

covering **TOP SECRET**

Ref. A085/1264

MR FLESHER

Security Commission Report on Bettaney

As agreed, I attach the following material in preparation for the Prime Minister's oral statement on the Security Commission Report on the case of Michael Bettaney:

In folder
 — revised draft statement;

— supplementaries;

— background material to supplementaries (including copies of the Attorney General's Answers relating to the 20/20 Vision programme);

— draft letter for the Prime Minister to send to the Leader of the Opposition;

— a proof copy of the White Paper to be passed to Mr Kinnock.

— 2. You will have received separately the extracts from the Second Reading and Committee Stage debates on the Interception of Communications Bill (from Mr Webber) and the transcripts of the public proceedings of the Bettaney trial (from the Director of Public Prosecutions).

Statement

— 3. The revised draft statement incorporates the amendments agreed at Wednesday's meeting and recorded in Mr Butler's minute of 1 May; a revised paragraph concerning Bettaney's attempts to

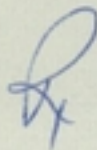
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get himself recruited as an agent of the Russian Intelligence Service (now paragraph 5); and a reference to the main changes in the Positive Vetting procedures in the Security Service recommended in the Commission's Report (this is now in paragraph 6). In addition, there are two other changes to the revised statement. First, the very first sentence has been expanded slightly to remind the House of exactly who Michael Bettaney was and, second, at the request of Lord Bridge, the beginning of the second sentence of paragraph 7 has been amended slightly to reflect more precisely what the Security Commission say in their Report ("seek to examine" has been replaced by "attempt to pass judgment"). I should add that Lord Bridge is entirely content with the proposal that the Security Commission should be consulted again when the Director General has reached his conclusions and formulated the measures he proposes to take.

Background

4. The background notes for supplementaries cover various allegations and speculations which have been linked in the media with the Bettaney case: Bettaney's motivation (including a copy of the Security Service's written evidence - not for copy recipients); previous Security Commission recommendations on the Positive Vetting system; and the Attorney General's recent Answers relating to prosecutions in respect of the 20/20 Vision television programme.

5. I am sending copies of this minute and attachments to Miss Lewis-Jones (Lord President's Office), Mr Taylor (Home Office), Mr Appleyard (FCO), Mr Steel (Law Officers' Department) and the Director General of the Security Service.



R P HATFIELD

3 May 1985

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LAW OFFICERS' DEPARTMENT
ROYAL COURTS OF JUSTICE
LONDON, WC2A 2LL

H. STEEL, CMG OBE
LEGAL SECRETARY

3 May, 1985

R Hatfield Esq
Cabinet Office
70 Whitehall
London SW1

Dear Sir,

with TF?

SECURITY COMMISSION REPORT ON BETTANEY

I have seen my copy of your letter of 2 May to Howard Webber. As I read it there are two tasks which fall to me. The first is to arrange for Tim Flesher to be sent copies of the transcripts of the public proceedings in the Bettaney trial. I have spoken to the DPP about this and he is organising that. They should get to Tim Flesher in the course of today.

My second task is to provide the answers to the two questions at the foot of the first page of the Annex: that is to say, "why no prosecution of Massiter?" and "why no prosecution as a result of allegations?". The suggested answers to these two questions are in the enclosure to this letter.

I am copying this letter and its enclosure to Tim Flesher in No.10 but to nobody else.

James ...
Henry

H STEEL



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From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A085/1251

2 May 1985

*Dear Howard,*Security Commission Report on Bettaney

You will by now have seen Robin Butler's note reporting yesterday's meeting to discuss the Security Commission Report on Bettaney. This office has been given responsibility for co-ordinating the various material required in preparation for the Prime Minister's oral statement next week.

Mr Flesher has confirmed that the intention is for the Prime Minister to make an oral statement next Thursday, 9 May, and the statement will be repeated in the House of Lords by the Lord President.

Statement

Robin Butler's minute records a number of amendments to the draft statement which were agreed at yesterday's meeting. In addition, it was agreed that paragraph 4 should be redrafted and that the main changes in the Positive Vetting procedures in the Security Service recommended by the Commission should be specified. The Security Service have agreed to take the former and the Cabinet Office will assume responsibility for the latter piece of drafting. I will also arrange for all the amendments to be incorporated in a revised version of the draft.

Background Material

The Prime Minister has asked for various background material in preparation for the statement. We have already spoken about this and you have agreed to take responsibility for providing copies of the relevant proceedings from the Second Reading and Committee Stage of the Interception of Communications Bill including the Home Secretary's speech on Second Reading, Sir Edward Gardner's proposals, and the ideas

/put forward

put forward by Mr Callaghan. I would be grateful if you would send this material direct to Mr Flesher with copies to Janet Lewis-Jones in the Lord President's office and to myself.

The Prime Minister has also asked to read the public proceedings in the Bettaney trial and I would be grateful if Henry Steel could arrange for this to be sent to Mr Flesher, also in time for the weekend. I understand that the Lord President does not require a copy.

Supplementaries

--- I attach at annex a list of the main areas which I believe that supplementaries will need to cover and would be grateful if you and copy addressees would take responsibility for preparing draft Questions and Answers in each area as suggested, except where I have identified separate responsibility for a specific Question. I would, however, welcome any suggestions from anyone for other Questions (and Answers!) whether or not they are in an area specifically assigned to them.

Timing

In view of the need to get this into the Prime Minister's weekend box, I must ask for contributions both for the draft statement and the supplementaries not later than 3.00 pm tomorrow, Friday.

I am sending copies of this letter and attachments to Henry Steel (Law Officer's Department), Jeffrey James and Rex Davie (Cabinet Office) and for information to Tim Flesher, Janet Lewis-Jones and Len Appleyard.

Yours
Ri

(R P Hatfield)
Private Secretary

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RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT

H S Webber Esq

DAMAGE (Security Service)

To include:

Other spies?

Link with recent expulsions?

Press speculation about link with Niall Campbell.

BETTANEY (Security Service)

To include:

Motivation.

Should he have been recruited?

When did he go bad?

Drinking/Odd Behaviour.

Why given a Second Chance?

SECURITY SERVICE WEAKNESSES (Security Service)

To include:

A Damning Report?

Weaknesses in Security Arrangements/What Changes Being Made?

Criticisms of Management/What Changes?

OVERSIGHT/ACCOUNTABILITY (Home Office)

To include:

General Accountability/Select Committee?

Interception Bill.

Demands for a Debate.

PREVIOUS SECURITY COMMISSION RECOMMENDATIONS (Cabinet Office)

To include:

PV Process.

Polygraph.

Other "Prime" Recommendations.

20/20 VISION (Home Office)

To include:

Why no Prosecution of Massiter? (Law Officers)

Why no Prosecution as Result of Allegations? (Law Officers)

Does the Security Service Engage in Illegal Operations?

Allegations about improper Interception?

Other Allegations In the Programme?

OTHER SECURITY ISSUES

To include:

Murrell Allegations (Home Office)

Three Advisers (Cabinet Office)

Unions in GCHQ (Cabinet Office)

Hollis Allegations (Cabinet Office)

Changes in Security Commission Membership (Cabinet Office)

Cyprus Case? (Cabinet Office)