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28 November 1984

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From the Principal Private Secretary

S/21

Dear Richard,

THE OBSERVER AND THE SETHIA DIARY

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RECEIVED  
20 DEC 1984  
16 of 28 NOV  
MINISTRY OF DEFENCE

The Prime Minister discussed with your Secretary of State and others this afternoon the problem set out in your letter of 27 November and the attachment. The others present were the Foreign and Commonwealth Secretary (for part of the time), the Home Secretary, the Attorney General, Sir Robert Armstrong, Sir Clive Whitmore, Mr. Henry Steel, Mr. Ingham, Mr. Powell and myself.

Your Secretary of State rehearsed the background. When the Belgrano issue was first raised during his term as Secretary of State, he had a full report prepared by Mr. Ponting. In the light of that report, he formed the view that detailed answers on the circumstances surrounding the sinking of the Belgrano should not be given to Mr. Dalyell and other questioners because these would inevitably lead at some point to questions which could not be answered on security grounds. In his view the issue would have become a dead one if it had not been for the leak of which Mr. Ponting was accused, and the most difficult aspect of the Ponting case was that it would be difficult to conduct it efficiently without getting into similar security areas. The circumstances of the diary of Lieutenant Sethia had to be seen against that background. When alleged extracts from a diary of a member of the crew of HMS CONQUEROR were published in the Panorama programme and in The Guardian in April 1984, he had not wished to be drawn into questions about it. In any case, it was not evident at that stage how delicate the information to be gleaned from the diary was. Enquiries by the Director of Naval Security had established that Lieutenant Sethia had kept a diary but Sethia had denied that the extracts on Panorama and in The Guardian were his and had claimed that the diary was still in his possession. This was accepted and it was concluded that without further evidence efforts to establish the sources of Panorama and The Guardian would be unsuccessful.

Your Secretary of State continued that information which had come to light since the beginning of October had changed the picture. It had become apparent that Lieutenant Sethia had lent the diary to L.S.E.M. O'Keefe who had made it available for a period to Mr. Dalyell. O'Keefe had returned the top copy to Lieutenant Sethia but had kept a

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photocopy which had been passed to the Ministry of Defence. This showed that the diary contained information of great sensitivity falling into three categories:

- (i) reference to intercepts including some of the utmost secrecy;
- (ii) a wide range of information which would be of value to a hostile government about British nuclear submarines and their capabilities;
- (iii) material bearing on the positive vetting of naval personnel.

The Observer had made it clear the weekend before last that they held a copy of the diary, which had been supplied to them by Mr. Dalyell; and this weekend they had begun to publish extracts from the diary, from which they had omitted some material, possibly because they themselves judged it to be sensitive on security grounds. There could be no guarantee that copies of the diary were not in the possession of other newspapers such as The New Statesman or The Guardian, or would not be made available if action was taken to prevent The Observer from publishing it. Finally, although the missing log from HMS CONQUEROR covered a period of three months after Lieutenant Sethia left the Navy as well as three months before, there were reasons for thinking that the disappearance of the log was likely to be connected with the circumstances surrounding Lieutenant Sethia's diary.

The Attorney General said that he would propose to have a letter from the Treasury Solicitor delivered to The Observer requiring them not to publish any more of the diary and to return their copy. If they did not comply, he proposed to seek an injunction to the same effect. This injunction would have to be sought not later than Friday morning.

In discussion, it was recognised that if either The Observer returned the diary in response to a request or if an injunction was taken out, this would not by itself prevent other newspapers like The Guardian and The New Statesman from publishing the material. Action would then have also to be considered against those publications, and even this would not prevent Mr. Dalyell or Mr. Foulkes (who had claimed in the House of Commons on the previous day that he had a copy of the diary) from disclosing the material, possibly under cover of Parliamentary privilege. If therefore the Government started down the road of legal action, it might end in embarrassing failure and simply serve to draw attention to the sensitivity of the material. It would also be impossible to accede to a suggestion from The Observer that they should cooperate by omitting sensitive passages from their publication, since this would involve identifying what those passages were. These considerations suggested that it might be better to let The Observer go ahead, or at any rate not to take a decision on legal action until it had been seen what results an appeal

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The Observer would have. On the other hand, it was argued that the Government's first duty must be to protect the security of the operations of its nuclear submarines and its intelligence services. Moreover, it would be hard to justify proceeding against Mr. Ponting on the grounds that his action endangered such information if the Government were unwilling to use all the means in its power to prevent publication of the Sethia diary.

Summing up the discussion, the Prime Minister said that although the Government's efforts to prevent publication might not be successful, they could not responsibly refrain from seeking to prevent the publication of material which was so damaging to national security. The first step should be that Sir Clive Whitmore, accompanied by another member of the Ministry of Defence, should seek an interview with the acting editor of The Observer and ask for the return of the diary together with an undertaking that no further material from it should be published or made available to anyone else. If The Observer asked for time to consider this request a time limit should be set for their reply and they should be asked not to take any such action in the meantime. The Secretary of State for Defence would try to see Mr. Dalyell and Mr. Foulkes and make a similar request to them: he would also ask whether they knew of any other newspapers which had a copy of the diary apart from The Observer. If the replies suggested that The Guardian and/or The New Statesman had copies, Sir Clive Whitmore should make a similar approach to them. In the light of the response to these steps, Ministers would need to decide on the next day what further steps should be taken. If an injunction against The Observer were to be effective, the Attorney General would need to apply for it not later than Friday morning. An attempt should also be made to establish that The New Statesman, which was believed to be printed on Wednesdays, was not carrying material from the diary in this week's edition. It was not for the present meeting to consider whether there should be prosecutions against Lieutenant Sethia, L.S.E.M. O'Keefe or any other persons.

I am copying this letter to Janet Lewis-Jones (Lord President's Office), Len Appleyard (Foreign and Commonwealth Office), Hugh Taylor (Home Office), Henry Steel (Law Officers' Department) and Richard Hatfield (Cabinet Office). I am also sending a separate copy to Sir Clive Whitmore.

Your ever,

Robin Butler

Richard Mottram, Esq.,  
Ministry of Defence.