



Seen by the P.M.

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Ref. A0706

MR. WHITMORE

At the Prime Minister's meeting on the evening of 18th November there was some discussion of the form of any enquiry that might need to be held into the handling of the Blunt affair. The Home Secretary undertook to consider this, and to report back to the Prime Minister.

2. The Home Secretary held a meeting yesterday evening to discuss this question.

3. We had just learned of the discovery of the records showing that the then Home Secretary was told by the then Director General of the Security Service in the spring of 1964, both about the likelihood of an offer of immunity from prosecution and of Blunt's confession. The Home Secretary came to the conclusion that this development was likely to make it unnecessary to offer an enquiry in the course of tomorrow's debate. He thought that it might still be necessary in the end to concede some kind of enquiry; but he suggested that the Prime Minister should not close the door on an enquiry in her speech opening the debate - while dealing with the whole matter in a way which would leave open the possibility of refusing an enquiry; that Ministers should take stock in the light of the debate; and that, depending on what happened, the Attorney General, in his winding up speech, should either say nothing or should say something to the effect that the Government would be considering what had been said in the debate and would take stock.

4. We discussed the questions to which an enquiry might be addressed. The Director General of the Security Service made clear his reluctance to see any form of enquiry which looked like an enquiry into the Security Service: that would damage the morale of his Service and divert them from their proper tasks. There was general agreement that it was desirable to avoid a wide-ranging enquiry into the whole handling of the Blunt affair. An enquiry might be addressed to two questions;



- (i) Had the investigations into Russian intelligence penetration of our public services, following the defection of Burgess and Maclean, been as thorough and effective as we should wish them to be?
- (ii) Have the necessary changes been made in security and other procedures, so as to safeguard against repetitions of things that went wrong in the handling of the Burgess-Maclean-Philby-Blunt affair, and in particular are the procedures now such as to minimise the risk of Soviet penetration of the security and intelligence services?

5. These two matters are of course squarely within the terms of reference of the Security Commission. If an enquiry was confined to those matters, it could be remitted to the Security Commission. On the other hand any enquiry with those terms of reference would look rather like an enquiry into the Security Service; and it might not be sufficiently wide-ranging to satisfy Parliamentary and public opinion.

6. In order to satisfy public opinion, it might be necessary to add a third item to the terms of reference:

- (iii) To make recommendations, in the light of the handling of the Blunt affair, as to how security matters of that kind should be handled as between the Security Service and Ministers.

There are two objections to making an enquiry cover those matters:-

- (a) It can now be seen that the handling of the Blunt affair in 1964 as between the Security Service and Ministers was strictly according to the book. If there was any failure or shortcoming, it was the then Home Secretary's failure to report to the Prime Minister.
- (b) Any such reference would have to extend to the handling of the Blunt affair by successive Prime Ministers. Here the question is not really whether the procedures were right: the Prime Ministers concerned, at any rate from 1972 onwards, were extremely fully informed. The question is whether they took the right decision; and that is not a matter which is suitable for an independent enquiry.

7. That is how matters stand, following the Home Secretary's meeting yesterday. We should clearly take stock in the light of tomorrow's debate.



8. At the Prime Minister's meeting on 18th November, when it was felt that it was very likely that some form of enquiry would have to be conceded, the front runner was an enquiry by Lord Diplock sitting alone, on the lines of the enquiry by Lord Denning into the Profumo affair in 1963.

9. At the meeting the Attorney General referred to the criticisms that Lord Salmon's Royal Commission (1966) made of this kind of enquiry. I attach copies of the relevant paragraphs of the Salmon Report (paragraph 21 and paragraphs 37-42). The recommendation was that "No Government in the future should ever in any circumstances whatsoever set up a Tribunal of the type adopted in the Profumo case to investigate any matter causing nation-wide public concern".

10. I recognise the strength of the argument that to set up an enquiry would play a lot of the questions into touch. But, thinking about it all since the discussion on 18th November, I am reinforced in my conviction that we should avoid an enquiry if at all possible, not only for the reasons cited by the Salmon Commission but also for the following reasons:

1. It could not be held otherwise than in private and in confidence. Most of the evidence could not be published, and in the case of much of it there would be no opportunity for one witness to comment on what another had said. It might be another "brilliant exception" like the Denning Report, and the Government might get away with it because the report would come out at a time when Press and public interest had died away. But it might be regarded in the event as failing to satisfy public interest. I fear that we should be fortunate if its outcome was regarded as disposing of the matter.
2. Any enquiry would be considerably hampered by the facts that:
 - (a) written records in these matters are so incomplete;
 - (b) as we have seen vividly illustrated in the last couple of days, memories over so long a period are fallible;
 - (c) many of the principal characters are dead.



3. It is especially true in this kind of case that, if there is an enquiry, names inevitably get banded about, as each witness names three or four other people whom he suspected. Even if the enquiry is held in private, people gossip and things leak. The fact that the enquiry is going on will keep Press interest alive: they will have people watching who goes in and out of the enquiry, and we shall be regaled with a series of stories and speculations, most of them fantastic.
4. Any enquiry is likely to be regarded as to some extent an enquiry into the Security Service; and the Director General has emphasised again to the Home Secretary his concern about the damage which that could do to the morale and effectiveness of the Security Service.
11. At the meeting on 18th November, the Foreign and Commonwealth Secretary identified three main difficulties:
 - (a) Was The Queen told?
 - (b) Were Ministers told, or is there a secret establishment running the country behind the backs of Ministers?
 - (c) Can we be sure that the security and intelligence services are now clear of penetration?
12. No enquiry of whatever kind can deal with the first point.
13. The second point is largely disposed of by the latest discoveries that the then Home Secretary was told, and the Security Service did strictly what it should. It should now be possible to allay this particular cause of concern by a firm restatement of the course which the Director General of the Security Service, the Attorney General and the Home Secretary are expected to follow if such a situation arises.
14. On the third point, an enquiry could give a clean bill of health, or suggest improvements, to the vetting system as it now is, but it could not provide a guarantee that the system is 100 per cent proof against penetration. This concern too can perhaps be allayed by a firm statement in the Prime Minister's speech tomorrow.
15. I am sending a copy of this minute to the Private Secretary to the Home Secretary and to the Legal Secretary to the Law Officers.

RA

(Robert Armstrong)

20th November, 1979

DR. ERHARD (VISIT)

Q8. Mr. Stonehouse asked the Prime Minister if he will make a statement on his discussions with the Chancellor of the Federal Republic of Germany.

The Prime Minister: I would refer the hon. Member to the Answer which I gave the hon. Member for Ashfield (Mr. Warbey) on 21st January.

Mr. Stonehouse: Is not the Prime Minister aware that it is unsatisfactory that his discussions with Dr. Erhard on Britain's resumption of negotiations to go into the Common Market should remain confidential in view of the public speculation? Will the right hon. Gentleman say whether this was discussed with Dr. Erhard and what assurances he gave?

The Prime Minister: No, Sir. Conversations with Prime Ministers and Foreign Ministers of other countries are always confidential.

SECURITY COMMISSION

Mr. H. Wilson (by Private Notice) asked the Prime Minister whether he is in a position to make a further statement about the machinery for dealing with inquiries on security?

The Prime Minister (Sir Alec Douglas-Home): I apologise to the House for the fact that this is a rather long statement, but it is important.

In the debate on 16th December I described in outline the Government's proposals for a Standing Security Commission and proposed further consultation with the right hon. Gentleman the Leader of the Opposition.

The right hon. Gentleman and I have had further discussions about this and in the light of them the Government have decided to set up a Security Commission with the following terms of reference:

If so requested by the Prime Minister, to investigate and report upon the circumstances in which a breach of security is known to have occurred in the public service, and upon any related failure of departmental security arrangements or neglect of duty; and, in the light of any such investigation, to advise whether any change in security arrangements is necessary or desirable.

Mr. Justice Winn has agreed to serve as Chairman and the other members will be Lord Normanbrook and Sir Caspar John. The Cabinet Office would provide the Secretary of the Commission.

Before asking the Commission to investigate a particular case, the Prime Minister will consult with the Leader of the Opposition.

Under the terms of reference, the Commission could be called upon to act if there had been a breach of security even though there had been no conviction—perhaps because the individual had fled the country.

Normally, the Commission would sit in private and would examine the witnesses themselves.

Usually, it would be unnecessary for any of the witnesses to be legally represented. But it is impossible to foresee all the circumstances, and the Commission would be authorised to permit a witness to be accompanied by his legal adviser if satisfied that his interests required such protection.

Exceptionally, the Commission might find that they were unable to make progress without powers to compel evidence. In such a case, Parliament would be asked to pass the necessary Resolutions under the Tribunals of Inquiry (Evidence) Act, 1921, to vest the Commission with the powers of that Act for that particular inquiry. The Commission would then proceed in all respects as a Tribunal of Inquiry.

The decision whether to sit in private or in public would be governed by the relevant statutory provision, and the normal procedure for having the case presented by counsel and for allowing legal representation would apply. When legal representation was allowed the Commission would be asked to advise whether an *ex gratia* contribution to the cost of such representation should be made from public funds.

In the ordinary case the Commission would report direct to the Prime Minister. When the Commission had been constituted a Tribunal of Inquiry, the report would formally be submitted to the Home Secretary, as required by the 1921 Act. But in either case the Leader of the Opposition would be consulted by

the Prime Minister when the report was received. The report would be made public to the extent that this was consistent with security considerations.

Mr. Wilson: Is the Prime Minister aware that although his answer was a little long, it was undoubtedly for the convenience of the House that he should give a full statement on what has been discussed between us?

I have only one supplementary question. Since the right hon. Gentleman has referred, in circumstances with which I fully agree—and I agree with the whole statement—to the possibility that where further action is necessary to compel witnesses to come forward and to speak the truth it will be necessary to clothe the Commission with the powers of the 1921 Act, will he bear in mind—I have given him notice of this supplementary question—that there is grave concern on both sides of the House about the working of the 1921 Act?

Will the Prime Minister therefore consider the proposal, which we have put forward on a number of occasions, that there should be a Select Committee of the House to review the working of the 1921 Act?

The Prime Minister: Yes, Sir. I believe that there is a lot of anxiety and concern. I do not think that the debate in another place produced any new proposal, but nevertheless these matters should be considered; and I will certainly consider them. I should not like to give a firm undertaking today, but I will consider what the right hon. Gentleman has said.

Mr. Cole: Would not my right hon. Friend think that in the terms of reference the words

“a breach of security is believed to have occurred”

rather than “is known to have occurred” would cover a wider compass and would seem to be justified by the remainder of his statement?

The Prime Minister: I should like to look further at the statement and at what my hon. Friend has said, but I think that the wording covers every possibility.

Mr. Grimond: Can the Prime Minister make clear what will be the position of the House, the Press and the broadcast-

Vol. 687

ing authorities when a case is referred to the Commission? It will, presumably, be impossible to discuss it in the House or to ask Questions about it. Will it also be impossible for any comment to be made either on the air or through the Press?

The Prime Minister: I do not see why the statement which I have made should set any limitation on discussion in this House. I should, however, like to consider the point made by the right hon. Gentleman and give him a considered reply, although I do not see *prima facie* any reason why the statement imposes a limitation.

Mr. H. Wilson: I agree with what the Prime Minister has said. Is it not clear that a reference to the Commission, which will not be a judicial tribunal until it is clothed with powers given by this House, would have no effect on the freedom of this House, the Press or broadcasting authorities or anyone else? Could it not be made clear that this body is an administrative Commission and not a judicial tribunal?

Will the Prime Minister, however, consider the point, which bears on the question raised by the right hon. Member for Orkney and Shetland (Mr. Grimond)—it is a point which I have raised with the right hon. Gentleman—that it should be understood that whenever a reference is made to the Commission there will be an announcement of the fact even if it refers to a case which has not become public through prosecution or court proceedings?

The Prime Minister: Yes, Sir; there should be an announcement. There is nothing in what I have said today to curtail the rights of Parliament and the Press.

Mr. Bellenger: The Prime Minister will be aware of the circumstances of the Vassall case. If matters arise which are not entirely security matters which would be kept secret, will the House have access to any comments or reports by the Commission and be in a position to discuss them, if necessary?

The Prime Minister: I would rather that hon. Members read the statement which I have made. On another day we will return to any questions that may interest them. I should not like to

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[THE PRIME MINISTER.]
pursue the matter with supplementary questions just at this moment.

Mr. Hale : What would happen if the Commission came to a conclusion at some stage of its inquiry that a criminal offence had been committed? Would it proceed to report or would it refer to the Director of Public Prosecutions the papers, including the voluntary evidence, or what will happen in these circumstances?

The Prime Minister : Again, I should like to consider the question and return to it later.

Mr. Wigg : In his further consideration of this excellent proposal, will the Prime Minister consider the advisability of drawing upon the experience of the board of inquiry set up under the Army and Naval Discipline Acts and give to the Commission in discharging its administrative functions power to take evidence on oath? This is quite apart from any powers for which the Commission might ask under the Tribunals of Inquiry (Evidence) Act.

The Prime Minister indicated assent.

MALAYSIA AND INDONESIA

Mr. Brockway (by Private Notice) asked the Secretary of State for Commonwealth Relations whether he will make a statement on the present negotiations between Malaysia and Indonesia for a cease-fire on the frontiers of Sarawak and Sabah and when British troops are expected to be withdrawn.

The Secretary of State for Commonwealth Relations and Secretary of State for the Colonies (Mr. Duncan Sandys) : Through the mediation of Mr. Kennedy, the Presidents of Indonesia and the Philippines and the Prime Minister of Malaysia have agreed to hold a meeting to improve relations between their countries. This meeting will be preceded by a meeting at Foreign Minister level. In addition, there is to be a prior meeting between the Prime Minister of Malaysia and the President of the Philippines.

As a preliminary to these meetings, President Sukarno has issued a cease-fire order to all his forces. However, the

Indonesian Government have explained that it will take about a week for this order to reach those forces which are at present operating across the border in Malaysia.

Since the expression "cease-fire" has been used, it should be emphasised that the Malaysian and British forces have been engaged in a purely defensive rôle and have fired only to repel invaders. Therefore, in present circumstances the question of the withdrawal of British troops does not arise.

Her Majesty's Government warmly welcome the steps which have been announced and they trust that these will lead to the restoration of normal relations between Malaysia and her two neighbours.

Mr. Brockway : Is the right hon. Gentleman aware of the degree to which the House will welcome this announcement and of our appreciation of the great services which Mr. Robert Kennedy has carried out in arranging this preliminary settlement? Will the right hon. Gentleman say whether the Government will give the fullest support to the proposals, made by the three Ministers concerned, that the Manila conference should be resumed so that there may be a consideration of the development of a wider confederation for all these areas?

Mr. Sandys : I have said that we welcome the announcement that there is to be a meeting between the three heads of Government. I think that we must see how they get on.

Mr. B. Harrison : Will my right hon. Friend try to impress on Mr. Kennedy when he is here the need for a guarantee by the American Government of any agreement that is made that full support must be given by the American Government to Malaysia and that we will not have any apparent equivocation by the American Government backing up other countries in the area?

Mr. Sandys : I do not want to anticipate the talks that we are to have with Mr. Kennedy.

Mr. H. Wilson : Is the right hon. Gentleman aware that we all welcome the announcement that has been made? Is he further aware that we welcome the fact that he has made it clear—as some announcements have not made it

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PRIME MINISTER

To see this Questions briefing.
We will follow it up with the
Home Secretary. *MS*

MR ANTHONY BLUNT - HOME AFFAIRS SELECT COMMITTEE

1. The House of Commons agreed on 25 June 1979 to the establishment of a Select Committee on Home Affairs "to examine the expenditure, administration and policy" of the Home Office and associated public bodies. The Committee was empowered to appoint one sub-committee. Proposals for a number of other departmental select committees were agreed at the same time.
2. These select committees cannot begin their work until their membership has been agreed by the House. Motions proposing the membership of the Home Affairs Committee and other departmental committees came before the House at 4 pm on Friday, 16 November. To be passed they needed to be unopposed, but Mr Farr (Conservative, Harborough) objected to all, including the Home Affairs Committee, despite a request from Mr English (Labour, Nottingham W) to let the Home Affairs Motion go through. Mr English referred (OR, 16 November, 1979, column 1748-9) to the possibility of the select committee being thus prevented from considering the case of Mr Anthony Blunt. As it now seems unlikely that these membership motions will go through unopposed, it will be necessary for Government time to be provided in order to allow the House to reach conclusions, and to get the committees into operation. No decision has yet been taken as to when the Motions shall be brought forward again.
3. The interpretation of the terms of reference of a select committee is a matter, in the first instance, for the select committee itself. If, therefore, the Home Affairs Select Committee, when established, wished to enquire into the Blunt affair, it would be for the Committee to consider whether their present terms of reference "to examine the expenditure, administration and policy" of the Home Office and associated public bodies enabled them to do so. Alternatively, the House might refer the matter to the Committee, extending the Committee's terms of reference if this were thought necessary. The powers of the Home Affairs Select Committee include the normal select committee powers to send for persons, papers and records. It would be procedurally possible for additional powers to be granted to the select committee by the House.



4. Q. Would it be possible for the Departmental Select Committee on Home Affairs to consider the case of Anthony Blunt?

A. As the House is aware, it was not possible, as we had hoped, to get this and other Departmental committees fully established last Friday. When the Home Affairs Committee is able to begin its work it will be for the Committee itself, within its terms of reference, to decide its subjects of enquiry.

Q. When will Motions dealing with the membership of these select committees be brought before the House again?

A. As soon as possible, but no precise time has yet been allocated. Obviously we want to get these committees established and working as soon as we can.