

CONFIDENTIAL

## NOTE FOR THE RECORD

## LORD ROTHSCHILD

The following were the sequence of events which led up to the issue of the press statement, attached, concerning Lord Rothschild's letter to the Daily Telegraph of 4 December, also attached.

1. The Prime Minister held a meeting at 1900 hours yesterday, Thursday 4 December, to discuss a possible response to Lord Rothschild's letter. The Home Secretary, the Attorney General, Sir Brian Cubbon, the Director-General of the Security Services, Mr. Sheldon and Mr. Mallaby were present. A first draft statement was prepared.
2. The meeting reconvened at 0900 hours today. Those present were the Home Secretary, the Foreign Secretary (who had had a television engagement the previous evening), the Attorney General, Sir Brian Cubbon, the Director-General of the Security Services and Mr. Mallaby. The statement attached was agreed.
3. I confirmed with Lord Rothschild's secretary that he was in the country. I then arranged with her that in the afternoon she would read the letter which I would send to him covering the statement. She telephoned at about 1540 to confirm that she had done so.
4. At 1500 hours I telephoned Mr. Heath, who was in Salisbury, to read the statement to him. Mr. Heath paused for a long time after I had read the statement to him. He then asked to be reminded of the Prime Minister's words used in the Hollis statement. I read these over to him. He asked me then to pass on his thanks to the Prime Minister for letting him know.

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5. At 1625 I tried to contact Mr. Dick Clements in Mr. Kinnock's office. His secretary told me that he was in London or possibly at a country number. The latter proved the case and I read over to him the text. I also despatched at about the same time a letter to him covering the text.
  
6. At 1705 Mr. Coe confirmed that the lobby briefing had taken place. I then tried to contact Mr. Robert Rhodes-James. Unfortunately, he was engaged and I did not get through to him until 1720 or thereabouts. By then he had been contacted by The Times. However, I read out the statement, emphasising as the Prime Minister has asked, the words 'no' and 'ever' in the last paragraph. Mr. Rhodes-James asked me to tell the Prime Minister that he was most grateful and to pass on his warm thanks.

N.L.W.

N L WICKS

5 December 1986

SLHADE

**A** RADICAL shake-up in the senior management of MI5 was carried out earlier this year, Mr Hurd, the Home Secretary, revealed in the Commons last night.

Mr Hurd gave details of the reorganisation of the security services as he stepped up the Government's attack on Mr Kinnock's conduct in the Australian spy book case.

He made clear that the Government could not offer Mr Kinnock access to defence and security secrets while the Labour leader pursued his present policies.

Mr Hurd also said that Mr Kinnock's actions in contacting the lawyer opposing the British Government in the MI5 trial

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had reinforced the case against the setting up of a new Parliamentary scrutiny commission on the security services.

The Home Secretary's attack on Mr Kinnock, who is still in America, came just a day after Mrs Thatcher threatened to exclude him from the confidential security briefings traditionally granted to party leaders.

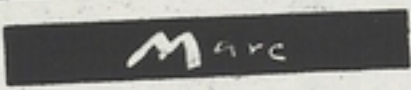
Earlier, Labour's deputy leader, Mr Hattersley, had denounced the Government's criticism of Mr Kinnock.

He said it was a "carefully coordinated attempt to divert public attention" from the humiliation the Government was suffering in Sydney.

Dr David Owen, opening the Commons debate on the security services, also urged Mrs Thatcher not to break the convention of confidential briefings on Privy Councillor terms with Opposition leaders because of Mr Kinnock's actions.

He said the Labour leader's contacts with the defence lawyer were rather bizarre, but

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Surely, minister, we need more spy scandals...9



£700m blow for

Government's attempt to stop publication of the memoirs of the former MI5 officer, Mr Peter Wright.

The letter reflects Lord Rothschild's deep hurt at the re-opening of old rumours about his friendship with Anthony Blunt, unmasked in 1979 by Mrs Thatcher as a Soviet agent.

It is the first public comment by Lord Rothschild, 76, on the allegations against him which surfaced at Westminster last week.

Three Labour MPs, Mr Brian Sedgemore, Mr Dale Campbell-Savours, and Mr Dennis Skinner, tabled a motion calling upon the Prime Minister to state "whether the security services ever carried out an investigation into suspicions which surfaced at the time, and of which Lord Rothschild was aware, that he was a Soviet spy and the fifth man."

**Allegations in Australia**

Lord Rothschild emerged as a key figure in the MI5 spy book case in Australia after being implicated by Mr Wright in the disclosure in the early 1980s of the Hollis affair about Soviet penetration of MI5.

Mr Wright alleged that he had given details of his work to track down Soviet "moles" to the author, Mr Chapman Pincher, on the advice of Lord Rothschild.

Labour MPs then claimed that Lord Rothschild had brought Wright and Pincher together in order to remove lingering suspicions that he was the "fifth man"—the remaining member of a group of Soviet agents recruited at Cambridge in the 1930s.

The Pincher book alleged that Sir Roger Hollis, a former head of MI5, was a Soviet agent.

On the advice of his lawyers, Lord Rothschild is keeping silent about his relationship

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with Mr Wright, which is a key element in the Australian court case.

But he has written the letter "lest it be thought that silence would be an indication of anything other than complete innocence" over the "fifth man" innuendoes which he has suffered since 1980.

Lord Rothschild, who was head of the Downing Street Central Policy Review Staff, the Think Tank, from 1971 to 1974, served with MI5 during the war.

As well as being a close friend of Anthony Blunt, he knew Guy Burgess, who fled to Moscow in the early 1950s with Donald Maclean.

Although questioned by the authorities after Blunt confessed to being a Soviet agent nearly 20 years ago, Lord Rothschild was cleared of any suspicion and went on to be appointed the first head of the Think Tank by Mr Heath in 1971.

**'I never have been a Soviet agent'**

From Lord Rothschild  
CBE, GM, ScD, FRS  
December 3, 1986

Dear Editor and Readers,

Since at least 1980 up to the present time there have been innuendoes in the Press to the effect that I am "the 5th man", in other words a Soviet agent.

The Director General of MI6 should state publicly that it has unequivocal, repeat unequivocal, evidence that I am not, and never have been, a Soviet agent. If the "regulations" prevent him making such a statement which, in the present climate I doubt, let him do so through his legal adviser or through any other recognizably authoritative source.

I am constrained by the Official Secrets Act but I write this letter lest it be thought that silence would be an indication of anything other than complete innocence.

I shall not make any other public statement to the Press until further notice.

Yours truly,  
Rothschild

rity services make no public statement.

Mrs Thatcher has also made clear she will not comment on security matters while the Australian case is in progress. But there are precedents for statements by the Prime Minister on whether or not spy allegations are justified.

In 1979 she revealed that Blunt had been a Soviet agent, and two years later she announced that Sir Roger Hollis had been investigated, but there was no proof that he had worked for the Russians.

The Prime Minister will almost certainly be questioned about Lord Rothschild's appeal at Question Time in the Commons today and she is certain to be urged to bow to his demand for his name to be cleared.

**MP's retraction**

Lord Rothschild's letter was raised in the Commons early today during a second debate on the security service.

It brought an acknowledgment from Mr Brian Sedgemore, Labour MP for Hackney South that Lord Rothschild was probably not the "fifth man or sixth or seventh man or indeed a soviet agent at all."

**goes to a**

By Trevor Fishlock

**T**HE Government was granted today against a court order over confidential documents to the MI5 secrets case in Australia.

The appeal will be heard in New South Wales Supreme Court in Sydney today week. Me case will continue to be heard by New South Wales Supreme Court.

Pending the outcome of the appeal the confidential papers will not be handed over to Mr Malcolm Turnbull, who represents the former MI5 officer, Mr Peter Wright.

**'Smear' attack**

Earlier in the New South Wales Supreme Court, the Government was called upon to put up or shut up over allegations in London that one of the defence team in Australia, Mr Paul Greengrass, is leaking details of secret court sessions.

Mr Turnbull told Mr Justice Powell that allegations that Mr Greengrass, a producer for Granada's World in Action, is leaking confidential material is "a smear to pervert the course of justice...and a grave contempt of court."

He called on the Government either to dissociate itself from the allegations or bring them to court with evidence.

Mr Turnbull said he had been given no indication by the Government or its counsel that the allegations had any basis in fact.

**Commons allegations**

In a statement outside the court, Mr Turnbull said he was concerned about allegations made in the Commons and in some London newspapers that Mr Greengrass had been giving details of in-camera evidence to Mr Kinnock.

He said Mr Greengrass had undertaken to the court and the Government that he would not reveal any information learned in close session to any person other than those entitled to receive it.

Mr Turnbull added that Mr Greengrass had no contact with Mr Kinnock or with any MP.

He said Mr Greengrass "had considerable knowledge of intelligence matters and is helping us during his holidays from Granada television."

**200 blacks pelt Winnie Mandela**

Mrs Winnie Mandela, the South African black nationalist leader, was pelted with rubbish and soft drink cans by 200 angry blacks yesterday as she left the Cape Town trial of a friend Lindi Mangaliso, who was convicted with two hired killers of murdering her businessman husband, Victor.

The demonstration appears to be fuelled by local passion and anger that a black leader of international standing should associate herself with a common criminal.—Reuter.

LORD ROTHSCHILD'S LETTER TO THE DAILY TELEGRAPH OF 4 DECEMBER  
1986

STATEMENT BY THE PRIME MINISTER

I have now considered more fully Lord Rothschild's letter in the Daily Telegraph yesterday, in which he referred to innuendoes that he had been a Soviet agent.

I consider it important to maintain the practice of successive governments of not commenting on security matters. But I am willing to make an exception on the matter raised in Lord Rothschild's letter.

I am advised that we have no evidence that he was ever a Soviet agent.



BT

10 DOWNING STREET

*From the Principal Private Secretary*

5 December 1986

The Prime Minister has asked that I should send you a copy of the statement attached which will be issued shortly from 10 Downing Street.

(N.L. WICKS)

Dick Clements, Esq.

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10 DOWNING STREET

*N.Y.W.*  
Victor Rothschild has written to Daily Telegraph letter for use tomorrow

- (1) stating the D-G of MI5 should state publicly that 'it (MI5) has unequivocal - repeat unequivocal - evidence that (a name) and (name) have been a Soviet Agent;
- (2) saying that if he is prevented from making such a statement he should do so through his legal adviser or any other responsibly authoritative source.

This will become public knowledge at 8pm. Christopher

Callaby advised and  
preparing guidance.

John

3/12