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SECRET AND PERSONAL

B.07616

MR WICKS

Lord Rothschild

Lord Rothschild's letter in today's Daily Telegraph, which appeals indirectly to the Director General of the Security Service for a statement that he was never a Soviet agent, is likely to provoke questions to the Prime Minister in the House today.

2. I understand that there is no evidence that Lord Rothschild has ever been a Soviet agent. The Security Service are preparing urgently a detailed note on the question. The Prime Minister may wish to study this before deciding on any reaction, whether in Parliament or to Lord Rothschild, to the latter's letter. She could say in the House today that the letter was "being considered in the Government". There may also be questions today on the different matter of Lord Rothschild's reported role in the arrangements behind Chapman Pincher's book "Their Trade is Treachery". I attach at Annex A two possible questions with suggested replies.

3. A substantive reaction to Lord Rothschild's letter in the Daily Telegraph could take the form of a letter to him, possibly from the Home Secretary or the Prime Minister, and an answer in Parliament, both of them having the same contents. (The Lord Privy Seal will be taking Prime Minister's questions on Tuesday 9 December.)

4. On the contents of such a reaction, the options include -

(a) the usual refusal to comment on security matters;

(b) the same, but in a form designed to show sympathy for Lord Rothschild at the innuendo he has been facing;

(c) an expression of sympathy together with a statement that the usual checks were carried out when Lord Rothschild became Head of the Central Policy Review Staff in 1971;

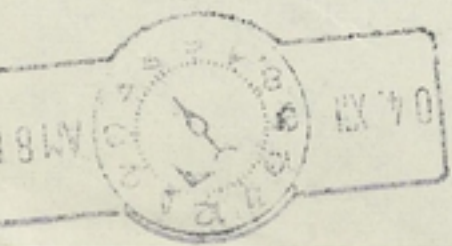
(d) as in (c), with the additional statement that there is no evidence that Lord Rothschild has been a Soviet agent.



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GEORGE FRISCHER

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SECRET AND PERSONAL

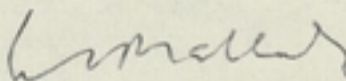
5. The first option may be thought harsh in the circumstances. Possible wording for (b) is at Annex B.

6. I understand, subject to the paper in preparation by the Security Service, that options (c) and (d) reflect the true situation. They would be much more helpful to Lord Rothschild and might seem appropriate in view of the latter's significant position in government under a Conservative Administration from 1971 to 1974. An illustrative form of words for option (d) is at Annex C.

7. These last two options present significant difficulties. Either, but especially option (d), could provoke requests from other people to have their names publicly cleared. If such requests were met in some cases but not others, the latter category would be presumed guilty. Secondly, it may be thought undesirable, especially in present circumstances, to depart from the practice of not commenting on security matters. Thirdly, either option would open the way to detailed questions about, for example, Lord Rothschild's friendships with Burgess and Blunt. Fourthly, it is possible that the allegation that Lord Rothschild brought together Chapman Pincher and Wright to produce "Their Trade is Treachery" may be true; and this could be a consideration against the Government seeming to support Lord Rothschild at the present time. Indeed, to do so could strengthen the mistaken theory that Lord Rothschild acted at the Government's instigation with regard to Pincher's book.

8. If the Prime Minister agrees to a holding reply to questions today in the House, there is no need to choose between the options above until the Security Service note has been studied. The Prime Minister might also wish to consult Sir Robert Armstrong who reaches London early tomorrow morning.

9. I am sending copies of this minute and the attachments to the Private Secretaries to the Foreign and Commonwealth Secretary and the Home Secretary; to Michael Saunders in the Law Officers' Department; to Sir Antony Duff and to Trevor Woolley in the Cabinet Office.



C L G Mallaby

4 December 1986

Parliamentary Questions on "Their Trade is Treachery"

Allegations that Lord Rothschild collaborated in production
of "Their Trade is Treachery"

Allegations that Lord Rothschild may have committed an offence are matters for my Rt Hon and Learned Friend the Attorney General who has said that he is considering them with the Director of Public Prosecutions.

Prime Minister's knowledge of Lord Rothschild's involvement
in "Their Trade is Treachery"

It would be inappropriate for me to comment on matters which may arise in the proceedings concerning the Peter Wright case in Australia while those proceedings continue.

Draft letter

The Lord Rothschild GBE GM FRS

I have read your letter in the "Daily Telegraph" on 4 December. May I say how sympathetic I am towards anyone who is subjected to public innuendo. However, as I am sure you will understand, it is not possible for the Government to make the kind of statement you seek in particular cases.

2. I shall no doubt be asked about your letter in the House of Commons. I intend to reply along the lines of my previous paragraph.

Possible line for option (d)

When Lord Rothschild became Head of the Central Policy Review Staff in 1971, and at other times in his life, full security checks on him have been carried out. ^{we have} [I am advised that there is no evidence that he has ever been a Soviet agent.]