

PRIME MINISTER

THE WRIGHT CASE

I have looked further at the chronology of the preparation of your statement in March 1981 on the Hollis case to check that Lord Trend approved the passage in the statement about his report.

The dates are as follows:

- | | | |
|-------|-----------------------------|---|
| (i) | Sometime during
24 March | RTA submits draft statement which is referred to in my minute at flag A. |
| (ii) | 1500
24 March | RTA had meeting in Cabinet Office with Lord Trend. My presumption is that it was at <u>this meeting</u> that Robert cleared <u>the draft of the statement referred to in (i) above.</u> |
| (iii) | 25 March | RTA submits a further draft of the statement. |
| (iv) | 1600
25 March | RTA sees Lord Trend again. |
| (v) | 1630
25 March | You see <u>Lord Trend</u> . <u>There is no record of this discussion</u> , but the files show that <u>you amended the relevant passage of the draft statement referred to at (iii) to read:</u> |

"Lord Trend with whom I have discussed the matter...."

My presumption is that you discussed the text of the statement at paragraph (iii) with Lord Trend and it was as a result of that discussion at 1630 that you amended the draft to make it clear that you had discussed the matter personally with him. Again, though it is no more than presumption, it seems very likely that you actually had the draft in the room during your meeting with Lord Trend.

(vi) 1800
25 March

Meeting with Home Secretary, Foreign Secretary, Chancellor of the Duchy of Lancaster, Attorney General and RTA on the draft statement referred to at (iii). From this discussion there emerged the text of the relevant paragraph which, except for minor editorial changes, you used in the House of Commons.

All in all I think that, taken together with what I said in my minute of yesterday and the timetable above, there is, I think, sufficient evidence on the files that you agreed the text of your statement with Lord Trend.

N.L.W.

N.L. WICKS
19 November 1986

EL3BNS

PRIME MINISTER

LORD TREND'S ENQUIRY INTO SIR ROGER HOLLIS' CASE

You asked whether there was anything on our files which provided evidence that you had agreed with Lord Trend the paragraphs in your statement on Hollis.

The files contain a minute of 24 March from Robert Armstrong which says:

"I have still to show Lord Trend the revised version [of the draft statement]: I will let you know if I have anything to report as a result."

Robert asterisked that statement in his minute as follows:

"I have now done so; and he is content."

I can find no trace on our files (though there may be on Cabinet Office files) that Robert showed any later version of the statement to Lord Trend.

The paragraphs about Lord Trend's enquiry in the draft attached to Robert's minute of 24 March are as follows:

a very few) 9. This view was challenged by ~~one or two~~ of those concerned, however, 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 ~~two~~ ^{the} cases, ~~those~~ of Sir Roger Hollis and ~~of one other man~~, and to say whether they had been done in a proper and thorough manner, and whether in his view the conclusions reached were justified ~~on the basis of the investigation~~. ^{Lord Trend} He

examined the files and records ~~of the~~
~~investigations~~, and ^{he} discussed the cases with many
of those concerned, including ^{some 2 people} ~~some~~ who considered
that the investigation of ~~Sir Roger Hollis~~ 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} ~~He~~ said
neither of those things, and nothing resembling them.
~~On the contrary,~~ he reviewed the investigations of the
two cases in question, and found that they had been
carried out ^{with care} ~~with~~ great thoroughness and ^{objectivity} ~~objectivity~~.
~~In other words,~~ ^{had been covered up.} he was satisfied that ^{nothing} ~~there was no~~
cover-up. He agreed that none of the relevant leads
identified Sir Roger Hollis as an agent of the RIS, and
that each of them could be explained by reference to

had been covered up.

Philby or Blunt. ^{Lord Trend, L,} ~~He~~ agreed with the conclusion that
Sir Roger Hollis was not and had never been a spy. ^{those who L}

Lord Trend did not refer, as the book says he did, to
"the possibility that Hollis might have recruited
unidentified Soviet agents into MI5". ^{had been an agent of the Russian} Again, he said
no such thing.

10. That is how the matter rests. If new
evidence came to light, the investigation would of
course be reopened. But new evidence is not now
very likely to appear. The events in question took
place 30 to 50 years ago. All the leads which suggest
penetration of the Security Service ^{would reveal} can be account-
ed for by reference to known cases, ~~like those of~~

with whom I have discussed the matter,

although it was impossible to prove the negative, concluded

Intelligence Service

You can see your manuscript changes. Later you made some other changes between that edition of the statement and the

final version given to Parliament and I have marked these in red. But none of the changes altered the substance of Lord Trend's account of his investigation into the Hollis case. To that extent I believe that it can truthfully be said that the passage about the Trend Report in your statement to Parliament was agreed with Lord Trend.

N.L.W.

(N.L. WICKS)

18 November 1986

DCABOB

Security

The Prime Minister (Mrs. Margaret Thatcher): With permission, Mr. Speaker, I will make a statement about the security implications of the book published today that purports to give a detailed account of the investigations into the penetration of the Security Service and other parts of the public service that 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 that 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 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 has been positively suspected. Many people have had to be investigated simply in order to eliminate them from the inquiry.

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, to which I will come, I do not propose to comment on the 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 be implicitly indicating those that were suspected of having a degree of substance.

I must, however, comment upon the grave allegation that 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 Sir Roger Hollis was based on certain leads that 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 Sir Roger Hollis 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. Lord Trend 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 and agencies of the 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, such as the expulsion of members of the Russian intelligence service from this country in 1971, would hardly have been achieved if the Security Service had been penetrated.

The Security Service exercises constant vigilance not only against the risk of current penetration but 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 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 associations, 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.

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 20 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 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, on 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 that give access to highly classified information both those with allegiances that they put above loyalty to their country and those who may for whatever reason be vulnerable to attempts to undermine their loyalty and to 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 circumstances of the present time, as it conducts its review and prepares its recommendations. It will be my intention to make its findings known to the House in due course, to the extent that it is consistent with national security to do so.

In conclusion, Mr. Speaker, I should like to emphasise once again that this statement arises out of a book that deals with investigations of matters and events that 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 that I have described.

M. Michael Foot (Ebbw Vale): Although it is not always the custom to make statements to the House on such matters, I am sure that the right hon. Lady was right to do so in this instance. The House and the country will

be grateful to her for having done so. In different parts of her statement she emphasised the fact that some of the material in the book is unsubstantiated, untrue, inaccurate and distorted. That must be taken into account. Individuals can be grossly misjudged and defamed by such material. People should take account of such matters, whether they are writing about the dead or the living.

Some of the newspaper reports included material that, in the right hon. Lady's words, was "inaccurate or distorted", as if it were proven and unchallengeable. Such reports could also lead to grave injustices. In addition to the extremely important security questions involved, those matters must be taken into account.

When the right hon. Lady put the proposal to me that we should have a commission of investigation, with the suggested terms of reference, I thought that that was the right course for the Government and the House to take. I certainly support it. I should like to call the attention both of the House and of the right hon. Lady to the statement made by my right hon. Friend the Member for Cardiff, South-East (Mr. Callaghan), the previous leader of the Labour Party. When these matters were debated in the House on 21 November 1979 he made a recommendation to the Government concerning the appointment of an inquiry. He did so following the changes in security arrangements that my right hon. Friend the former Home Secretary had made as a result of certain revelations.

My right hon. Friend the Member for Cardiff, South-East proposed that there should be an inquiry. He said:

"We could discuss how it were done, what its terms of reference were and who would conduct it. It would report back on whether any change were needed in relations between Ministers and the heads of the services, or whether Parliament could be involved more, not in the decisions, but in the rules and in the way in which they were applied and observed".—[*Official Report*, 21 November 1979; Vol. 974, c. 511.]

I hope that the right hon. Lady will take into account all my right hon. Friend's recommendations. I agree that the House should be primarily concerned with the present and the future rather than the past. It is right that the House should adopt the recommendation that she has made and I certainly hope that it will be adopted.

The Prime Minister: I am grateful to the right hon. Gentleman for what he said and for the spirit in which he said it. I especially agree with some of his earlier comments. I remember when my predecessor, the former Prime Minister, made some comments in the debate on Blunt. I have now made references to the Security Commission. During that debate I announced certain changes in accountability between the director general of the service and Ministers. It would be best to rest on those new arrangements for the time being.

Sir Harold Wilson (Huyton): Is the right hon. Lady aware—I think that she is—that with her agreement I refreshed my memory about what I was told about Sir Roger Hollis' pre-Civil Service connections at university and elsewhere? There were reasons for anxiety. However, two other persons—either Philby or Blunt, or both—would have been a sufficient cause for anxiety. The right hon. Lady referred to the Trend inquiry, which I set up in 1975. Will she confirm that Lord Trend spent nearly a year on that inquiry and felt that what successive Governments had done had been thoroughly and objectively investigated? There was certainly nothing that could substantiate any accusation of a cover-up. He agreed with the conclusions of those who were satisfied that

[Sir Harold Wilson]

Hollis had not been a spy, although, according to the report, the inquiry's members felt that they would not be able to prove that 100 per cent. Will the right hon. Lady confirm that although Sir Roger Hollis operated during seven premierships—including my own—I was the first to set up an independent inquiry? Indeed, I am very glad that she is setting up this inquiry.

The Prime Minister: The date of the inquiry—I think that it was July 1974—shows that the right hon. Gentleman set up the Trend inquiry. Lord Trend certainly took a full year on it. It was an exhaustive inquiry, in that it examined all the documents and also interviewed people. There is no doubt about its conclusion, as the right hon. Gentleman said. Since the premiership of the right hon. Gentleman, all Prime Ministers and Home Secretaries have been told of the results of that inquiry.

Sir Derek Walker-Smith (Hertfordshire, East): Does my right hon. Friend appreciate that thinking people will give the Prime Minister a warm welcome both for her reference to the Security Commission—under the distinguished and objective chairmanship of Lord Diplock—and for her characteristically full and frank statement? It was at least equal to, and probably superior to, any statement made on security matters within the collection of the House.

Will my right hon. Friend continue to have regard to the importance of not prejudicing the work of the Security Service? Does she recognise that a Prime Minister of this country is under no duty to canvass on the Floor of the House every allegation or insinuation made by private persons against people—regardless of whether those people are alive or dead, whether the allegations are made orally or in print, and whether or not they are made for gain?

The Prime Minister: I entirely agree with everything that my right hon. and learned Friend said. It would be appalling if we had defamation by allegation in the House. We should be very careful not to do it. I am grateful to my right hon. and learned Friend for pointing out that it is unusual to have a statement in such detail as this on security matters. There is not much that I can usefully add, because, as my right hon. and learned Friend pointed out, in an open society we must have security services and they must necessarily operate partially in secret. We must protect them in doing that.

Mr. Speaker: Order. I propose to call three hon. Members from either side and then to move on to other business.

Mr. A. E. P. Duffy (Sheffield, Attercliffe): Is the Prime Minister aware that the House has heard assurances and denials on national security before, but scandals and rumblings of scandals have endured? The House understands her contention that in any assessment of the integrity of a security officer it is impossible to prove the negative, but is she satisfied that none of the achievements of those years when Philby and Blunt were operating, or when their influence was persisting—the Portland naval spy ring, Blake, Blunt, Vassall and Philby—were mere recover-ups of even greater scandals affecting national security? Will she impress upon the Security Commission the importance, in future and recent recruitment, of

selecting a different type of officer, from a different social background—someone who is well aware of the social conditions of the entire country and not one part of it? She may stumble, and the House may stumble, on a more patriotic, dependable and reliable officer.

The Prime Minister: With respect, I do not think that the hon. Gentleman's words do full justice to our security services, in whom I have the greatest confidence. The events referred to in the book published today were events of 20 to 40 years ago, by a group that was recruited just before or during the war. I am concerned now with the future. I am sure that the hon. Gentleman will agree with that. I assure the hon. Gentleman that security services recruit from all social backgrounds. They are anxious to obtain those most suitable and appropriate for the difficult work that they have to do. I hope that the hon. Gentleman will join the rest of us in paying tribute to and recognising the value of that difficult work.

Mr. Julian Amery (Brighton, Pavilion): Does my right hon. friend agree that in the perennial clandestine war there are bound to be casualties on both sides, but that the number of defections to our side has been considerably greater than the other way? Will she take the opportunity to pay tribute to the remarkable successes of our intelligence and counter-intelligence organisations, which, for obvious reasons, cannot be publicised.

The Prime Minister: My right hon. Friend is pointing out that the defections the other way have far exceeded any defections from this country to Soviet Russia and, indeed, have given us a great deal of information. The successes of the security services, even the known ones, have been very considerable. The Lonsdale case, and the cases concerning Houghton and Gee, the Krogers, Vassall and Blake was all successes, and so were the expulsion of over 100 spies from the Soviet embassy in the early 1970s.

Mr. Richard Wainwright (Colne Valley): Does the Prime Minister accept that the review that she has just announced, welcome though it is, is unlikely to provide full reassurance to the public unless it is known that the commission is examining carefully every possibility of making the Security Service more responsible to Ministers? In that connection will she bear in mind that the Security Commission at present contains no one who has ever been elected to public office? Will she consider the possibility of adding to the commission, for the review, one or more suitable persons who have been Members of the House?

The Prime Minister: No, Sir. The Security Commission has been set up and has been in existence for some time. During the Blunt debate I announced changes that made the director-general of the Security Service more responsible to Ministers. I think it is best if we let those work for a time.

Mr. Raymond Whitney (Wycome): I add my congratulations to my right hon. Friend on the way that she has responded to this difficult problem. Does she agree that we as a nation should be playing into the hands of our adversaries—who have succeeded on occasions in the past in subverting elements in our security services—if we allowed our natural concern about those successes, generations or decades ago, to damage the present morale or operating efficiency of our services today or in the future?

The Prime Minister: I agree with my hon. Friend. The security services are a vital part of the defence of our country. It is important that we enable them to continue to do their work properly.

Mr. Leo Abse (Pontypool): Is there not a clear need to strengthen still further the rigours of the Security Service selection board which was introduced in 1977, so that the motivation of candidates is probed in depth. The dangers are increasing. We face dangers in admitting those whose private heterosexual infidelities bear witness to their incapacity for loyalty, or those whose disturbed homosexuality—following a long line of spies from Marlowe, to Casement, to Burgess and Blunt—means that they are compulsively disloyal. Surely it is time that we sophisticated our procedures and brought in psychoanalysts and psychiatrists to be attached to the board, so that we do not use out-of-date, old-fashioned, rule-of-thumb methods of selection. If the Prime Minister is looking to the future as she says, surely it is time that we made certain that our selection procedures were worthy of the twentieth century and not the nineteenth century.

The Prime Minister: That is exactly what the terms of reference will enable the commission to do, among other things. The terms of reference are:

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

What the hon. Gentleman said will be within the terms of reference.

Mr. Kenneth Warren (Hastings): I welcome the Prime Minister's statement. Will she give an assurance to the House that she is well aware of the disinformation practices of the KGB, which seek to undermine the credibility of loyal citizens and thus draw fire away from secret agents still in position? I feel that that might mistakenly be inherent in some of the statements in the book.

The Prime Minister: I am very well aware of the disinformation practices of the KGB. That is one of the difficulties with which the security services have to contend. Beyond what I have said, I do not wish to comment further on the allegations in the book.

Mr. Dennis Canavan (West Stirlingshire): On a point of order, Mr. Speaker. I was the first hon. Member to table a question to you about this matter—

Mr. Speaker: Order. The hon. Gentleman is his customary self, but he must obey the rules of the House.

Business of the House

Mr. Michael Foot (Ebbw Vale): Does the Leader of the House have a statement to make about the business for next week?

The Chancellor of the Duchy of Lancaster, Paymaster General and Leader of the House of Commons (Mr. Francis Pym): Yes, Sir. The business for next week will be as follows:

MONDAY 30 MARCH—Supply [14th Allotted Day]: Debate on unemployment in the Midlands, on a motion for the Adjournment of the House.

Remaining stages of the Parliamentary Commissioner (Consular Complaints) Bill [*Lords*].

TUESDAY 31 MARCH—Remaining stages of the Forestry Bill and the Criminal Attempts Bill.

Motions relating to the National Health Service (Dental and Optical Charges and Remission of Charges) Regulations.

WEDNESDAY 1 APRIL—Remaining stages of the British Telecommunications Bill.

THURSDAY 2 APRIL—Remaining stages of the Energy Conservation Bill [*Lords*].

Motion on EEC Document 4460/80 on research and development in biomolecular engineering, and on the Department of Industry's Supplementary Memorandum of 8 December 1980.

Motion on Queen's University of Belfast (Northern Ireland) Order.

The Chairman of Ways and Means has set down opposed private business for consideration at 7 o'clock.

FRIDAY 3 APRIL—Private Members' motions.

MONDAY 6 APRIL—Remaining stages of the Insurance Companies Bill.

The House will wish to know, Mr. Speaker, that it will be proposed that the House should rise for the Easter Adjournment on Thursday 16 April until Monday 27 April.

[Debate on the European Community document relating to biomolecular engineering. The relevant Reports of the European Legislation &c. Committee are: 21st Report 1979-80, H/C 159-xxii para. 5; 38th Report 1979-80, H/C 159-xxxviii para. 2; and the 9th Report 1980-81 H/C 32-ix para. 1]

Mr. Foot: The terrifying unemployment figure is the main domestic question facing the nation. The time for Monday's debate is provided by the Opposition. I urge the Leader of the House to take into account my request for Government time for continuous debates on that subject, which the House must have to deal with the matter properly. I hope that the Government will provide the time to debate next month's unemployment figures.

I wish to raise three other matters. When will we have the debate on public expenditure that the right hon. Gentleman promised last week? When will we have a debate on the Government's energy policy, for which we have asked on a number of occasions? Will the right hon. Gentleman confirm that the Petroleum and Continental Shelf Bill, about which the Government have become properly bashful, has been abandoned for this Session? We hope that it will be abandoned altogether. Will he assure the House that he will not introduce it this Session?

Mr. Pym: I note the right hon. Gentleman's first point. Since the new year the Government have provided