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10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

Security Commission Report on Bettaney

The Prime Minister discussed today your submission of 26 April (A085/1201) with the Lord President, Foreign and Commonwealth Secretary, Home Secretary, Attorney General, yourself and Sir Antony Duff.

The following amendments to the draft statement at Annex B were agreed:-

Para 2: The opening words should read "The Commission have fully examined Bettaney's career in the Security Service ..."

Para 3: The third sentence should read:-

"The Commission make a number of criticisms of errors by the Security Service in relation to the management of Bettaney's career"

and that should be the beginning of a new paragraph.

Para 4: The paragraph should be redrafted to make clear that Bettaney attempted to get himself recruited as an agent of the RIS; that these attempts were not successful; but they involved some disclosure of classified information which involved damage to national security.

Para 5: The main changes in the positive vetting procedures in the Security Service recommended by the Commission should be specified.

Para 10: This should be included in the amended form:

"I propose thereafter to arrange for his conclusions and proposed measures to improve the organisation and management of the Service to be reported to the Security Commission for

any further comment they may wish to make".

Para 12: This should be inserted at the end of paragraph 5.

Para 13: The words "and I quote" should be inserted after ".... the Commission saw".

In further discussion, it was agreed that the response should be made as an oral statement and that, subject to the agreement of the business managers, this should be on Thursday 9 May. The Prime Minister would be grateful if notes for supplementaries and background material could be provided for her weekend box. These notes should cover the various suggestions which have been made for oversight of the Security Service, the allegations in the recent Channel 4 television programme "20/20" and previous changes in positive vetting procedures following reports by the Security Commission. The Prime Minister would also like to read the public proceedings in the Bettaney trial, and the relevant proceedings on Second Reading and at Committee Stage of the Interception of Communications Bill including the Home Secretary's speech on Second Reading and Sir Edward Gardner's proposals for oversight of the Security Service at the Committee Stage. The Prime Minister will also need the Attorney General's recent answer on prosecutions in respect of the Channel 4 television programme. I have asked Mr. Flesher to liaise with your office in assembling this material for the Prime Minister's weekend box.

It was also agreed that the Prime Minister would send the Leader of the Opposition two days before the statement the Security Commission report in the form in which it is to be published, making clear that three appendices had been omitted. It would be open for the Leader of the Opposition to ask to see these appendices if he wished to do so. I should be grateful if your office could provide a draft letter to Mr. Kinnock by close of play on Friday.

In more general discussion of the possible forms of oversight of the Security Service outlined in your minute, it was recognised that there could be advantages in arrangements which would help to reassure Parliament and the public that the Security Service was operating on a reasonable basis in the light of its directive and in a non-political way. On the other hand, it would be difficult in practice to confine such oversight to priorities and objectives and to exclude methods of operation or management; and it might also be difficult to find qualified former Ministers who would be suitable for such a body.

Summing up this part of the discussion, the Prime Minister said that the proposals for an overseeing body could not be taken further at present. The best line to be taken in Parliament was that there was no substitute for the trust which Parliament had traditionally reposed in the Prime Minister and the Home Secretary to

ensure that the Security Service acted in accordance with its directive. The Lord President should therefore aim to resist amendments to the Interception of Communications Bill in the House of Lords proposing forms of external oversight of the Security Service, and would be reinforced in doing so by the announcement that the Director General had been asked to consider and to report to the Prime Minister and the Home Secretary proposals to establish internal outlets for the expression of grievances or anxieties of individual members of the Service. If in the event the Lord President concluded that this would not be sufficient to achieve rejection of such amendments to the Interception of Communications Bill he should report back to the Prime Minister and the Home Secretary.

I am copying this minute to Miss Lewis-Jones (Lord President's Office), Mr. Appleyard (Foreign and Commonwealth Office), Mr. Taylor (Home Office), Mr. Steel (Law Officers' Department) and to Sir Antony Duff.

F.R.B.

1 May 1985

SECRET AND PERSONAL