization.

The statement compounded this misleading suggestion by saying that the case against Hollis was based on "certain leads that suggested, but did not prove, that there had been a Russian Intelligence service agent at relatively senior level in British counter-intelligence in the last years of the war (my italics)".

This innuendo that the only leads pointing to Hollis dated from 1945 and before is so opposed to the evidence that I wrote to Lord Trend. I knew that he had examined leads which had arisen in the 1960s and his reply indicates

## the MI5 mole controversy



Sir Roger Hollis: new evidence if the Government had wanted it

that he is not prepared to be associated with the restriction of them to "the last years of the war".

Mrs Thatcher also told Parliament that "each of the leads pointing to Hollis could also be taken as pointing to Philby or Blunt". Blunt left MI5 in 1946 and Philby left MI6 in 1951. So this was clearly an attempt by the officials who prepared the speech to lumber Blunt and Philby with penetrations achieved by the KGB long after they had ceased to have access to secret information.

The MI5 investigators and others associated with the Hollis inquiries have no hesitation in calling this part of the statement a fabrication. Philby and Blunt were always agents of the KGB while the evidence indicates that the suspected spy in MI5 was working for the GRU — Soviet military intelligence, which operates independently.

The Prime Minister's statement said the MI5 clearance was challenged by "a very few of those concerned". While few may have chal-

lenged it, many disagreed with it. The so-called Fluency Committee which made the original investigations and concluded that Hollis was the prime suspect consisted of seven experienced officers. This was replaced by a permanent section, K7, set up to investigate possible penetrations of MI5, MI6 and GCHQ, the radio-intercept agency, and involving about a dozen officers who had not served on the Fluency Committee. Independently they recommended that Hollis should be interrogated in the belief that he might break down and confess.

This interrogation was carried out by Mr John Day of Section K7 under the tightest secrecy because there were high-level fears that a leak to the Russians might result in Hollis's defection, with appalling international consequences. Day was so unimpressed by Hollis's defence of his innocence that he supported de Mowbray in challenging the decision to close the case. It was the decision that Hollis should be given an umpire's verdict of "Not out" that was

supported by "a very few of those concerned."

Mrs Thatcher's assurance that no evidence had been found which "incriminated" Hollis was also true of Fuchs, Blake, Maclean, Philby, Blunt and Long, against whom all the evidence was circumstantial or so secret that it could not be used in a British court unless they voluntarily confessed. To cast further doubt on my Hollis disclosures, the briefers ensured that the Prime Minister would smear my book as being "inaccurate and distorted."

Since then there have been a number of confirmations. My disclosure that Blunt was "blown" by an American, now known to be Mr Michael Straight, has been confirmed by Straight himself. The London woman who "blew" Philby has been identified as Mrs Flora Solomon. My account of Blunt's confession, including his naming of Leo Long, who was clearly described in the book, has been fully justified. The revelation that Tom Driberg, later Lord Bradwell, the Labour MP and Labour Party chairman, had been recruited by MI5 to penetrate the Communist Party and later spy on MPs was dismissed as laughable but has been confirmed by a former woman officer of MI5. Critics were quick to discount my statement that Gouzenko had indicated an MI5 spy with the code-name "Elli", but the unexpected release of his original testimony has confounded them. There will be further confirmations as inquiries continue.

The analysis of Mrs Thatcher's statement to Parliament leaves me in little doubt that it was an Establishment concoction intended to bury the horrific Hollis Affair and anything connected with it. No doubt the officials who prepared it convinced themselves that they were acting in the best national interest, but all the Prime Minister needed to have said was that Hollis had been suspected, had been investigated and that the case remains unproven. Instead she was induced to go out on to a limb from which she might be sawn off any day, for it is far from impossible that proof that Hollis was a spy might still emerge.