

PRIME MINISTER

PETER WRIGHT

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

TIM FLESHER

15 August 1986

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

PRESS RELEASE

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

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

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

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

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

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

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15/8/86

AUSTRALIAN COURT CASE : BRIEFING FOR SUNDAY LOBBY

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

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

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

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

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

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

JIM COE
Deputy Press Secretary
15 August 1986

PRESS RELEASE

HM ATTORNEY GENERAL -v- HEINEMANN PUBLISHERS AUSTRALIA PTY LIMITED
AND PETER WRIGHT

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

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

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

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

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

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

PRIME MINISTER'S STATEMENT

ON

SECURITY

TO

THE HOUSE OF COMMONS

26 MARCH, 1981

PLEASE CHECK AGAINST DELIVERY

SECURITY

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

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

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

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

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

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

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

/The case for investigating

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

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

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

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

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

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

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

/ All Departments

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

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

/ the public

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

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

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

/ "To review the

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

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

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

/struck in the

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

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