

CONFIDENTIAL

PRIME MINISTER

ANTHONY BLUNT

When I saw Mr. Callaghan this evening to show him certain papers relating to the Blunt case which dated from his period as Prime Minister, he told me that he thought that the two main issues on which the debate on Wednesday would focus were:-

(a) the extent to which the affair was a case of the Establishment looking after its own. He drew attention to the comparisons which the Press had been drawing between the treatment of Blunt and that given to spies like Vassall and Bingham;

(b) the charge that there was within Government institutions which were separate from and not responsible to the elected representatives of the people.

He thought that if you announced in your speech on Wednesday that there was to be an inquiry, which might be conducted by Lord Diplock and a Privy Counsellor from each side of the House, this would take a lot of steam out of the controversy. In his view, such an inquiry should keep off the details of the Blunt case as such and concentrate on the channels of communication between the Prime Minister and other Ministers on the one hand and the security services on the other. Even though the results of such an inquiry could be revealed publicly only in general terms, they would help to reassure the public that political control over the security services did exist and was being properly exercised. He added that he thought such an inquiry might usefully look also at the correctness of the legal advice which was given to and by the Law Officers in 1964.

He said that the Government should announce in Wednesday's debate that it was withdrawing the Protection of Information Bill

/ until

CONFIDENTIAL

CONFIDENTIAL

until the Blunt inquiry was over and its findings could be considered in relation to future policy on the disclosure of official information.

Finally, Mr. Callaghan repeated the offer which he had made to the Leader of the House on Friday that he would be very happy to see you before Wednesday's debate if you so wished.

While Mr. Callaghan plainly has his own position to protect in all this, I think that he genuinely wants to be helpful if he can. I think that he would value it if you were ready to see him when you have made up your own mind ^{about} what you propose to say in the debate and in particular what you want to do about an inquiry. Do you wish to see him?

ful.

19 November 1979

CONFIDENTIAL