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Part 1 of 2

TOP SECRET

CONFIDENTIAL FILING

Security of the Secret Services

Chapman Pincher's Book 'Their Trade is Treachery and Related Papers including Sir Roger Hollis

The Peter Wright Case

The Joan Miller Book 'One Cold War'

SECURITYPT1: May 1979PT7: April 1987

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PREM 19/2506

PART Seven ends:-

Attorney General Office to
C Mallaby 30.6.87

PART Eight begins:-

NLW to Home Office
2.7.87

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~~CONFIDENTIAL~~ 01-936-6494

Communications on this subject should
be addressed to
THE LEGAL SECRETARY
ATTORNEY GENERAL'S CHAMBERS

ATTORNEY GENERAL'S CHAMBERS,
LAW OFFICERS' DEPARTMENT,
ROYAL COURTS OF JUSTICE,
LONDON, W.C.2.

pa

30 June 1987

C L G Mallaby Esq CMG
Cabinet Office
Whitehall
LONDON S W 1

Dear Christopher,

PETER WRIGHT CASE : LIKELY PUBLICATION IN NORTH AMERICA

attached — I am writing to confirm what I said to Bruce Dinwiddy earlier today, namely that the Attorney General agrees that a letter should go to Lord Blakenham as proposed in OD(DIS)(87)45 but has one comment on the drafting. He sees no need, in a letter which is seeking only a simple undertaking, for the second sentence in the second paragraph, and he would wish it to be omitted.

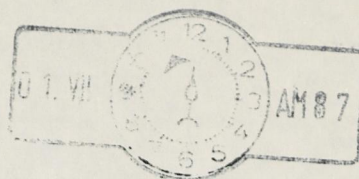
I am copying this to the Private Secretaries of the members of OD(DIS) and of the Lord Advocate and to Sir John Bailey.

Yours ever,

Anthony

A M C INGLESE

CONFIDENTIAL



CONFIDENTIAL



Pre Minute
Content with
the line to take
attached?

PRIME MINISTER

N.C.V

25.6

PETER WRIGHT CASE

Yes
mr
CCBI

I chaired a meeting of OD(DIS) on 23 June to discuss officials' recommendations in OD(DIS)(87)43 about the line which the Government should take in public when Wright's book is published in the United States.

2. We began by discussing the implications of the book's publication in the United States. The Attorney General's view is that his case for contempt against "The Independent" and two other newspapers, of which the hearings in the Court of Appeal began on 22 June, would not be affected by publication in America. If we lost that case in the Court of Appeal, the Attorney General would seek leave to appeal to the House of Lords. The application by the "Observer" and the "Guardian" for the lifting of our injunction against them would be heard after the current proceedings regarding "The Independent" in the Court of Appeal. If the Attorney General lost "The Independent" case in the Court of Appeal, the "Observer" and the "Guardian" might be successful in getting our injunction against them lifted, and this would be more likely if Wright's book had by then been published in the United States. As regards the case in Australia, publication of Wright's book in the United States would have no bearing on the principle of Wright's duty of confidentiality which we are seeking to uphold, but "seepage" of material from the book, as a result of publication in the United States, could affect our chances in Australia, as in the United Kingdom, of obtaining a permanent injunction against publication there.

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3. OD(DIS) thought that, if seepage of material in Wright's book from the United States into the United Kingdom and Australia greatly reduced our chances of obtaining permanent injunctions in those countries, we might choose at some stage to adjust our objectives by seeking a declaration of right as to the duty of confidentiality and also an account of profits, while desisting from the attempt to obtain permanent injunctions. The timing of such a move would need careful consideration.

4. We would also need to decide, in the light of circumstances at the time, how to react to any move by Heinemann in this country to publish Wright's book here in the wake of publication in the United States. Heinemann (UK) have undertaken to give us 14 days' notice of any such move. Following publication in the United States, it would be for consideration whether the Government should go for injunctions to restrain distribution in this country of the United States edition. That, too, would need to be considered in the light of the circumstances. The case for such action would be reduced if copies of the book were likely anyway to reach this country in significant numbers. One possibility, for instance, might be that copies would be mailed from the United States to all Members of Parliament. These matters would need to be decided in the light, inter alia, of the need to maintain our position in the cases in the United Kingdom and Australia. OD(DIS) agreed that officials would examine the likely means of seepage into this country of material from Wright's book, once it is published in the United States, and the matters which Ministers would consequently need to decide.

5. Against this background, OD(DIS) agreed that we should say nothing in public, following the publication of Wright's book in the United States, which would prejudice our prospects in the United Kingdom and Australian cases. I attach an amended version of the lines to take, which reflects the views of OD(DIS). The "General" section (now paragraphs 1 and 2) has been expanded, to explain more fully

the nature and importance of Wright's duty of confidentiality. The section about "Comment on Wright's allegations" has been amended in line with your Private Secretary's letter of 18 June. As regards the section on the Government's technical admission about the contents of Wright's book, OD(DIS) felt that it would be necessary for the Government to be willing to knock on the head suggestions that the Government had declared the book to be true; but the relevant passage (paragraph 4) has been altered to give this point less prominence. In the section about an inquiry into Wright's allegations (paragraph 5), OD(DIS) thought that the passage about your confidence in the Security Service should closely reflect your reply to the Leader of the Opposition in the House of 6 May; and that the Government must be ready to give an answer to direct calls for an inquiry in terms also reflecting your answer on 6 May. OD(DIS) agreed that it would be preferable, as far as possible, to avoid at this stage answering questions about possible reference of Wright's book to the Director of Public Prosecutions, but that the last two answers in the draft line to take, which have not been amended, should be used if necessary. *Agreed MS.*

6. OD(DIS) also discussed briefly the view of officials in OD(DIS)(87)44 that no legal action should be taken in Canada aimed at preventing publication of Wright's book in that country. Like you (your Private Secretary's letter of 23 June), OD(DIS) endorsed the recommendation of officials.

7. I am sending copies of this minute and its attachment to the other members of OD(DIS) and to Sir Robert Armstrong and Mr Mallaby in the Cabinet Office.

Doyler Hurd.

June 1987

CONFIDENTIAL

Peter Wright Case:
Public Line after the book is published in
the United States

General

1. The Government was advised that under the law of the United States legal action to restrain publication of the book there would not succeed.

2. In the legal proceedings in the United Kingdom and Australia the Government is seeking to uphold the principle that Wright, as a former member of the Security Service, owes a lifelong duty of confidentiality to the Crown. This principle is essential to the effectiveness of the Security Service. It is in no way affected by the publication of Wright's book in the United States. We shall continue to uphold it in the cases in this country and in Australia.

Comment on Wright's allegations?

3. The Prime Minister has made statements on certain matters concerning security, for example her statement about Sir Roger Hollis in 1981 (Official Report 26 March 1981, Col. 1079) and her Parliamentary reply on 6 May 1987 on allegations about the Security

Service in relation to the Government of Lord Wilson between 1974 and 1976 (Official Report, Col. 725). The Government is not otherwise prepared to comment on the welter of recent allegations and innuendo about the Security Service.

The Government has already admitted that the contents of the book are true?

4. Our central principle in the Wright case is that Wright owes a lifelong duty of confidentiality to the Crown. In upholding this principle in the proceedings in Australia, we did not need to enter into questions about whether allegations by Wright were true or false. Our technical admission [that the contents of the book could be regarded as true for the purposes of the proceedings] was made for the limited procedural purpose of excluding questions concerning the book's contents from the proceedings.

Need for an inquiry?

5. The Prime Minister has full confidence in the Security Service's strict adherence to the directive under which it carries out its duties, and in its skill and loyalty in carrying out the tasks which it is called upon to undertake in the defence of our security and freedom. There are no grounds for instituting a special inquiry.

Reference to the Director of Public Prosecutions?

6. So long as the case in Australia continues, it would be inappropriate to comment.

Can you confirm that an application to refer to the Director of Public Prosecutions was made in the Australian proceedings?

7. It would not be proper for the Government to comment on what may or may not have been said in the proceedings in closed session in Australia.

OUT TELEGRAM

Line, Private Office
ma

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TC	2 CONFIDENTIAL		
CAVEAT	3		
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TO	5 TO PRIORITY CANBERRA		
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OF	7 OF 301200Z JUNE 87		
AND TO	8		
	9		
	10 YOUR TELNO 418: PETER WRIGHT CASE		
	11		
	12 1. You will be receiving shortly a copy of a letter to HMA		
	13 Washington setting out the background to the expected publication		
	14 of Peter Wright's book in the US. In brief we expect the book		
	15 to be published by Viking Penguin some time in July or, possibly,		
	16 early August (there have been a variety of reports). We		
	17 understand that Stoddart Publishing Co are also planning to		
	18 publish in Canada, but possibly not until the outcome of the		
	19 case in Australia is known. Our legal advice has been that		
	20 legal action to prevent publication in the US would fail and		
	21 also that we could not stop the book in Canada once it has been		
	22 published in the US. The Government has therefore decided not		
	23 to take legal action in either country.		
	24 2. We are not totally surprised by Griffith's views.* He has		
	25 tended to take a pessimistic view of our chances for some time.		
	26 The view of Simos Caldwell and our legal advisers here is		
	27 that publication in the US would certainly reduce our chances		
	28 of obtaining a permanent injunction in Australia restraining		
	29 publication of the books. (It may be this that Griffiths has		
	30		
	* what was that publication in the US would make it "inevitable" that the Australian Court of Appeal would		
File number	Dept PUSD	Drafted by (Block capitals) C C R BATTISCOMBE	Telephone no 2328
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OUT TELEGRAM (CONT)

	Classification CONFIDENTIAL	Caveat	Precedence PRIORITY
1	<p>in mind). They consider however that we would still retain a reasonable chance of maintaining in the appeal proceedings in Sydney the principle that Wright, as a former member of the Security Service owes a lifelong duty of confidentiality to the Crown. This would leave the way open for further proceedings against Wright for an account of profits to prevent him profiting financially from the book's publication. We consider it very important to continue to do our utmost to obtain these aims in order to deter others from following in Wright's footsteps.</p> <p>3. The above is essentially for your own information. It would not be appropriate for you to get into a detailed discussion with Griffith of our prospects in the case, and we would not wish you to expose to him any more of our thinking than you need. Nevertheless, we feel bound to ask for some elucidation of his very negative views. Grateful therefore if you would ask him whether he was speaking only of our prospects of obtaining a permanent injunction, or about the case as a whole. If necessary, you could explain to him that we see no reason why publication in the United States should affect the prospects of obtaining a ruling on the principle of law upholding Wright's duty of confidentiality or (in due course) an account of profits.</p> <p>HOWE</p> <p>YYYY</p> <p>PETER WRIGHT CASE</p> <p>LIMITED</p> <p>DEP HD/PUSD</p> <p>MR LITTLEFIELD, PUSD</p> <p>PUSD(E206)</p> <p>HD/PUSD</p> <p>HD/SPD</p>		
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10 DOWNING STREET

Pme Nainter

You did not

Sign off on this.

Are you content
with the line to
take?

N. C. W.

29.6

CONFIDENTIAL



10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

LPO
FCO
HO
MoD
AH Gen

SHAKI

SIR ROBERT ARMSTRONG

C Folder

PETER WRIGHT CASE: LIKELY PUBLICATION IN NORTH AMERICA
(OD(DIS)(87)45)

The Prime Minister has seen this OD(DIS) paper which covers a note by officials seeking decisions by ministers in terms of a further letter from the Treasury Solicitor to Lord Blakenham and on whether the Treasury Solicitor should write again to Viking Penguin Inc.

The Prime Minister agrees with officials that the Treasury Solicitor should write again to Lord Blakenham on the lines of the draft attached to the OD(DIS) paper, but that he should not pursue further the correspondence with Viking Penguin Inc.

I am sending a copy of this minute to the Private Secretaries to Members of OD(DIS) and Mr. Mallaby.

N. L. WICKS

29 June 1987

CONFIDENTIAL

LB

GRS 152

CONFIDENTIAL

CONFIDENTIAL

FM CANBERRA

TO PRIORITY FCO

TELNO 418

OF 260510Z JUNE 87

PETER WRIGHT CASE

1. THERE HAVE BEEN REPORTS IN THE NEWSPAPERS HERE THAT AN AMERICAN PUBLISHING COMPANY HAS DECIDED TO PUBLISH THE WRIGHT BOOK AT THE END OF JULY; AND THAT THE LEGAL ADVICE TO THE GOVERNMENT IN LONDON HAS BEEN THAT A CIVIL ACTION TO TRY TO STOP PUBLICATION IN THE UNITED STATES WOULD BE UNLIKELY TO SUCCEED. I ASKED THE SOLICITOR-GENERAL, GAVAN GRIFFITH, TODAY HOW HE THOUGHT THIS WOULD AFFECT THE HEARING IN THE NEW SOUTH WALES COURT OF APPEAL, WHICH IS ALSO DUE TO TAKE PLACE AT THE END OF JULY. HE SAID HE THOUGHT THAT IF PUBLICATION WENT AHEAD IN THE UNITED STATES IT WAS INCONCEIVABLE THAT THE COURT OF APPEAL WOULD OVERTURN JUSTICE POWELL'S JUDGEMENT.

2. YOU MAY ALREADY HAVE HAD SIMILAR ADVICE FROM OUR OWN LEGAL ADVISERS BUT I THOUGHT IT WORTH MENTIONING IN ANY CASE. I SHOULD BE INTERESTED TO HEAR WHAT YOUR REACTIONS ARE.

LEAHY

CEHPAN 1784

PETER WRIGHT CASE

LIMITED

DEP HD/PUSD

MR MURRAY, PUSD

PUSD (E 206)

HD/PUSD

HD/SPD

HD/NEWS DEPT

HD/INFO DEPT

PS

PS/PUS

MR BOYD

MR McLAREN

MR DARWIN, LEGAL ADVISERS

MR GILLMORE

COPIES TO:

PS/SIR R ARMSTRONG)

SIR C FIGURES) CABINET OFFICE

MR MALLABY)

MR B H DINWIDDY)

MR J. BAILEY, TREASURY SOLICITORS

MR SAUNDERS) LAW OFFICERS

MR INGLESE) DEPT

PS/HOME SECRETARY

SIR B CUBBON, PERM.SEC, HOME OFFICE

MR PARTRIDGE)

MR NURSAW) HOME OFFICE

MR MOWER)

LEGAL ADVISERS, SEC. SERVICES) VIA

DIRECTOR GENERAL, SEC. SERVC) PUSD E203

MR WICKS, 10 DOWNING ST.

PRESS OFFICE, 10 DOWNING ST.

CONFIDENTIAL



DL 2 ACB
file

10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

PETER WRIGHT: (a) POSSIBLE PUBLICATION OF THE BOOK IN CANADA
AND (b) IMPLICATIONS FOR THE AUSTRALIAN CASE OF PUBLICATION IN
NORTH AMERICA (OD(DIS)(87)44)

The Prime Minister has seen this note by the Secretaries on
possible publication of the Wright manuscript in Canada.

Subject to the views of other Ministers, the Prime Minister
agrees with the recommendation of officials that no legal
actions should be taken in Canada aimed at preventing the
publication of Wright's book in that country.

I am sending copies of this minute to the Private Secretaries
to members of OD(DIS), the Lord Advocate and to Mr Mallaby.

N L WICKS
23 June 1987

CONFIDENTIAL

ls

CONFIDENTIAL

01-936-6494

communications on this subject should
be addressed to
THE LEGAL SECRETARY
ATTORNEY GENERAL'S CHAMBERS

na .
ATTORNEY GENERAL'S CHAMBERS,
LAW OFFICERS' DEPARTMENT,
ROYAL COURTS OF JUSTICE,
LONDON, W.C.2.

19 June 1987

Nigel Wicks Esq CBE
Principal Private Secretary
Prime Minister's Office
10 Downing Street
LONDON S W 1

Prime Minister²
You need not
read the attachment.
X is the important point.

N. L. W
23.6

Dear Nigel,

PETER WRIGHT CASE : LIKELY PUBLICATION OF THE BOOK IN THE
UNITED STATES

x/ In your letter of 21 May you said that the Prime Minister would wish to know
that our US Counsel, Anthony Lapham, had confirmed his advice given orally to
the Treasury Solicitor that we have no hope of obtaining an injunction in the US
courts to prevent publication of the Wright book there.

Mr Lapham has now confirmed his advice, and I attach a copy of the heavy but
certainly comprehensive fax which he has sent.

I am copying this to the Private Secretaries of the members of OD(DIS) and of
the Lord Advocate and to Trevor Woolley.

Yours sincerely,
Anthony Inglese

A M C INGLESE

CONFIDENTIAL

SHEA & GARDNER
1800 MASSACHUSETTS AVENUE, N. W.
WASHINGTON, D. C. 20036

To: *DA Hagg*

From: *Anthony Lapham*

Date: *6.10.87*

Pages (including cover): *8*

This transmission is via a Xerox 7010 Automatic

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A & GARDNER

June 10, 1987

TO: D. A. Hogg, Assistant Treasury Solicitor
FROM: Anthony A. Lapham
RE: Your inquiries of May 20

Your first fax transmission of May 20 asked (1) for comment on the legal views expressed in an excerpt from an article that appeared in the New York Post on May 13, 1987, and (2) for confirmation that a note prepared by John Bailey, following our several telephone conversations, accurately and completely reflects the legal advice that I gave in those conversations, and if not then for any corrections or additions. Your second fax transmission of May 20 asked for comment on the question whether, in any action brought in the United States by HMG against Viking Penguin, Inc. (presumably this refers to an action seeking to restrain publication of the Peter Wright book, although the reference might be to an action that would follow publication of the book), HMG could stand simply on the principle that former Security Service employees are bound by an obligation not to publish any writings about that employment or whether on the contrary it would be necessary to offer evidence showing that particular passages in the book disclosed information actually damaging to British security interests.

The New York Post article

My overall comment on the legal views expressed in the excerpted New York Post article of May 13 is that those views don't make much sense.

In the first place, were HMG to commence an action seeking to restrain the publication of Peter Wright's book by Viking Penguin, Inc., that

- 2 -

action certainly would not be seen by any U.S. court as a "test of the Supreme Court's 1980 ruling" in the case involving Frank Snepp. Rather, in my judgment, the differences between such an action and the Snepp case would be seen as far more significant than any similarities, those key differences being: (1) the action would be directed not against the author but instead against a publisher, a critical distinction given that the Snepp ruling was premised fundamentally on the Supreme Court's acceptance of the idea that Snepp had violated an obligation of trust that he had assumed upon becoming a CIA employee, which is a theory that was not available as against Snepp's publisher (the publishing company was not sued in the Snepp case) and would not be available in an action against Viking Penguin, Inc.; (2) the trust obligation found to have been violated by Snepp was to submit any manuscript to the CIA for review and clearance prior to putting it into the hands to a publisher, so as to afford the CIA an opportunity to delete any information meeting established classification criteria (which is the only kind of information subject to objection in the CIA pre-publication clearance process, with the author then left free to publish the remainder), whereas the HMG position, as I understand, is that Peter Wright has a much more sweeping obligation, namely never to publish anything at all concerning his Security Service employment; I very much doubt that the CIA could ever persuade any U.S. court to recognize any such sweeping obligation, and therefore -- no insult intended -- there is even less chance that HMG could accomplish this feat; (3) Snepp's obligation was reflected and made definite by a written secrecy agreement that he signed as a condition of his CIA employment; that circumstance mattered in the litigation of the Snepp case because the written

- 3 -

agreement proved the existence and terms if not the legal validity of the obligation, and made clear that Snepp had knowingly and willingly undertaken the obligation at the outset of his service; it is a wide open question, not yet considered or resolved in any U.S. court action, whether a secrecy obligation of the kind expressly undertaken by Snepp -- namely, to submit manuscripts for security review and clearance prior to publication -- could or would be implied in the absence of a written agreement; as I understand, your Security Service personnel, Peter Wright included, are not required to sign written secrecy agreements, and you would therefore be relying on the existence of an implied obligation; my point here is not that no such obligation exists, but only that in seeking to establish its existence you would be asking a U.S. court to step considerably beyond the Snepp ruling and break new legal ground; (4) Snepp managed to get his manuscript into print surreptitiously and without prior notice to the CIA, so that the suit against him was a post-publication action that avoided many of the problems traditionally associated with legal efforts to restrain publication before it occurs; more on this below; and (5) while the CIA obviously had ready access to the courts to press its claim against Snepp, I cannot recall any instance in which any foreign government, no matter how closely allied with the U.S., has sought to protect its security interests by means of an action in a U.S. court, or conversely in which the U.S. has sought to protect its security interests through a foreign court; there must surely be some novel questions here, having to do with jurisdiction, whether a claim can be stated of which a U.S. court would take cognizance, and so forth, but I have not attempted to sort through these questions.

- 4 -

The excerpted New York Post article of May 13 also suggests that Viking's lawyers, in defense of an action by HMG to restrain publication of Peter Wright's book, were such an action to be brought, would argue that "a contract requiring someone to conceal a crime -- Wright cites such felonies as an attempt to kill Egypt's President Nasser -- isn't enforceable."

It of course is possible that Viking's lawyers might raise this defense. However, among other things that could be said about such a defense, an obligation to maintain secrecy with respect to intelligence activities would not mean much if it could be set aside by former intelligence officers on the basis of their conclusion that the activities in question were criminal. At the same time, you probably should not discount the potential of this defense as a platform from which to paint HMG in the worst possible light.

In the grand scheme of things, this possible defense could only be regarded as having minor importance in comparison with the First Amendment defense with which any action by HMG to restrain publication of Peter Wright's book by Viking is certain to be confronted. The reference here is to the First Amendment of the U.S. Constitution, which forbids the enactment of any law abridging the freedom of the press and has consistently been construed to apply to judicial orders as well as to laws enacted by Congress. As I explained to Mr. Bailey, to my knowledge this First Amendment prohibition has been overcome by the U.S. government only once in relation to the publication of national security information, in a case involving the intended publication by a magazine of an article disclosing H-bomb design information. From a precedent standpoint, the decision in that single case, U.S. v. The

- 5 -

Progressive, Inc., 467 F. Supp. 990 (W.D. Wis. 1979), would do little or nothing to bolster the position of HMG in an action to restrain Viking, both because the decision represents the view of a single trial-level federal judge (an appeal was taken but was dismissed before any appellate opinion was ever issued), and also because the nature of the information the USC was seeking to protect -- H-bomb design concepts -- puts that case in a rather special and exceptional category. Without meaning in any way to minimize your present concerns, the broad principle HMB is seeking to vindicate could not hope to be accorded a status equivalent to H-bomb design information, and as noted above the same would be true if that principle were to be advocated by CIA or another U.S. security agency.

The more relevant precedent is the decision in New York Times Co. v. U.S., 403 U.S. 713 (1971), in which the Supreme Court rejected the USG's attempt to enjoin the continuing publication, by the New York Times and the Washington Post, of the so-called Pentagon Papers, a classified study formally entitled "History of U.S. Decision-Making Process on Viet Nam Policy." The decision in that case, which is the landmark in the field and the Supreme Court's last pronouncement on the subject of prior restraint in the context of national security information, was reached in the face of highly credible evidence that the continuing publication of the Pentagon Papers, which the USG sought to enjoin, would do serious damage to U.S. security interests. The one common opinion in that case (in which six of the nine Supreme Court justices joined) and the several separate concurring opinions, whatever the differences between them, make it unmistakable that, at a minimum, any system of ^{prior restraint bears} prior restraint bears a heavy presumption against its

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constitutional validity and could be justified only in extraordinary circumstances. You already know my view that HMC would fall well short in any effort to surmount this presumption, as indeed the USG would fall short were it to litigate the same issues on behalf of its own security interests.

It is a bit of an exaggeration, but not much, to say that the First Amendment argument against you would have behind it 200 years of American history, dating all the way back to the time when the colonies broke away from the dominion of some tyrannical foreign power, the name of which escapes memory.

Mr. Bailey's note

The conversations reflected in Mr. Bailey's note had mainly to do with a possible action against the Washington Post, as opposed to Viking, but that fact does not alter the legal analysis, and the note is essentially accurate. With reference to paragraph 2 of the note, the point should also be made that a breach by others of their undertakings to the Australian court, even if such a breach could be proved and even if the Washington Post's possession of the manuscript is a product of that breach, would not facilitate an injunction, any more than the security breach in the Pentagon Papers case supported injunctive relief against the Washington Post in that setting. For the rest, I would ask simply that the note be read in conjunction with this memorandum.

The question regarding evidence

Your second May 20 fax transmission asked whether, in an HMC action against Viking, you would be required to submit evidence "to show that the contents of the manuscript were harmful to British Security." My answer

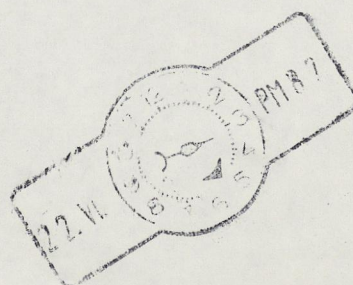
- 7 -

is that such evidence in all likelihood would be required, and that it almost certainly would be insufficient. In addition, as I'm sure you realize, evidence of this kind is often more painful to produce, and more damaging, than the information you are seeking to protect, so that weight must always be given to the very large risk that through the litigation process (including pre-trial discovery demands) the injury that is sought to be avoided will instead be compounded.

SECURITY

WRIGHT

PT 7



SUBJECT
CC MASTER

SECRET



File CCB/114
mm

10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

18 June 1987

CONTROL AND OVERSIGHT OF THE SECURITY SERVICES

As you know, the Prime Minister wished to discuss with the Heads of the three Agencies the matters in Sir Robert Armstrong's minute of 3 April about possible changes in the control and oversight of the Security Services.

The Prime Minister has now had a discussion with the heads of the agencies. Her preliminary view on the six recommendations in paragraph 32 of the note attached to Sir Robert's minute is as follows:

- (i) Yes, officials should examine the possible form and content of legislation to put the Security Services on to a statutory basis;
- (ii) She agrees that we should not pursue further possible forms of external oversight of the Security Services;
- (iii) The decision to appoint staff counsellors for all the security and intelligence services should be confirmed and implemented. The Prime Minister's view is that, at least to begin with, there should be one Counsellor for the three Services;
- (iv) There is no need for officials to prepare detailed proposals for establishing a Security Service Counsellor;
- (v) Officials should continue to work on the preparation of a revised and updated directive for the Director General of the Security Services, though the Prime Minister is not yet convinced that it would be right to establish a new directive;
- (vi) Further consideration should be given to the implications for GCHQ and SIS of changes proposed for the Security Services;

SECRET

Before final decisions are made, the Prime Minister wishes to discuss the paper attached to Sir Robert's minute with your Secretary of State, the Home Secretary and the Lord President. We will arrange a meeting as soon as possible for that purpose.

I am sending a copy of this letter to Mike Eland (Lord President's Office), Philip Mawer (Home Office) and to Trevor Woolley (Cabinet Office).

N. L. WICKS

A. C. Galsworthy, Esq., CMG.



10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

18 June 1987

Dee Philip

PETER WRIGHT CASE: OD(DIS)(87)43

The Prime Minister has seen this note by the Secretaries about the Government's public line for when Wright's book is published in the United States.

The Prime Minister believes that our general stance should be that while making a robust defence of the Government's position, we should say nothing in public which would prejudice the prospects of our winning the Australian case, even though this might mean that we have to take a less robust public line on some of Wright's allegations. With that in mind she has made the following comments on the paper:

- (i) With reference to the question in paragraph 6a of the paper she does not think we should add to paragraph 2 of the draft some disparaging remarks about Wright's motives and his reliability as an author. Subject to the Attorney General's view she sees some advantage in the suggestion to replace the final sentence of paragraph 2 of the draft by the sentence:

"The Government is not otherwise prepared to comment on the welter of recent allegations and innuendo about the Security Service."

- (ii) The Prime Minister believes that the draft line to take annexed to the paper should be improved by various deletions of sentences which are unnecessary. With that in mind she suggests that the first sentence of paragraph 3 and the first sentence of paragraph 4 should not be used.

The Prime Minister would be grateful if the Home Secretary could report to her the outcome of the OD(DIS) discussion.

I am sending a copy of this letter to Michael Saunders in the Law Officers Department and to Sir Robert Armstrong and Mr. Mallaby in the Cabinet Office.

*Ls only
Nigel Wicks*

(N. L. WICKS)

Philip Mawer, Esq.
Home Office.



10 DOWNING STREET

Prime Minister

The reason we have
this discussion
tomorrow is that
So Anthony Duff is
soon off on holiday and
will not return until
well into July.

N. L. W.

17.6

CONFIDENTIAL

PRIME MINISTER

PETER WRIGHT CASE: OD(DIS)(87)43

The paper below is to be discussed by OD(DIS) under the Home Secretary's chairmanship. I will ask that the outcome of the meeting is reported to you.

There are two broad lines of thought among officials on the Government's public line if Wright's book is published in the United States.

1. We should say nothing in public which would prejudice the prospects of our winning the Australian case; even though this might mean that we would take a less robust public line on some of Wright's allegations; ✓

or

2. We should take a robust public line rubbishing Wright's allegations; even though this might weaken our legal position in the Australian and other cases. ✕

The draft line to take attached to the paper reflects 1. above. I am sure this is right✓. We should continue to fight the legal cases until we have won or our legal advice is that our position is hopeless. We should not therefore say anything which prejudices our legal case. This might inhibit our taking a robust public line, but so be it.

You may want to indicate to the Home Secretary before the OD(DIS) meeting whether you are generally content with the public line suggested in the attachment to the OD(DIS) paper. Have you any views on the two points raised in paragraph 6 of the paper: namely, should we rubbish Wright's book, even though this would weaken our position in the Australian case? I suggest that the formulation at X in paragraph 6(a) might do

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the trick without causing legal difficulty, though the Attorney General's views are essential here. Have you any views on the issue raised in paragraph 6(a) on whether the Government should be ready to give a definite negative answer to questions about references to the DPP?

Julie Bowers
Duty Clerk

PP NLW

17 June, 1987.

I have made
various deletions
of material which are
unnecessary and which
in my view are better
left out - because they
are not wholly accurate
or may prejudice something
we want to keep open.
Also other comments
me

CONFIDENTIAL

MS2BBV



10 DOWNING STREET
LONDON SW1A 2AA

B/FNLW

15 Sept.

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

CONTROL AND OVERSIGHT OF THE SECURITY AND INTELLIGENCE
SERVICES

I have shown the Prime Minister your minute of 26 May about Sir James Callaghan's suggestion that he should have a meeting with the Prime Minister to discuss the targeting, structure and oversight of the Security Services.

The Prime Minister agreed with the approach suggested in your letter but thought that rather than her write to Sir James Callaghan, I should speak to him on the lines of the draft attached to your minute.

I did so today and told Sir James the Prime Minister would be ready to have a discussion with him, on Privy Counsellor terms, some time in the autumn. Sir James was content, and said that in the meantime he would talk to Lord Hunt and others. He readily accepted that Lord Hunt should not come to the meeting.

N.L. Wicks

16 June 1987

CONFIDENTIAL



CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01-233

15 June

Nigel

Al I was going to say on the telephone was that the line to take when PW's book is published in the USA will be submitted to OS (DIS) tomorrow. In a minute of 21 May you envisaged discussion of it after the election, but that may not be necessary, depending on reactions to our draft

Christopher

CONFIDENTIAL



10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

MR DINWIDDY
Cabinet Office

PETER WRIGHT CASE: LIKELY PUBLICATION OF THE BOOK IN THE UNITED STATES (OD(DIS)(87)42)

The Prime Minister has seen this paper, to which there was attached a note by officials seeking certain decisions on a number of points connected with the prospective publication of Wright's book in the United States.

The Prime Minister agrees with the recommendations of officials in paragraph 9 of their note provided that the Attorney General has himself approved the terms of the letters. If not, she would like him to make suitable amendments.

I am sending a copy of this minute to the Private Secretaries to members of OD(DIS), the Lord Advocate and to Sir Robert Armstrong.

N. L. WICKS
8 June 1987

CONFIDENTIAL

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✓

CONFIDENTIALHOME OFFICE
QUEEN ANNE'S GATE LONDON SW1H 9AT

8 June 1987

*pa**Dear Anthony,*"ONE GIRL'S WAR"*WITH NEW?*

The Home Secretary has now seen the Attorney General's minute of 4 June about the action to be taken against bookshops in Britain found selling this book.

The Home Secretary agrees with the Attorney's proposed approach to this problem, but believes that the action proposed should not extend beyond bookshops which have sold a copy of the book or have a copy for sale. Other bookshops may well tell enquirers that they would try to obtain a copy from the publishers, but the Home Secretary sees no need for action where no more has been done than that.

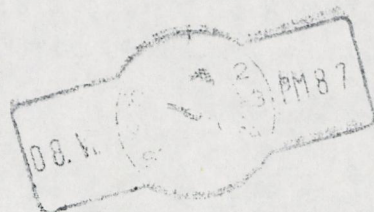
I am copying this letter to the Private Secretaries to the Prime Minister, other members of OD(DIS), the Lord Advocate and Sir Robert Armstrong.

Yours sincerely,
P J C Mawer

P J C MAWER

Anthony Inglese, Esq.,

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10 DOWNING STREET

LONDON SW1A 2AA

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From the Principal Private Secretary

8 June 1987

ONE GIRL'S WAR

The Prime Minister has seen the Attorney General's minute of 4 June to the Home Secretary about the report that this book by John Miller is freely available at book shops all over Britain. She agrees that we should now seek an undertaking from any firm whose book shops are found selling the book that they will withdraw it from sale. She recognises that if we do not receive an undertaking, there may be little alternative to seeking an injunction in due course.

I am sending a copy of this letter to the Private Secretaries to members of OD(DIS), the Lord Advocate and to Sir Robert Armstrong.

N. L. WICKS

Michael Saunders, Esq.
Law Officers' Department

CONFIDENTIAL

✓

CONFIDENTIAL

Prime Minister



HOME SECRETARY

ONE GIRL'S WAR

You will be aware of the report in the Sunday Times of 31 May that copies of the above book by Joan Miller are "freely available at bookshops all over Britain", despite the injunctions obtained here last year (and the interdict in Scotland) preventing its distribution and sale. It appears that these bookshops are being supplied with copies of the book by post from the publishers in the Republic of Ireland.

Do you agree that the A.G. should seek an undertaking from bookshops selling the book that they will withdraw it from sale, bearing in mind that if they refused it would probably be necessary to go for an injunction?
N.C.V.
5.6

The Treasury Solicitor has commenced enquiries through his agents in the various places in England and Wales mentioned in the Sunday Times' article as having a bookshop selling the book, and I understand that similar enquiries are taking place in Scotland. In one particular case, where a Croydon bookshop on being approached by a representative from the Treasury Solicitor said that it was not permitted to sell, and did not sell, the book (despite the fact that it was reported to have been "displaying the Miller book prominently"), the shop has been requested to confirm the position by giving a formal assurance to that effect.

We need now to consider our reaction if the result of the enquiries is that the book is on sale in several bookshops in Britain. I deal below with the question of action in England and Wales and, with the Lord Advocate's approval, in Scotland.

The Sunday Times' article has put Government in an embarrassing position. It makes us look ineffectual. However successful we are in reacting to this article we are always liable to be embarrassed by further allegations naming different places in Britain where the book can be obtained. Despite the difficulties of taking effective action, however, I believe that the overriding requirement on us is to demonstrate in the Australian proceedings and elsewhere that we have a consistent approach to upholding the duty of confidentiality. If we take no action here, we will find it impossible to rebut charges of inconsistency.

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I believe, therefore, that we have little alternative but to seek an undertaking from any firm whose bookshops are found selling the book that they will withdraw it from sale.

I would therefore ask colleagues for authority for action to be taken as in the previous paragraph should it prove necessary.

I do warn colleagues, however, that, if we do not receive an undertaking where we have asked for one, there may be little alternative to seeking an injunction (or in Scotland an interdict) in due course.

I should add that had my arguments in the contempt proceedings against the Independent newspaper prevailed none of this would be necessary: any shop which was selling the book would be in contempt of court, even though it was not named in the injunction, and could be duly warned to withdraw the book or face contempt proceedings. The appeal in the Independent case will not, however, be heard until 22 June and the judgment not available until some time after that. It is unlikely that we will be able to refrain from taking action against bookshops selling One Girl's War until then.

I am copying this to the Prime Minister, the other members of OD(DIS), the Lord Advocate and to Sir Robert Armstrong.

M.H.

4 June 1987

CONFIDENTIAL

dictated to Debbie 1.45 pm 2/6
SH
MRS AILES

Please could you draw this to the Prime Minister's attention at a convenient moment.

"The Attorney General lost his case today in the High Court for criminal contempt proceedings against three newspapers (The Independent, the London Daily News and London Evening Standard) for publishing extracts from the Wright book.

The Attorney is seeking leave to appeal. His application may be heard this afternoon, or tomorrow.

Since the action is for criminal contempt, this is a matter entirely for the Attorney."

(N. L. WICKS)

2 June 1987

PRIME MINISTERCONTROL AND OVERSIGHT OF THE SECURITY AND INTELLIGENCE SERVICES

Two comments on Robert Armstrong's minute below:

- i) Robert is surely right that the essence of the matter is trust: not only between the Heads of the Agencies and Ministers and Ministers and Parliament, but also between Ministers and the Agencies on the one hand and the public at large on the other. So far as I can see, there is no general public disquiet about the role, control and oversight of the Security and Intelligence Services; it certainly does not show up in your correspondence from the public. Any disquiet there is is stirred up by a few MPs and unscrupulous journalists.
- ii) This suggests that we should not move from the essentials of the present arrangements for control and oversight without very compelling reason. I agree with Robert that the early introduction of Staff Counsellors should go ahead. If more was needed - and we would only know that after the system of Staff Counsellors had been given a fair trial - the experience of the last year does not suggest the Committee of Privy Counsellors route is the right one. But that is not a decision that needs to be taken in the near future; the Staff Counsellors need to be given a fair run.

The next step is for you to discuss with the heads of the Agencies. As you wished, the note by officials on Control and Oversight of the Security Services. We are arranging an early meeting.

N.L.U.

N.L. WICKS

27 May 1987

BM2BFH

Pme Private

Ref. A087/1476

MR WICKS

Control and Oversight of the Security and Intelligence Services

N.L.W. 27.5

Sir James Callaghan has told you that he would like to have a meeting with the Prime Minister to discuss the targetting, structure and oversight of the Security Services. He has said that he has been discussing these issues with Lord Trend, Lord Allen of Abbeydale, Lord Hunt of Tanworth and Sir Michael Palliser, and would like to bring them to the meeting.

2. Sir James Callaghan reverted to the question of control and oversight of the Security Service in the statement which he issued on 6 May, and in his supplementary question to the Prime Minister later that day, when she answered a Private Notice Question by Mr Kinnock.

3. I have had some discussion with Lord Trend and Lord Hunt on these matters. It is clear that Sir James Callaghan has had some very preliminary discussion with each of them, but none with the four together, and none that has led to any kind of general agreement on a line to be followed. Lord Trend and Lord Hunt were extremely surprised to hear that Sir James Callaghan would like to bring them along to a meeting with the Prime Minister, and did not expect or indeed want to be invited.

4. Neither Lord Trend and Lord Hunt favours the introduction of external oversight for the Security Service, but both fear that political pressures may make it inevitable. Both are impressed by the disadvantages of Parliamentary oversight, as exemplified by American and German experience. If there had to be any form of oversight, other than Ministers, Lord Hunt would favour an extended remit and membership for the Security

Commission, reporting to the Prime Minister; Lord Trend would favour a Committee of Privy Counsellors on the model of the Franks Inquiry: including two or three senior "political" Privy Counsellors, but chaired by a non-political Privy Counsellor such as Lord Franks, and including other non-political Privy Counsellors. The Committee should report to the Prime Minister. In neither case would the Prime Minister be under an obligation to publish reports to her, though she would presumably want to make statements about the findings.

5. It would be difficult for the Prime Minister to refuse to meet Sir James Callaghan, but I think that it would be quite inappropriate for him to bring the three Lords and Sir Michael Palliser with him. Such a discussion might best take place after the Prime Minister has had the meeting with the heads of the agencies (that was to have taken place on 13 May) and a subsequent meeting with the two Secretaries of State.

6. I imagine that the Prime Minister will not expect to send, nor Sir James Callaghan to receive, a response during the Election campaign. Once it is over, she may like to respond on --- the lines of the attached draft.

RA

ROBERT ARMSTRONG

26 May 1987

DRAFT LETTER FROM THE PRIME MINISTER TO
THE RT HON JAMES CALLAGHAN KG

Before the Election, Nigel Wicks told me that you would like to come and discuss the control and oversight of the security services, and bring Lord Allen of Abbeydale, Lord Hunt of Tanworth, Lord Trend and Sir Michael Palliser with you.

I should of course be very ready to meet you for such a discussion, on Privy Counsellor terms; but I think it would be appropriate for the discussion to be between the two of us (with Nigel Wicks to take a note), rather than to include four former public servants.

I gather that you are in no immediate hurry, and there will clearly be a good deal of other preoccupations between now and the end of July. I suggest therefore that we think in terms of a meeting later in the year - perhaps in October or November.

Ref. A087/1475

MR WICKS

Control and Oversight of the Security and Intelligence Services

Attached

With my minute of 3 April 1987 (A087/988) I sent you a note by officials on control and oversight of the Security Service. What follows is a personal contribution to the subject, which differs in some (though not all) respects from the note by officials.

2. What this is all about, it seems to me, is trust. The existing arrangements are based on the ability of Ministers to trust the Director General of the Security Service to control the operations of the Service, ensure compliance with the directive, and manage it efficiently; and on the readiness of Parliament to trust the Ministers responsible for the Service to exercise (with the assistance of a few senior officials) the necessary degree of political, policy and managerial oversight.

3. So long as this system works and is accepted, it has a great deal to commend it. Ministers and their senior officials in the ordinary course of their business are able to know more about the work of the Security Service than it would be right or possible for any external body to know. Their knowledge gives them greater effectiveness in control and oversight than any external body could have. The system is in a sense self-policing, since the Security Service would be very unwise to put at risk its advantages to them by abusing it in ways which, if they came to light, would forfeit the trust placed in the Director General and would put the continuance of the system in question. The system admittedly puts a very heavy

responsibility on the Director General; but the people chosen for that post ought to be of the quality that can take and exercise that responsibility.

4. The difficult, and essentially political, judgment that has to be made is whether the trust on which the present system is based has gone beyond recall. Clearly Ministers retain their trust in the Director General. The question is whether Parliament is in general - the Dalrylls and Campbell-Savourses apart - still prepared to trust Ministers. From within the system there seems to be no reason why that trust should have been lost. It is clearly threatened by the campaign of the investigative journalists - and some Members of Parliament - to use any and every allegation that comes to hand to discredit the Service and to suggest that it has not been effectively controlled and supervised. The fact is that it is more effectively controlled and supervised today than it has ever been. But there are people who, while believing that to be the case, have been sufficiently impressed by the campaign to conclude that the present system now has to be supplemented with some form of external oversight, in order to satisfy Parliamentary and public opinion. I should like to believe that they are wrong and that it is still possible to stand firm and resist oversight.

5. I accept that it will eventually become impossible to do so, if the cases now being brought under the European Convention of Human Rights result in findings which are adverse to the Government. But I hope that we shall fight those cases as hard as we can; and (unlike some other officials) I doubt whether it would make much sense to try to pre-empt the findings, even though it is clearly sensible to begin to think what courses might be open to us if such findings were handed down.

6. I believe that we should go ahead immediately with the appointment of Staff Counsellors - already approved by the Prime

*They are
out to
destroy the
system with
all costs*

Minister, and only held up because of second thoughts about how such Staff Counsellors would deal with prima facie cases of illegality. The appointment of Staff Counsellors would be announced. The knowledge that there were people there, not members of the Service but familiar with its purposes and problems, to whom staff could go with any problems of conscience about what they were asked to undertake, and who would have right of access not only to the Director General but to the Cabinet Secretary and if need be to the Secretary of State, would be a considerable reassurance that the Service would not be able to commit itself to operations or activities that did not accord with the directive, and would reinforce Parliamentary trust in Ministerial oversight.

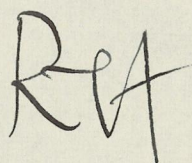
7. I do not believe that the idea of a Security Service Counsellor - the wider version of the Staff Counsellor discussed in paragraphs 19 to 22 of the note by officials - is likely to be of much help. For those for whom the existing system - plus the Staff Counsellor - is inadequate, I do not think that the wider role would be sufficient to make it adequate and to re-establish trust. I believe that such a person would in practice be little or no less intrusive than an Inspector General (paragraph 17 of the note by officials). And I think that the role intended for the Security Service Counsellor is ill-defined - and coloured too strongly by a comparison with the Commissioner appointed under the interception legislation.

8. I agree with the objections to external oversight reporting externally described in paragraphs 15 and 16 of the note by officials.

9. If the existing system, plus the Staff Counsellor, was felt to be inadequate to meet the political need, then I think that the best hope of re-establishing the necessary degree of trust and providing an effective form of external oversight would be for the Prime Minister to appoint a Committee of Privy

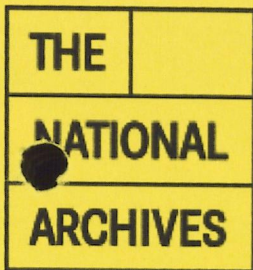
Counsellors which would report to her. It should report once a year, on the basis of a report by the Director General on which he could be examined. The membership should include two senior Privy Counsellors with Ministerial experience of the Service (former Prime Ministers or Home Secretaries), and also a number of non-political Privy Counsellors, who could include former public servants and perhaps also one or two judges from the House of Lords or the Court of Appeal. The Chairman should be one of the non-political Privy Counsellors. The Committee should report to the Prime Minister. Its reports should not be published, but the Prime Minister could accept an obligation to make a statement about its findings in the House of Commons (usually in the form of a Written Answer to a Parliamentary Question).

10. Because such a body was reporting within the fence of confidentiality, the Security Service could be at any rate reasonably candid in the material which was given to it; because the body would include Privy Counsellors with a political background, Parliament could have a reasonable degree of trust in its freedom from undue bias in favour of the Service - or indeed of Ministers.



ROBERT ARMSTRONG

26 May 1987



DEPARTMENT/SERIESPrem 19..... PIECE/ITEM2506..... (one piece/item number)	Date and sign
Extract details: Minute dated 26 th of May 1987	
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CONFIDENTIAL



file 503 AYI

10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

22 May, 1987.

PETER WRIGHT CASE: LIKELY PUBLICATION OF THE BOOK IN THE UNITED STATES

The Prime Minister has seen the Attorney General's minute of 21 May. The Prime Minister will await Lord Blakenham's reply to the Treasury Solicitor's letter of yesterday, as the Attorney suggests, but she too is inclined to the view that it looks as if there is virtually no hope of an injunction, and many risks attach to such a course.

I am sending copies of this letter to the Private Secretaries to the members of OD(DIS), the Lord Advocate, and Sir Robert Armstrong, and to John Bailey (Office of the Treasury Solicitor), and Christopher Mallaby and Bruce Dinwiddy (Cabinet Office).

MEA

N.L. Wicks

Michael Saunders, Esq.,
Law Officers' Department.

CONFIDENTIAL

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Ref. A087/1447

MR WICKS

per Sam by PM *Prime Minister* *12*

The Prime Minister may have seen recent publicity for a book by Mr Peter Hain, who is I understand standing as a Labour (or it may be Liberal) candidate, entitled "A Putney Plot?" Mr Hain was tried and acquitted in 1976 on charges of bank robbery. His book repeats earlier claims that the supposed robbery was staged by the South African Bureau of State Security in order to discredit him (he was a leading anti-apartheid campaigner) and in order to help secure the election of a Conservative Government. The book also contains a new allegation: that the Security Service was involved with the South African Bureau of State Security in this campaign to discredit him. He goes on to embellish many of the allegations already current about the Security Service conspiracies against Lord Wilson, Mr Heath and others.

2. I am assured by the Director General that the allegations of Security Service involvement in the plots are wholly unfounded.

RA

ROBERT ARMSTRONG

21 May 1987

CONFIDENTIAL



PRIME MINISTER

PETER WRIGHT CASE : LIKELY PUBLICATION OF THE BOOK IN THE UNITED STATES

I have seen a copy of Mr Wicks's letter of today and I note that you have asked for further consideration to be given urgently to the possibility of persuading a court to grant an injunction against Pearson plc UK on the basis that it should use its "best endeavours" to prevent publication by the US subsidiaries.

I have discussed this matter further with Mr Mummery. He believes that a court might be persuaded to grant such an injunction, although it would be unusual. He estimates our chances of obtaining an injunction at less than evens. I agree.

An application for an injunction would, however, entail certain difficulties. First, you will note that the part of Mr Mummery's advice which Mr Wicks quoted in his letter concerns only the narrow legal question of a parent company's control over its subsidiaries. Before deciding on any application for an injunction it would be necessary to take into account the difficult matter of extra-territoriality which is adverted to on page 2 of the Note of Conference with Mr Mummery and in paragraph 8(b) of OD(DIS)(87)36. This is something on which I have made numerous speeches both here and in the United States. An application against Pearson plc UK would undoubtedly be used against us by the Americans. It could be a bad precedent.

Second, there are the problems of enforcing a court order against Pearson plc UK to use its "best endeavours". Should publication occur in the United States despite our obtaining such an order we would have to consider whether there was a case for bringing contempt proceedings against Pearson plc UK, and for such proceedings to be successful we would have the difficult task of showing that the company had not used its "best endeavours" to prevent publication.

CONFIDENTIAL

Prime Minister

I suggest we consult this further when we have had Blackburn's reply to the T. Sols letter of today.

but it looks as if there is

Yes

wholly no hope of an injunction - and many notes attached to such a case as

N.L.W.
21-5.

CONFIDENTIAL



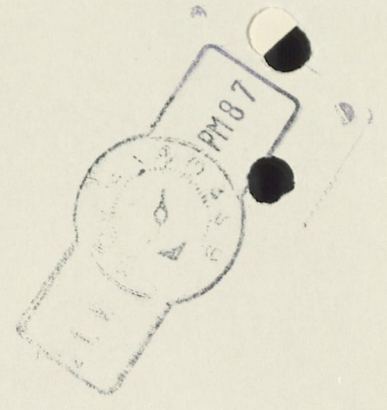
Third, I am assuming that you would not wish to move for an injunction until it was clear that the approach to Lord Blakenham had failed. I understand that the Treasury Solicitor has written today to Lord Blakenham. To proceed for an injunction while Lord Blakenham was still considering that letter could prejudice the success of the Treasury Solicitor's approach to him and might even precipitate publication.

I am copying this to the members of OD(DIS), to the Lord Advocate and to Sir Robert Armstrong.

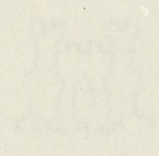
M.H.

21 May 1987

CONFIDENTIAL



COUCHING



CONFIDENTIAL



10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

21 May 1987

Dear Philip,

PETER WRIGHT CASE: LIKELY PUBLICATION OF THE BOOK IN THE
UNITED STATES (OD(DIS)(87)36)

The Prime Minister has seen the comments on this paper from the Attorney General, Home Secretary, Foreign Secretary, Lord President, and the Secretary of State for Defence.

The Prime Minister agrees that the Treasury Solicitor should send to Lord Blakenham the draft letter attached to the OD(DIS) paper, subject to the following redraft of the last paragraph which the Treasury Solicitor has suggested in consultation with Treasury Counsel:

"You said that your legal advice is that there is nothing effective that you can do to prevent the publication of the book in the United States. I wonder if you could indicate the basis of that advice in the light of the facts which are that Pearson Inc. is a wholly-owned subsidiary of your company and Viking Penguin Inc. is a wholly-owned subsidiary of Pearson Inc. It is difficult to conceive how the power which your company has to remove the directors of the US subsidiaries is not 'effective'."

The Prime Minister is still not convinced that the chances of stopping publication of the Wright manuscript in the United States are too remote to justify action. She has noted in particular the reference in the last paragraph on page 3 of Mr. Mummery's opinion, attached to the Attorney General's minute, that:

"... a court might be persuaded to grant an injunction against Pearson plc UK on the basis that it was in fact unlikely that the directors of the US subsidiaries would, under risk of removal act contrary to a direction issued by the UK holding company consequent on an order of the English Court that Pearson UK should use its "best endeavours" to prevent publication by the US subsidiaries. An injunction in this watered down form would be difficult to police and enforce, but might in practice have the desired effect of persuading the US companies not to publish".

CONFIDENTIAL

She would like further consideration to be given urgently to the possibility of persuading a Court to grant an injunction along the lines described by Mr. Mummery. She would also wish to know that our US Counsel has confirmed his advice. She believes too that before concluding that action to prevent publication in the US is not justified, we should see Lord Blakenham's reply to the Treasury Solicitor's letter and have confirmation that nothing emerging from the US Government's consideration of the SIGINT aspect suggests that the UK Government would have a course of action in the US courts. (In this connection, you should know that the Prime Minister is aware that for the sort of reasons indicated in paragraph 3 of the Attorney General's minute, any attempt by the US Government to prevent the publication of the SIGINT references in the Wright manuscript are of two-edged value for us. The United States Government's objections, which relate to the contents of the manuscript, do not help, and might be counter-productive to, our claim to an insider's life-long duty of confidentiality.)

The Prime Minister has noted that the Foreign Secretary and the Home Secretary agree with her conclusion that there is no present reason for referring the Wright book to the DPP. She agrees that officials should give further thought on how to defend in public a decision not to refer the book.

The Prime Minister agrees too that directly the election is concluded, Ministers will need to discuss further the public presentation of any possible publication of the Wright manuscript in the United States.

I am sending a copy of this letter to the Private Secretaries to members of OD(DIS), Sir Robert Armstrong, John Bailey (Treasury Solicitor) and Mr. Mallaby and Mr. Dinwiddy.

Yours truly
Nigel Wicks

N. L. WICKS

Philip Mawer, Esq.,
Home Office

CONFIDENTIAL

PRIME MINISTER

PETER WRIGHT CASE: LIKELY PUBLICATION OF THE BOOK IN THE
UNITED STATES (OD(DIS)(87)36)

I have sought Ministers' views on the matters raised in this
OD(DIS) paper in the light of your comments, summarised in my
letter at Flag A. (The OD(DIS) paper and my original
submission are attached).

Comments have been received from:

Attorney General	Flag B ✓
Home Secretary	Flag C ✓
Foreign & Commonwealth Secretary	Flag D ✓
Lord President	Flag E ✓
Secretary of State for Defence	Flag F ✓

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THE ONLY IMMEDIATE DECISION: THE LETTER TO LORD BLAKENHAM

The only immediate decision required is whether the Treasury
Solicitor should write to Lord Blakenham; and if so, in what
terms. There is general agreement that a letter should be
sent. The Lord President doubts whether it will elicit a
response going much further than reiteration that he, Lord
Blakenham, has received legal advice. The Treasury Solicitor,

supported by the Treasury Junior Counsel (Mr. Mummery), suggests that your redraft of the last paragraph of the draft letter to Lord Blakenham, attached to the OD(DIS) paper, might be amended to read:

"You said that your legal advice is that there is nothing effective that you can do to prevent the publication of the book in the United States. I wonder if you could indicate the basis of that advice in the light of the facts which are that Pearson Inc. is a wholly-owned subsidiary of your company and Viking Penguin Inc. is a wholly-owned subsidiary of Pearson Inc. It is difficult to conceive how the power which your company has to remove the directors of the US subsidiaries is not "effective"."

The Attorney is content with this. Could I draw your attention particularly to the last sentence, which asks, in effect, why Pearson cannot prevent publication by using their shareholder power to remove the Directors of the US subsidiaries. Admittedly, this is a blunt point; but I think it is one which needs to be raised. If the book is published in the US, the Government might be asked the obvious question why Pearsons did not use their shareholder power in this way. Much better to be able to reply that the Government raised this point with Pearsons and (as I expect Pearsons to say) that they were unwilling to do so.

Agree that the letter should be sent to Lord Blakenham subject to the amended last paragraph above?

Yes m

PROCEEDINGS TO STOP PUBLICATION OF THE BOOK IN THE US

The attachments to the Attorney General's minute explain the conclusion that our courts would be extremely unlikely to grant an injunction against Pearson; and why American counsel has concluded that HMG would not be successful in the US courts. This is the basis of the officials' advice, in paragraph 21b of the OD(DIS) paper, that the chances of

stopping publication in the United States were too remote to justify action. It is also the legal advice referred to in paragraph 17 of the paper which would be the basis of the public statement that ".....the Government's advice had been that legal action to restrain publication in the United States would not succeed." (The NSA's objections to Wright's SIGINT references do not, I think, affect this conclusion: they relate to an action by the US Government, not the UK Government. But this needs to be confirmed.)

You will wish to note the intriguing reference at the end of page 3 of the Treasury Counsel's opinion, to the possibility of persuading a court to grant an injunction against Pearsons PLC UK. Strangely, this possibility, thrown in almost as an afterthought, is not followed through.

I suggest that you say that you still are not satisfied with the conclusion in paragraph 21b of the OD(DIS) paper that the chances of stopping publication in the United States by any of the means discussed in the paper are too remote to justify action. You should say that before coming to any conclusion you want:

Agreed a) further consideration of the possibility of persuading a court to grant an injunction on the lines described in the last paragraph on page 3 of the Treasury Counsel's opinion;

Agreed b) confirmation by our US Counsel of his advice in writing (which is being sought);

c) confirmation that nothing emerging from the USG's consideration of the SIGINT aspect suggests that the UK Government would have a cause of action in the US courts and

d) consideration of Lord Blakenham's reply to the Treasury Solicitor's letter.

Agree?

PREVENTION OF PUBLICATION OF FUTURE BOOKS

Despite our apparent inability to prevent publication of the Wright book in the US, the Attorney does give some comfort on the second page of his letter about preventing, or making more difficult, future publication of similar books. The sidelined passage in his letter is particularly important. The crucial point is that we should fight hard in each case to prevent publication, not only to stop the publication of the book concerned but to discourage others from publishing; and in cases where we fail to stop publication, we should go for an account of profits to deny authors their ill-gotten gains. The more trouble we cause authors and the higher the legal fees for themselves and their publishers, the greater chances of discouraging future publications.

REFERENCE TO THE DPP

The Foreign Secretary and the Home Secretary agree with your conclusion that there is no present reason for referring the book to the DPP. But both are concerned with the difficulty of presenting such a decision in public. The Foreign Secretary suggests that officials should give further thought on how to defend in public a decision not to refer the book.

Agree officials to give further thought to this aspect?

PUBLIC PRESENTATION

Yes no

There is no need, at this stage, to take a view on public presentation since no-one believes that publication of the US book is imminent. However, the Home Secretary's and the Foreign Secretary's preliminary view is that if the book is published, Ministers should refuse altogether to comment on Wright's allegations.

In this connection, you commented, against the statement in paragraph 20 of the OD(DIS) paper that Ministers had implied many times that they would comment after the conclusion of the Australian case, that you had not done any more than say we would consider commenting. This has certainly been your line, for example, on 20 November when you said

"When the case is over, we shall, of course, consider carefully any questions that are put to us in the light of the usual customs and conventions."

However, the Attorney General has said in response to a request for an unambiguous commitment to make a statement on the Wright case

"All that I can tell the honourable Gentleman is that I am longing for an opportunity to make a statement to the House."

There was also the following exchange with John Morris

Mr. John Morris: "In the Attorney-General's anxiety to make a statement to the House, do I understand his answer to mean that he clearly and unequivocally is telling the House that, provided he can get over any legal difficulties that may remain after judgment is delivered at first instance in Australia, he will not be thwarted by even the Prime Minister and will make a statement to the House?"

The Attorney-General: "Yes."

However, when the House resumes, there will be a new Attorney General who may take a different view, despite his predecessor's commitment!

The Home Secretary also went rather near promising a statement when he said on 3 December

"My reply to the right hon. Gentleman's questions about that case, therefore, must be that so long as the case remains before the Australian court - despite the right hon. Gentleman's comments, it may be for some time yet - the Government must deny themselves the opportunity to deal faithfully with the extraordinary mass of stories to which the case has given rise. Faced with such a high proportion of nonsense, there are many comments that we should dearly like to make - comments which we may be free to make one day, but because of the continuing case in Australia that day is emphatically not today."

The Home Secretary believes, and I agree, that that does not commit the Government to a full statement after the Wright case.

Obviously, none of this needs to be decided now. As the Home Secretary says, in paragraph vi of his Private Secretary's letter, colleagues need to discuss this further after the Election.

N. L. W.

N.L. WICKS
20 May 1987

BM2BFG

CONFIDENTIAL



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-930 7022

MO 23/1V

20th May 1987

Dear Nigel,

PETER WRIGHT CASE: LIKELY PUBLICATION OF THE BOOK IN THE US

The Defence Secretary has seen your letter of earlier today to Philip Mawer and also OD(DIS)(87)36. He has commented that it seems to him illogical to try so hard to prevent publication in Australia and not to try at all in the United States.

As far as the point in your penultimate paragraph is concerned, Mr Younger has not made any public comment on the Wright case.

I am sending copies of this letter to the Private Secretaries to other members of OD(DIS), to Mr Mallaby and Mr Dinwiddy in the Cabinet Office and to Trevor Woolley.

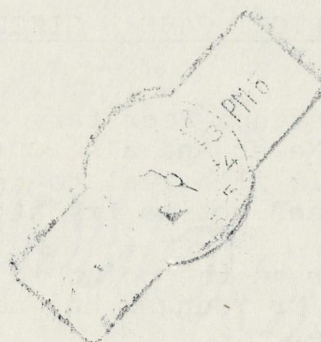
(I C F ANDREWS)
Private Secretary

Nigel Wicks Esq
10 Downing Street

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MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

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PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

20 May 1987

Dear Nigel

PETER WRIGHT CASE: LIKELY PUBLICATION OF THE BOOK IN THE
UNITED STATES (OD(DIS)(87)36

The Lord President has seen the Cabinet paper OD(DIS)(87)36 and your letter of 20 May giving the Prime Minister's preliminary views. He has the following comments.

- (i) He thinks it is just about worthwhile sending the proposed letter to Lord Blakenham although he doubts whether it will elicit a response going much further than a reiteration that that is the legal advice he, Lord Blakenham, has received.
- (ii) He much prefers the Prime Minister's version of the letter.
- (iii) He shares the Prime Minister's preliminary views on the remaining questions in the paper.

I am sending a copy of this letter to the Private Secretaries to the members of OD(DIS), and Sir Robert Armstrong, and to Mr Mallaby and Mr Dinwiddy in the Cabinet Office.

*yours sincerely,
Mike Eland.*

M J ELAND
Private Secretary

Nigel Wicks Esq

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BRITISH COUNCIL OFFICE
WHITEHALL LONDON SW1A 2AT



COMMUNICATIONS

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Foreign and Commonwealth Office

London SW1A 2AH

20 May 1987

Dear Nigel,

Peter Wright Case

You asked for the Foreign Secretary's urgent comments on OD(DIS)(87)36 of 19 May enclosing a note by officials on the current state of play in the Peter Wright case and seeking decisions from Ministers on a number of key points.

The Foreign Secretary has no comment on the assessment in the paper of the likely effect of publication in the US on the court cases here and in Australia. He is not sanguine about the chances of stopping publication in the US, but thinks that the assertions of the director of NSA, of which I believe you are aware, should be checked. He agrees that we should proceed as suggested in the paper and that the proposed letter from the Treasury Solicitor to Lord Blakenham is worth sending. He has no difficulty with the amendment proposed by the Prime Minister. He also agrees with the proposed line on continuing action in the Courts in England and Australia in paragraph 17.

The most difficult questions are clearly what to do about the proposed reference to the DPP, and what public line the Government should take on Wright's allegations in the event of there being publicity here as a result of the publication of the book in the US. The Foreign Secretary's instinct is that it would be best to avoid reference to the DPP. This would be consistent with our own refusal to refer the alleged plot against Mr Wilson's government to a special investigation, and with his own original disposition not to refer the Wright manuscript to the DPP. We departed from the latter position only because Australian Counsel thought it might help in the court proceedings.

On the other hand he recognises that our change of position on reference to the DPP will probably be noticed, and will not be easy to explain. He considers that further thought should be given by officials on how to defend this line in public. Subject to satisfaction on this he would be disposed to resist reference to the DPP.

/As

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As regards what to say in public about Wright's allegations, the Foreign Secretary agrees with the Prime Minister that the line suggested in paragraph 20 of the paper of refusing to comment is the right one and is consistent with the line we have traditionally taken on such questions in the past. He recognises that there is a possible conflict here with what has been said in the past about possible statements after the court cases have ended but believes that this can be dealt with, as the paper says, by referring to the statements already made by Ministers concerning a number of the more important allegations in the book.

I am sending copies of this letter to the Private Secretaries to the other members of OD(DIS).

Yours ever,

(A C Galsworthy)
Private Secretary

N L Wicks Esq
10 Downing Street

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From: THE PRIVATE SECRETARY
CONFIDENTIAL



HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

20 May 1987

Dear Nigel,

PETER WRIGHT CASE:
LIKELY PUBLICATION OF THE BOOK IN THE UNITED STATES
OD(DIS)(87)36

Thank you for your letter of today's date setting out the Prime Minister's preliminary views on the conclusions reached in paragraph 21 of this paper. The Home Secretary's comments on the issues are as follows:

- (i) the question demanding immediate decision is whether to begin action to attempt to stop publication in the USA. The Home Secretary would be opposed to such action unless it was likely to succeed, and the advice we have had so far is that it would fail. Subject, therefore, to the views of the Attorney General, and to any other developments which would alter the advice so far given, he would agree with paragraph 21(b) of the paper;
- (ii) there can be no doubt that we must keep under review the consequences of publication in the USA for litigation here and in Australia (paragraph 21(a));
- (iii) the Home Secretary sees no reason to disagree with the Prime Minister's conclusions about the proposed letter to Lord Blakenham (paragraph 21(c)). You mentioned that the Treasury Solicitor had proposed an amendment to the Prime Minister's suggested amendment to the draft letter. We have not yet seen this, but I am sure that the Home Secretary will be content if the Prime Minister is;
- (iv) the Home Secretary agrees with paragraph 21(d) of the paper, subject to the point made by the Prime Minister;

/(v)

Nigel Wicks, Esq, CBE

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- (v) the Home Secretary agrees with the Prime Minister's conclusion that there is no present reason for referring the book to the DPP but believes that Ministers might discuss further what reasons could be given publicly for the change in policy if the book is not eventually referred. He believes that a decision must be taken by the time the book is available in the USA because there will then be no obstacle to implementing the original decision to refer. He sees great difficulty in finding the right formula for the public justification but is at present of the view that the book should not be referred (paragraph 22(i));
- (vi) the Home Secretary believes that a decision about the final line to take on the allegations could be postponed until the Australian proceedings are over. His preliminary view is that the approach supported by the Prime Minister (ie option 3) may well be the right one but he would like to consider the issue further and discuss with colleagues the likely political pressures for more.

Finally, you asked in your letter whether we could let you know if Ministers had in any way committed themselves to commenting on the Wright book following the conclusion of the Australian case. We know of no statement by the Home Secretary that goes materially beyond the Prime Minister's recollection, but I enclose an extract of remarks by the Home Secretary during the debate on 3 December 1986 on the opposition motion to set up a security services commission, of which you would wish to be aware in this context.

Copies of this letter go to the recipients of yours.

Yours sincerely,
P J C Mawer

P J C MAWER

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11 pm

The Secretary of State for the Home Department (Mr. Douglas Hurd): I beg to move, to leave out from 'House' to the end of the Question and to add instead thereof: 'has full confidence in the present arrangements whereby the Security Service is responsible to Ministers.'

The right hon. Member for Plymouth, Devonport (Dr. Owen) has called for a special commission to oversee what he has described as the security services. Although we do not accept his proposal, it is entirely reasonable that it should be made, as it has been in the past and no doubt will be in the future. Having listened to the right hon. Gentleman, I cannot say that I am much clearer as to what he envisages the proposed body doing and what it might actually achieve, but there may be other occasions on which that can be discussed in greater detail.

The right hon. Gentleman acknowledged that the timing of his motion had a lot to do with the present case in Australia. I wish to deal seriously with the underlying points that he made because they deserve to be taken seriously, but the House will appreciate that I cannot enter into argument about the progress of the case in Australia. Every Home Secretary, like every Prime Minister, works under the general constraint that we do not answer questions, however important, about the work of the Security Service. That is not new — it reflects the accepted practice of successive Governments. More particularly, we cannot answer questions currently being discussed in the court case in Australia.

You, Mr. Speaker, have ruled that these proceedings do not rate as sub judice in terms of the rules of the House, but it is absolutely clear that the Government are sub judice in that we are under the judge in Australia as plaintiff in his court. There can thus be no doubt that any answers or observations given in the House could be seen by the Australian court as an attempt to influence it or to interfere with the judicial process there. My reply to the right hon. Gentleman's questions about that case, therefore, must be that so long as the case remains before the Australian court — despite the right hon. Gentleman's comments, it may be for some time yet — the Government must deny themselves the opportunity to deal faithfully with the extraordinary mass of stories to which the case has given rise. Faced with such a high proportion of nonsense, there are many comments that we should dearly like to make — comments which we may be free to make one day, but because of the continuing case in Australia that day is emphatically not today.

Mr. David Winnick (Walsall, North): Even if I do not agree with the Home Secretary's comments about the case in Australia, the Case in Ireland is certainly no longer sub judice. What purpose was served by trying to ban a book explaining events which took place during the last war, more than 40 years ago? Do not the Home Secretary and the Attorney-General realise how farcical it seemed to many people in Britain? Personally, I am very pleased at the decision reached by the Dublin court.

Mr. Hurd: My right hon. and learned Friend the Attorney-General has made clear the basis on which that injunction was sought, which was exactly the same basis — the principle of confidentiality — as led to the action in Australia.

Mr. Tony Benn (Chesterfield): What national interest is served by concealing from Parliament and the public the

knowledge that the Prime Minister of the day, then Harold Wilson, had his offices and telephones intercepted and his homes burgled by the security services which were supposed to be accountable to him? What public interest makes it necessary to conceal that fact, which emerges in Mr. Wright's book and bears on the central question of whether the security services are under ministerial control?

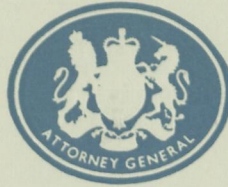
Mr. Hurd: That was directly dealt with by the Prime Minister of the day, the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan), and I understand that further comments are to be made by the former Home Secretary, the right hon. Member for Glasgow, Hillhead (Mr. Jenkins).

If my right hon. Friend the Leader of the House has anything to add he will be able to do so when he winds up. [HON. MEMBERS: "That is passing the buck."] The matter was thoroughly dealt with by those responsible at the time.

The right hon. Member for Devonport accepts, as all serious people must accept, the need for a Security Service to help protect Britain. I sometimes become a little weary of those worldly-wise but ignorant people who argue that Britain no longer has any secrets to protect and therefore no longer needs a Security Service. There remains a considerable risk of espionage. Moreover — this must always be in the mind of any Home Secretary — the threat of domestic and international terrorism is greater than ever before. The Security Service is an essential part of the means whereby we seek to protect the British people from terrorism. Through force of circumstances, far from declining, that role has substantially increased. Still following the right hon. Gentleman's argument, the Security Service must be secretive to be effective. We shall not prevent arms going to the IRA or identify terrorists in this country, and, crucially, our friends and allies around the world will not give us secret information of their own which may be necessary for our protection, if the Security Service is not properly and effectively secretive about operational matters. The Security Service is not an ornament — it is a crucial means of protecting and defending our citizens and their freedom.

If it is necessary, legitimate and, indeed, fundamental for the Security Service to preserve a proper secrecy about its methods of operation or about the procedures and people from whom it obtains information, something else that is important follows from that. There must be a binding obligation on members of the security service — not just for the period when they are in the service but for the rest of their lives — not to disclose what was entrusted to them on a confidential basis. We are talking here not about some narrow concept of the employer's interest but about something wider — the interests of the nation as a whole, which may be damaged if a person breaks the confidentiality by which he knew that the was bound for ever when he took up the employment. This principle of course, as the Prime Minister and my right hon. and learned Friend the Attorney-General made clear, lies at the heart of our proceedings against Mr. Wright. That is the only comment I can make today about the case. In real life and in common sense, there is a distinction between books written entirely by outsiders and books written by members or former members of the Security Service who, by overtly providing their own information, give it an appearance of authenticity that no outsider can





PRIME MINISTER

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PETER WRIGHT CASE : LIKELY PUBLICATION OF THE BOOK IN THE UNITED STATES

You have commented on several matters arising from the Note by officials on the likely publication of the Wright book in the United States. In response I am enclosing a copy of a Note signed today by John Mummery, First Junior Treasury Counsel, Chancery, which concludes that our courts would be extremely unlikely to grant an injunction against Pearson plc to force it to restrain publication in the United States by Viking Penguin Inc. John Mummery endorses his advice previously given and incorporated in the Note by officials and adds a supplementary note to deal with the question raised about Pearson's powers of control over Viking. I agree with what John Mummery says.

I also enclose a copy of a letter of 8 May in which the Treasury Solicitor records the advice of Anthony Lapham as to the possibility of action in the United States. Mr Lapham is a former Counsel-General for the CIA. He is now in private practice, working in a Washington DC law firm. When Counsel-General he was involved in the Snapp case, the leading American case in this field. Snapp was a CIA operative who wanted to publish information in breach of his duty of secrecy contract. Although the courts refused an injunction, the US Government ultimately obtained an account of profits.

You will wish to note in particular the last sentence of the paragraph on the second page of the Treasury Solicitor's letter beginning with the word "Attempt". It is not impossible that in certain limited circumstances the US Government would be able to take action to prevent the publication of particular information in a manuscript. This is not something which is probably of great significance in the context of the Wright book, where we are defending an issue of principle. Whilst an application by the US Government might assist in delaying publication of the book for some time, it could ultimately only lead to the excision of parts of the book and the result of that could prove counter-productive by making it more difficult for us to attack the contents of the book as a whole.

proceed?

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The Treasury Solicitor has already asked Mr Lapham to confirm in writing that he agrees with the record of his advice contained in the letter of 8 May. Mr Lapham has also been asked whether there is anything he would wish to add to that advice.

You ask whether, if we cannot prevent the publication of the Wright book in the United States, other books can be published there just as easily. We have always known that it is extremely difficult to stop publications in other countries, but it does not necessarily follow that we are powerless to stop them, even in places such as the United States. If the author remains in this country and we are able to obtain an injunction against him before he has been able to sell the rights in the book to any publisher, we have a definite advantage, for the injunction will prevent his selling the rights to any publisher anywhere in the world. Even if he has already sold the rights to a publisher, then, provided that the publisher is in the United Kingdom, an injunction obtained against the publisher will prevent him from assigning the rights to another publisher elsewhere. Where, however, the author has gone abroad or has already sold the rights to a publisher abroad, then we are in difficulties and there are likely to be very few countries where we could initiate effective action to prevent publication.

I should add, too, that where the author remains in this country there is always the possibility of criminal proceedings against him under the Official Secrets Act 1911.

This makes it all the more important to my mind to keep in our thinking two points: first, that if the publication of a book cannot be prevented we should move for an account of profits whenever possible; secondly, that even if publication has occurred abroad we should always attempt to deny the lucrative home market to persons who wish to publish books in breach of their duty of confidence.

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I am copying this minute to the members of OD(DIS), to the Lord Advocate and to Sir Robert Armstrong.

MH

20 May 1987

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NOTE OF ADVICE OBTAINED IN CONFERENCE FROM MR JOHN MUMMERY

(c) Legal Action in England against Pearson for

(i) An injunction

The advice of First Junior Treasury Counsel, Chancery, Mr John Mummery has been obtained. He advises that we have a cause of action, that our court has jurisdiction, but that a court would be extremely unlikely, in its discretion to grant an injunction. The reason for the court's reluctance would be that the basis of an action would rest on the fact that Pearson plc UK control Pearson Inc. who in turn control Viking Penguin Inc. The question of control would be a matter of local ie American law. If Pearson plc UK produced evidence to the effect that they cannot under American law control Viking Penguin Inc. it is unlikely that we would be able to contradict that evidence. We have obtained a copy of the Articles of Association of Viking Penguin Inc. The powers of their directors do not appear to be limited, save to the extent that a quorum necessary for the transaction of business shall be five directors of which two must be directors of the Penguin Publishing Company Limited. It follows that any decision to publish taken by a quorum may be a lawful decision in American law. Under English law Boards of Directors of wholly-owned subsidiaries can act independently, the only form of control being their ultimate removal by the parent company. (But see supplementary note below).

Consideration has been given to the issue of proceedings both against Pearson plc UK and then seeking to add the American subsidiary as a necessary and proper party. It is not thought that such a tactic would ultimately be successful for two reasons. First, the court would, in the exercise of its discretion, be unlikely to allow us to do better against the American subsidiary in this jurisdiction than we would in America. This in fact applies to proceedings against Pearson plc UK and its American subsidiary. Second, even if an injunction could be obtained it would be difficult to enforce because of the absence of assets here and the absence of persons in control.

Other matters relevant to action involving Pearson plc UK are as follows:

(1) Any action would have to be on notice, with the risk that this would have the effect of hastening publication.

(2) Action here would invite the comment from the court as to why we had not proceeded in America and a comparison, with our decision to proceed in Australia, unfavourable to us will be drawn.

(3) It would be possible to issue a writ without proceeding for an injunction but again this is likely to have the effect of hastening publication to beat an injunction.

(4) To take action in this jurisdiction with a view to affecting the commercial conduct of an American company in America has far-reaching commercial and diplomatic consequences viz the aviation industry.

Finally, Counsel advised that in his view our best chance of avoiding publication in the United States was to maintain the correspondence with Lord Blakenham. He warned, however, that any request to postpone publication was capable of being interpreted as authority to publish.

(ii) An Account for Profits

For us to obtain an account for profits it would be necessary self-evidently to be able to identify profits in the hands of Pearson plc UK which would be exceedingly difficult and also to have a cause of action against them.

Pearson plc UK would not have induced the breach of confidence by Wright and would merely be profiting from the publication by their subsidiary over whom, as states above, they have no control. The mere receipt of profits without publication by them,

even, in the knowledge of the breach of confidence may not be sufficient to sustain a cause of action. Further, we are unsure as to the identity of the person or company from whom Viking acquired the rights in 1985. Thus, even to prove inducement by the subsidiary would be difficult.

SUPPLEMENTARY NOTE

In the absence of very special circumstances a subsidiary company is not regarded as an agent of its holding company and a holding company is not legally liable for the acts or omissions of its subsidiaries.

The fact that Pearson plc UK can ultimately control Pearson Inc. and Viking Penguin Inc. by removal of their directors does not of itself constitute control sufficient for the purpose of obtaining an effective injunction against Pearson plc UK to prevent publication in the USA. It would be difficult to persuade an English Court to grant an injunction against Pearson plc UK to restrain them from committing an act which would not be a breach of the injunction by Pearson UK. The English Courts are unlikely to regard an injunction restraining publication as broken by Pearson plc UK if all that they do is to refrain from going to the lengths of exercising their ultimate power as shareholder in general meeting to remove all the directors of both companies in order to reverse a decision which those companies had, through their boards of directors, been entitled to make independent of reference to the shareholders.

Although this is the strict legal position, a court might be persuaded to grant an injunction against Pearson plc UK on the basis that it was in fact unlikely that the directors of the U.S. subsidiaries would, under risk of removal act contrary to a direction issued by the UK holding company consequent on an order of the English Court that Pearson UK should use its "best endeavours" to prevent publication by the US subsidiaries. An injunction in this watered down form would be difficult to police and enforce, but might in practice have the desired effect of persuading the US companies not to publish.

CONFIDENTIAL

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145 (15)



Queen Anne's Chambers
28 Broadway London SW1H 9JS

Telephone 01-210 3050

J B Bailey CB

8th May 1987

8/5

Our reference

Your reference

C L G Mallaby Esq CMG
Cabinet Office
70 Whitehall
London SW1A 2AS

Peter Wright

PETER WRIGHT

At Bruce Dinwiddy's request I have spoken to Anthony Lapham, of Shea and Gardner, a Washington DC law firm, who is an ex-General Counsel for the CIA now in private practice about our legal position in relation to "The Washington Post" article on the 3rd May 1987. I asked for answers to the following questions:

1. Could an action for an injunction be brought by HMG to restrain further publication of the Wright manuscript by "The Washington Post"?
2. Would it make any difference to his answer if it could be shown that the manuscript had been provided to "The Washington Post" in breach of undertakings given to the Australian Court?
3. What would be the prospects for the success of an action for breach of copyright brought against "The Washington Post" by the owners of that copyright?
4. Could proceedings be brought by HMG against Viking Inc. who, it is understood, own the American rights in "Spycatcher", to prevent publication by them?

His answers were:-

1. In the entire history of the United States there has been only one case in which a successful attempt has been made in the Courts to restrain publication of information by a newspaper. That case was in 1979 and was an action brought by the US Federal Government against a publication known as "The Progressive Magazine" which intended to publish an article about the design concept of the H bomb. The

proceedings were tried at First Instance in a Federal Court and the Government obtained an injunction. An appeal was lodged by the magazine but was not decided because, pending the hearing, a similar article was published in another journal which contained even more information about the same subject matter. The case was abandoned by the Government on the ground that the issue had become "moot" because the information was in the public domain.

Attempts were made by the US Government to prevent publication of 'The Pentagon Papers' in the early 1970s. That was a strong case and cogent evidence was adduced of the harm that would be done to the good government of the US if the papers were published. Notwithstanding the very clear 'public interest' in non-publication, the Government lost the case before the Supreme Court (where the Justices expressed six different opinions). Mr Lapham's conclusion is that it is virtually impossible to obtain injunctions restraining publication however important it may be to seek to do so in the public interest. The only occasion on which an injunction might be obtained would be, for instance, in time of war to prevent the publication of the times of sailing of warships or other similar information of current operational significance.

2. Notwithstanding the undertakings given to the Australian Court, the chances of success of restraining "The Washington Post" from publishing "Spycatcher" are, virtually, non-existent. It is by no means clear that anyone has breached an undertaking - one may not be able to trace the provision of the manuscript back to a breach of the undertakings because that could have occurred before they existed. Even if it could be proved it would not, necessarily, make any difference to Mr Lapham's view because the First Amendment to the US Constitution stands in the way of such an application and gives newspapers almost untrammelled freedom to publish, whatever decisions in the same context might be reached by Courts in other jurisdictions.
3. While Mr Lapham is not an expert in relation to the law of copyright and he feels "uncomfortable" in giving advice in that field of law, his view is that there would be no automatic impediment to such an action by Viking Inc. as there would be if it was proposed that the Plaintiff should be HMG. Nevertheless, it is not clear whether "The Washington Post" intends to make further use of the manuscript in its possession and that imminent threat is the sine qua non of an infringement action. Again, one

can do quite a lot with copyright material without infringing the right of the owner. Thus there is doubt about whether such an action is likely to succeed and the letter which it is believed has been sent by Viking to the newspaper is, presumably, intended to overcome the first hurdle above-mentioned.

4. See 1 above.

I am copying this letter to Jim Nursaw, Michael Saunders, and Bernard Sheldon.

J B Bailey

W. J. Bailey,
John.
W

CONFIDENTIAL



Queen Anne's Chambers
28 Broadway London SW1H 9JS

Telephone 01-210 3050

J B Bailey CB

20th May 1987

Our reference

Your reference

N L Wicks Esq
Principal Private Secretary
No. 10 Downing Street
London SW1A 2AA

Dear Nigel,

PETER WRIGHT CASE: LIKELY PUBLICATION OF THE BOOK IN THE UNITED STATES
OD(DIS)(87)36

I refer to your letter to Philip Mawer and to the rewording of the last paragraph of the draft letter to Lord Blakenham which the Prime Minister has rephrased.

I have been looking at this again and I have discussed it with Treasury Junior Counsel. It seems to us that the following would not be tactless and adds a little to both the original draft and the Prime Minister's redraft:-

X "You said that your legal advice is that there is nothing effective that you can do to prevent the publication of the book in the United States. I wonder if you could indicate the basis of that advice in the light of the facts which are that Pearson Inc. is a wholly-owned subsidiary of your company and Viking Penguin Inc. is a wholly-owned subsidiary of Pearson Inc. It is difficult to conceive how the power which your company has to remove the directors of the US subsidiaries is not "effective".

I am copying this letter to Philip Mawer and to Michael Saunders.

Yours sincerely,
John Bailey

J B Bailey





M.L. SAUNDERS
LEGAL SECRETARY

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

CONFIDENTIAL

N L Wicks Esq.
Principal Private Secretary
Prime Minister's Office
10 Downing Street
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20 May 1987

Jean Nisel.

PETER WRIGHT CASE: LIKELY PUBLICATION OF THE BOOK
IN THE UNITED STATES - OD(DIS)(87)36

In your letter to Philip Mawer of today's date, you asked Private Offices to let you know whether their Ministers have made any more definite comment than that made by the Prime Minister in relation to commenting on the Wright case after the conclusion of the proceedings. I am enclosing copies of Oral Answers given by the Attorney General on 12 January, 2 February and 16 March. I have side-lined the relevant passages.

*Yours sincerely
Richard Saunders ..*

M L Saunders

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ATTORNEY-GENERAL

State Security

28. **Mr. Janner** asked the Attorney-General when he next expects to meet the Director of Public Prosecutions to discuss progress with the consideration of possible prosecutions under section 2 of the Official Secrets Act in the eight currently outstanding cases.

The Attorney-General (Sir Michael Havers): I expect to meet the Director of Public Prosecutions shortly and to discuss with him such matters as appear at that time to be appropriate.

Mr. Janner: May I say how pleased we are to welcome back the Attorney-General in good health?

Is the right hon. and learned Gentleman considering the lessons to be learnt from the catastrophic mishandling of the Wright case in Australia? As a result will he make any further prosecutions under section 2 of the Official Secrets Act? Which of the eight are to be prosecuted and, if any, do they include Nigel West, alias Allason, who is a prospective Conservative candidate?

The Attorney-General: I am grateful to the hon. and learned Gentleman for his kind remarks which I greatly appreciate.

I do not accept that the case in Australia was a catastrophic disaster. It concerned a principle which we are maintaining and we were right to do so. Of the eight outstanding cases, two have been convicted, two have been dropped and the rest are awaiting final consideration. I have already dealt with the decisions on the others.

Mr. Forth: Does my right hon. and learned Friend appreciate how much support there is for the principle that those who have signed the Official Secrets Act and then break it, particularly for personal gain, should be pursued and prosecuted, and that anything that he and his Department do in that connection in the future will have wide support on this side of the House?

The Attorney-General: I am grateful to my hon. Friend. That in a nutshell is the principle behind the case.

Mr. Foot: If that is true, as it is alleged in some of the reports about what is in Mr. Wright's book, that people from MI5 were engaged in some sort of conspiracy against the elected Government of the United Kingdom, does the Attorney-General think that that, too, is a matter of principle? What steps has he taken to ensure that that is properly investigated?

The Attorney-General: I think I can refer the right hon. Gentleman most conveniently to the answer of the then Prime Minister when he addressed the subject.

Mr. Rippon: Most right hon. and hon. Gentlemen will welcome what my right hon. and learned Friend has just said. Does he agree that the operations of the secret service must remain secret and that they involve a lifelong duty of trust?

The Attorney-General: I agree entirely with my right hon. and learned Friend. I am surprised that so many Opposition Members seem unable to accept that principle.

Mr. John Morris: I too, wholeheartedly welcome the Attorney-General back to his place in the House.

What is the prime consideration in relation to prosecutions? Is it damage to national security or is it

political embarrassment? Does the Attorney-General maintain consistency in his approach to Miss Tisdall and Mr. Ponting and to others such as Mr. West, Mr. Pincher, Lord Rothschild and the security men who may have leaked information to those people? Has not section 2 of the Official Secrets Act been virtually put out to grass and replaced in practical terms as a damage limitation exercise by actions for breach of confidentiality?

The Attorney-General: I thank the right hon. and learned Gentleman for his kind remarks. He was using the word prosecutions. This is not the first time during my questions. In fact, the proceedings in Australia are civil proceedings. There is no way in which we can prosecute under the Official Secrets Act in another country. With regard to the action in Australia the principle has been brought out clearly today that it is the Government's determination to establish that once a man joins a service in which he promises to keep secret for the rest of his life all that he finds, that principle should be upheld.

Mr. Mates: For the benefit of the right hon. and learned Member for Aberavon (Mr. Morris), will my right hon. and learned Friend reinforce the point that whether or not a matter is politically embarrassing the fundamental principle to be observed is that if a person breaches trust he must be pursued by any Government as far as it is legally possible to do so?

The Attorney-General: It would be impossible for the intelligence services to carry on their business and to maintain the confidence of other intelligence services if that principle was not upheld.

State Security

29. **Mr. Dalyell** asked the Attorney-General if he has yet reached any decision as to whether to prosecute Lord Rothschild in relation to alleged offences under the Official Secrets Act.

The Attorney-General: The police investigation to which the Solicitor-General referred on 6 February is as yet incomplete.

Mr. Dalyell: Before appealing in Australia, would it not be wise to find out what on earth induced Victor Rothschild to pay money for Peter Wright to come here and to introduce him to Chapman Pincher? As I suggested in an Adjournment debate on 6 February, is there not some selectivity in prosecution policy? Why go for Wright and not for Victor Rothschild?

The Attorney-General: I have made it clear that there is no question of any decision being taken about Lord Rothschild. The police inquiry is not complete and the Director of Public Prosecutions has no report. With regard to the case in Australia, the hon. Gentleman again fails to distinguish between insider and outsider books.

Mr. Mark Carlisle: Is not the answer to the selectivity issue raised by the right hon. and learned Member for Aberavon (Mr. Morris) the fact that neither Mr. Chapman Pincher nor Mr. Nigel West are subject to the Official Secrets Act and thus cannot be prosecuted under it?

The Attorney-General: With one reservation, my right hon. and learned Friend is right. A person who directly repeats information from someone bound by the Act could himself be liable.

Wright Court Case

30. Mr. Winnick asked the Attorney-General if he is now in a position to make a statement on the Wright court case in Australia.

The Attorney-General: With permission, I shall answer this at the end of Question Time.

High Court Judges

31. Mr. Madden asked the Attorney-General what criteria the Lord Chancellor uses in recommending the appointment of High Court judges.

The Solicitor-General (Sir Patrick Mayhew): High Court judges are appointed by the Queen on the recommendation of the Lord Chancellor. The statutory qualification is to be a barrister of 10 years' standing, but those appointed are usually of more senior standing than that. The criteria for selection are judicial potential, ability, experience, reputation and personal integrity.

Mr. Madden: Can the Solicitor-General, from his personal recollection, think of anyone who has been promoted in one go from registrar to High Court judge?

The Solicitor-General: I can think of one — or, at least, I have been prompted of one. It is unusual, but there is one. To make a general response to the question, I believe that the reputation of our judiciary is unsurpassed throughout the world. Where the constitution appears to be working well, on the whole I am averse to changing it.

Mr. Stokes: Is my right hon. and learned Friend aware that most people in this country, unlike some Opposition Members, regard our judges in the highest light? They look to them as protection against arbitrary power and they want no changes in their appointment and certainly no political mucking about with what they do.

The Solicitor-General: As usual, my hon. Friend speaks with the good sense that characterises the opinion of the vast majority of people in Britain.

Mr. Skinner: Has the Solicitor-General seen the recent remarks of Judge Argyle, who last week addressed a meeting and said that those who are found guilty of crimes which result in sentences of more than 15 years should be hung — [HON. MEMBERS: "Hanged."] Hanged: it is the same argument. He also said that there are 5 million illegal immigrants in Britain. How did he manage to become a judge? Who was responsible for giving him the job? Why is it that the Government can cast aspersions on the Australian judge, yet this one seemingly attracts no comments from the Attorney-General and his mates?

The Solicitor-General: The advantage of having an independent judiciary is that its members are responsible for their own opinions, if they are correctly reported. The Attorney-General is not responsible for anything that is reported to have been said by any judge.

OVERSEAS DEVELOPMENT

Africa

Mr. Norris asked the Secretary of State for Foreign and Commonwealth Affairs what action he is taking to help control the devastation being caused by locusts and other pests in Africa.

The Minister for Overseas Development (Mr. Chris Patten): Last month, I committed over £1.5 million for pesticides, sprayers, vehicles and spares to combat the current desert locust upsurge in eastern Africa. I have agreed to today to provide a further £567,000 for locust and grasshopper control in the Gambia, Mali and Sudan. This is in addition to the £3 million the Government provided last year to help to control locusts and other pests in Africa. We stand ready to provide more help if needed.

Mr. Norris: Does my hon. Friend agree that the locust and grasshopper devastation in central Africa, all the way from Senegal to Djibouti, wreaked untold damage on the fragile economies of those countries? Does he agree that although his news today is welcome, we must do all that we can to combat those serious attacks on the economies of central Africa?

Mr. Patten: I very much agree with my hon. Friend, whose remarks underline the importance of supporting the regional organisations working on the control of locusts. I was pleased to visit the desert locust control organisation a couple of weeks ago, which we support and will continue to support.

Mozambique

Mr. Soames asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the amount of aid her Majesty's Government will be extending to Mozambique in 1988-89.

Mr. Chris Patten: We expect to maintain a substantial aid programme to Mozambique in 1988-89. Figures will be announced in due course in the usual way. We shall also remain ready to contribute food aid and emergency relief.

Mr. Soames: Although I congratulate my hon. Friend on the imaginative programme that he has introduced for Mozambique, does he agree that Britain has some important interests in a stable Mozambique? Will he do all that he can to ensure that if any EEC food surpluses are available for that region, Mozambique should have the first charge upon them?

Mr. Patten: I very much agree with my hon. Friend's first point. I hope that Mozambique will soon agree on a programme with the International Monetary Fund and the World Bank, which we shall support when it happens. As for food aid, I am pleased to be able to tell my hon. Friend that following my visit to Mozambique we immediately raised the question of food aid in Brussels. A further 60,000 tonnes of cereals was agreed by the Commission on 3 March. Much of it will be provided from Zimbabwe.

Mr. Kirkwood: Bearing in mind the fact that economic security cannot exist in the absence of military security, and having regard to the problems of Mozambique at present, do the Government have any plans to increase military aid to the front-line states and to Mozambique in particular?

Mr. Patten: Although the matter is not strictly within my terms of reference, I can confirm that we are helping with the training of the Mozambiquean armed forces and we are also providing battalion unit training for the Zimbabwe army.

Wright Court Case

3.32 p.m.

The following Question stood upon the Order Paper:

Mr. David Winnick (Walsall, North): to ask the Attorney-General if he is now in a position to make a statement on the Wright court case in Australia.

The Attorney-General (Sir Michael Havers): The principle which the Government are seeking to uphold is clear. Having considered Mr. Justice Powell's judgment and the advice of Australian counsel, the Government have decided to appeal against it. A notice of appeal will be lodged as soon as practicable.

Mr. Winnick: Is the Attorney-General aware that many people believe that it is simply a further waste of taxpayers' money to pursue the appeal in Australia? Is he aware also that the Opposition are concerned not about the tittle tattle of the memoirs—we all know that Wright is a very embittered individual—but about the need to ensure that there is adequate parliamentary scrutiny of the security services? In view of the allegations that a Labour Government were destabilised—at least at certain stages—by the Security Service, will there be a clear promise that there will be a full judicial inquiry into those allegations?

The Attorney-General: I have no power to give any such undertaking. That is not a matter for me. I remind the House of what the Prime Minister of the day said. He said that, after conducting detailed inquiries, he was satisfied that the allegations about the Security Service "did not constitute grounds for lack of confidence in the competence and impartiality of the Security Service or for instituting a special inquiry."

Mr. Ivan Lawrence (Burton): Does my right hon. and learned Friend agree that if the Government had done nothing to try to stop those who are entrusted with the nation's secrets from betraying those secrets for money they would have been subject to the accusation of having shown the grossest irresponsibility? Do we in this country not have reason to believe that a system of justice founded upon our system will uphold the principle of confidentiality?

The Attorney-General: Those are certainly matters that the Ministers concerned took very much into consideration when reaching the decision to start the proceedings in Australia.

Mr. Merlyn Rees (Morley and Leeds, South): May I refer the Attorney-General to the answers that he has given twice today about the inquiry that took place in the summer of 1977, in which I played a part? The statement to which he referred, of which I have a copy, reads:

"The Home Secretary, as the Minister to whom the Security Service is responsible, has been closely involved in the enquiries".

We were not inquiring into the allegations that are now made by Wright and by others. We were inquiring into alleged electronic devices at No. 10, and it was on that issue that the then Prime Minister issued his statement, in which I played a part.

None of that information would be provided to the Attorney-General. None of that information would be provided to the Home Secretary of today. None of that would be provided to the Prime Minister. It is a convention—I note that the right hon. and learned

Gentleman is nodding in agreement—that none of that information is provided to a later Government. I am satisfied that the information about the Wright allegations and other allegations is not referred to in the inquiry. When Ministers, including the Attorney-General, say that the Prime Minister of the day dealt with it in his statement, I can say that he did not, and neither did I. They are different allegations, and unless an inquiry is set up—this is an exercise by dissident members of MI5 and not a question of national security—I shall get at the root of it whatever happens. The Government had better remember that.

The Attorney-General: I am sure that the right hon. Gentleman would not suggest for a moment, as he has made clear that the Government are seeking to mislead in any way.

Mr. Merlyn Rees indicated assent.

Mr. Dennis Skinner (Bolsover): Misleading! Come clean to the House.

The Attorney-General: I am grateful to the right hon. Gentleman for his acknowledgement—

Mr. Skinner: Come clean.

Mr. Christopher Soames (Crawley): Shut up.

Mr. Speaker: Order. The hon. Member for Bolsover (Mr. Skinner) must not interrupt like that.

Mr. Skinner: Why do you not mention Bunter, Mr. Speaker? Why do you not get stuck into Bunter, Mr. Speaker?

Mr. Speaker: Order.

The Attorney-General: As the right hon. Member for Morley and Leeds, South (Mr. Rees) has said, we do not have access to any of the papers that were considered by him and the then Prime Minister. I shall, however, ensure that what he has said is drawn to the attention of my right hon. Friend the Home Secretary.

Mr. Geoffrey Rippon (Hexham): I warmly welcome the statement that the Government are to appeal in the Wright case. Many in the House believe that the Government are right so to do and that there is no alternative but to take that course. Does my right hon. and learned Friend agree that if the operations of the secret service must remain secret, the means by which it is controlled must remain the responsibility of the Government of the day and cannot be delegated to any other body?

The Attorney-General: That has been the convention for a very long time. That is why questions about security are usually not allowed by the Table Office. I agree with everything that my right hon. and learned Friend has said.

Dr. David Owen (Plymouth, Devonport): Is the Attorney-General aware that I am sure that both sides of the House agree with the principle that no one who has worked in MI5, either present or retired, should be free to publish what he wishes? The question of accountability of MI5, however, and what appear to be fairly widespread illegal practices are causing great concern. Will the Attorney-General, who is answerable on this issue to the House, explain why he was not involved in the decision not to prosecute Mr. Chapman Pincher six weeks before the book was published? Did that decision relate to the fact

Dr. David Owen]

that the book had been stolen? Will the Attorney-General tell the House also why no action was taken against Mr. Peter Wright when he appeared on television?

Both those events occurred in Britain, and surely it is better to proceed on that basis than to go on digging a deeper hole, when one is deep enough in it already, down in Australia. Surely we should deal with the issues for which we are responsible and for which the Attorney-General is responsible, which preceded what happened in Australia by a couple of years.

The Attorney-General: I well understand the anxieties that have been expressed by the right hon. Gentleman. I was not consulted, and therefore I am unable to comment on why I was not, and that is clear.

As to the rest of the right hon. Gentleman's question, I am still bound by the obligation that was imposed on me earlier, because this morning I consulted counsel in Australia and was told that I cannot make any full or detailed statement until the appeal is over.

Mr. Jonathan Aitken (Thanet, South): As the confusion over the Wright case seems to be deepening with all these announcements, will my right hon. and learned Friend take note of the view that, by his announcement today, he may be pursuing a good principle, but by the wrong method? Instead of spending the best part of £1 million of taxpayers' money on what I fear will be a vain attempt to persuade the Australian courts to uphold Britain's narrow view of the Official Secrets Act, will my right hon. and learned Friend and his advisers concentrate on the higher priority, which is to ensure that all present and future members of the security services are given binding and enforceable contracts of employment, the breach of which makes them clearly liable to damages and loss of their pension rights if they dishonour their obligations of confidentiality?

The Attorney-General: One of the decisions of the learned judge, Mr. Justice Powell, was whether there was an enforceable contract, which almost certainly will be one of the grounds of appeal.

Is this a vain attempt? No, Sir. We do not accept that it is a vain attempt. I would not agree to any appeal unless I felt confident that there was a proper chance of success. That is why we have taken this decision.

Mr. D. N. Campbell-Savours (Workington): Why does the Attorney-General not take up the offer that was repeatedly made by Mr. Turnbull last week, that he was willing to do a deal with the Attorney-General on the content of the book and exclude any material which the Attorney-General felt breached national security, with one proviso, that the material that Wright has produced on the destabilisation of Labour be published? Surely it is in the public interest that that be made available?

Why did the Attorney-General go through his agent, on bended knee, to the judge in the Australian court, insisting that the affidavit of Mr. Wright which dealt with the destabilisation of Labour be taken in secret behind closed doors? Why was that area of his affidavit not made available in the public domain so that the whole world could learn what happened during the mid-1970s?

The Attorney-General: A great deal of the book remains, in the view of Her Majesty's Government, a

matter of confidence. On those occasions there was no question of going on bended knee to the judge. On the occasions that it was clear to anybody looking at a passage that it was a matter of confidence, the proceedings were heard in camera. There was no question of having to go on bended knee. I am sorry, but I have forgotten the first point.

Mr. Campbell-Savours: The deal with Turnbull.

The Attorney-General: Again, the hon. Gentleman has failed to understand the principle, which I thought we had repeated so many times that it would be clear to anybody. The principle is that we need to uphold a promise that is made by those employed in the intelligence services that they will not, at any time, disclose anything that they have learnt in confidence. We cannot have a settlement, because if we achieve a settlement we shall be in breach of that principle.

Mr. David Ashby (Leicestershire, North-West): Has my right hon. and learned Friend considered that the reason why the Australian courts take a different view of section 2 of the Official Secrets Act is that they have a Freedom of Information Act, which effectively has replaced the Official Secrets Act? Is that not the direction that we should be taking? Should we not get rid of section 2 and replace it with a Freedom of Information Act that will say what can and cannot be published.

The Attorney-General: Section 2 of the Official Secrets Act played no part in our conduct of this case in Australia. As to the second matter, my hon. Friend will know that in 1979 we sought to improve section 2, but that that proposal did not meet with favour. Ultimately, that must be a question for my right hon. Friend the Home Secretary.

Mr. Willie W. Hamilton (Fife, Central): Is the Attorney-General aware that a large number of people inside and outside the House will regard the Government's decision to appeal as little more than a delaying mechanism to prevent any further discussion of the matter this side of the general election?

Does the right hon. and learned Gentleman recognise that taxpayers' interests are at stake? Can he tell the House the total estimated cost to the taxpayer of this farce? In the light of what has happened to the Liverpool councillors, does the right hon. and learned Gentleman agree that he and the Prime Minister should be surcharged if the appeal fails?

The Attorney-General: The councillors would have been in a much stronger position if they had acted on, instead of against, legal advice.

The hon. Gentleman talks about people outside. For the third time at Question Time I must tell the House that I have received not a single letter from any member of the British public about our taking action in Australia. Perhaps the hon. Gentleman reads something into the issue in which the British public do not believe. I think that they believe in the principle that we accept.

What the hon. Gentleman said about a delaying mechanism is nonsense. I am confident that we have a better than even chance of success. As I said to the right hon. and learned Member for Aberavon (Mr. Morris) on the last occasion when I was able to attend Question Time, I am longing for the opportunity to make that statement, and I still am.

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Sir Ian Percival (Southport): Is my right hon. and learned Friend aware that the majority of people in this country understand and support his desire to uphold the principle that, in the interests of national security, secrets are secrets and should not be sold for money by those to whom they are entrusted in the course of their duties?

The Attorney-General: I do not wish to comment myself, but I believe that to be the view of the British public.

Mr. John Morris (Aberavon): Which is the weightiest principle in the Government's mind — failing to recognise inconsistency delaying other cases, or kicking the ball for touch until after the next election?

Who takes the decisions — the Law Officers or the Prime Minister? Alternatively, was it on the Attorney-General's advice that it was decided to sue in Australia as well as in relation to Miss Miller's book in Ireland? Why was the Attorney-General not consulted about the decision not to act in Pincher's case? Was it because the book's proofs were obtained illegally? Having failed to ban such books in Australia and in Ireland, has the right hon. and learned Gentleman considered that even if he were to win in Australia he would fail to ban publication in Ireland or America?

The Attorney-General: The right hon. and learned Gentleman listens too much to gossip. He talks about weighty principles and kicking the ball for touch. That is one way to put it, but I have now told the House not once, but three times, that I am satisfied that our chances of success are sufficient to justify an appeal. There is no question of taking a deliberate political decision in order to get past the next election. This is a ministerial, collective decision on which the Attorney-General advises.

European Community (Steelmaking Capacity)

3.48 pm

Mr. John Smith (Monklands, East) *(by private notice)* asked the Secretary of State for Trade and Industry if he will make a statement on European Commission proposals to reduce steelmaking capacity within the European Community.

The Minister of State, Department of Trade and Industry (Mr. Giles Shaw): The European Commission's view, which is generally shared by the member states, is that substantial excess steelmaking capacity remains in the European Community. This excess capacity is generally estimated to be in the range of 20 million to 25 million tonnes per annum of hot rolled capacity.

Against this background, the European Steel Producers Federation, Eurofer, put forward proposals to the Commission on 1 March for reducing capacity in a number of steelmaking sectors. These proposals were presented to the Commission on 1 March. No capacity reductions from the British Steel Corporation were included in the Eurofer proposals.

At a meeting of the Council of Ministers on Thursday 19 March, which I will attend, the Commission will, I understand, make an oral statement of its views of the Eurofer proposals in relation to the excess capacity in Europe. I shall, of course, be reporting to the House following that Council of Ministers in accordance with normal practice.

Mr. John Smith: Is the Minister aware of the alarm that spread rapidly throughout the British steelmaking communities when news was received of possible proposals by the European Commission to reduce steelmaking capacity, particularly in hot-rolled coil and strip production? Can the Minister give a categorical assurance that the pledge given to maintain the five integrated steel plants will be maintained absolutely until 1988 and that no proposals will be agreed to take effect thereafter or to prejudice decisions for the future?

Is the Minister aware that the United Kingdom has already borne a severe reduction in the steel industry and there is just no room for any more? Can the Minister confirm that no proposals — I believe that he said this in his statement, but it is so important that I hope he will confirm it — to reduce capacity have been made by the British Steel Corporation, through the mechanism of Eurofer, in discussions with the Commission? Will the Minister make clear at the Council of Ministers meeting on Thursday a view that I believe is fairly widespread throughout the House, that the British Government will not agree to any further reduction in steel capacity, particularly in hot-rolled coil and strip production, either now or in the future?

Mr. Shaw: I unequivocally give the right hon. and learned Gentleman the assurance that he wishes in connection with the maintenance of the five integrated plants strategy as agreed in August 1985 and to which the Government are fully committed.

In relation to the Eurofer proposals, I assure the right hon. and learned Gentleman that no step will be taken which in any way prejudices the future of that strategy

Mr. David Mitchell: No, Sir. British Rail has not to date submitted an investment proposal, either based on the Mackay report or not.

Mr. MacLennan: Will the Minister clarify the position, because the Mackay report says that British Rail could put forward a proposal based only on financial considerations, and that a cost-benefit analysis is needed? Will that cost-benefit analysis have to be done by British Rail, or will the Government do it themselves? Will they do it as a matter of urgency, as the cost of constructing a rail bridge in association with a road bridge is much less than if one has to be built subsequently?

Mr. Mitchell: The Mackay consultants report is being considered by the Government, but nothing has yet persuaded us that we should interfere with British Rail's judgment. The expenditure for British Rail will amount to some £12.7 million and the amount of revenue that would be at risk if the Dornoch bridge were not proceeded with for rail connection would be only £120,000 per year. The hon. Gentleman will see that there is a dramatic difference between the outlay and the potential financial saving. The point made by the consultants on the cost benefit is being considered by the Government.

ATTORNEY-GENERAL

State Security

51. Mr. Dubs asked the Attorney-General how many prosecutions under the Official Secrets Act there have been since 1979.

52. Mr. Spearing asked the Attorney-General if he will make a statement concerning recent consultations he has had with the Director of Public Prosecutions concerning prosecutions under the Official Secrets Act.

54. Mr. Janner asked the Attorney-General what recent discussions he has had with the Director of Public Prosecutions concerning cases currently under consideration involving alleged offences under the Official Secrets Act.

The Attorney-General (Sir Michael Havers): Since 1979 there have been 16 prosecutions under section 2 of the Official Secrets Act 1911, including two which were not proceeded with. During the same period, there have been seven prosecutions under section 1, including one which was not proceeded with, and three under section 7 of the 1920 Act. Five cases under section 2 are presently pending before the courts.

The consent of the Attorney-General is required before any prosecution under the Official Secrets Acts may proceed, and this may be granted either on the basis of a written request by the Director of Public Prosecutions, or after a discussion. Recently I met the Director of Public Prosecutions, and we discussed the various cases which are under consideration arising out of the Wright case and its wider aspects.

Mr. Dubs: Does it not seem that in recent years the motive in deciding whether there should be prosecutions under the Official Secrets Act was more to avoid political embarrassment than for any other reason? While I appreciate that, until the Wright case is over, the Attorney-General cannot make a full statement, would it not be

right, when the case is completed, for him to make a full and frank statement to the House as to the basis on which future prosecutions under the Act will be carried out?

The Attorney-General: I refer the hon. Gentleman to a list, published, in answer to a question by the hon. Member for Newcastle upon Tyne, East (Mr. Brown), on 15 December last year, which discloses the type of offence. There are too many cases of people who have for money given information that is subject to the Official Secrets Act, such as police officers who have given details of previous criminal offences and things of that kind. **I intend to make a full statement the moment that I am able to do so.**

Mr. Spearing: Is it not frequently the case that Governments, faced with the publication of unpalatable facts, engineer or promote the leakage of those facts from Select Committee or minority reports of Select Committees, or by other means? Bearing in mind the dual responsibilities of Law Officers of the Crown, political on the one hand and legal on the other, is it not a principle that their legal actions, particularly in matters relating to prosecutions, or lack of action relating to prosecutions, should be, and should be seen to be, wholly on the legal side of their functions?

The Attorney-General: I entirely agree with that. I assure the House that there is no question of a political basis for any decision that I or my right hon. and learned Friend have taken in any case under the Official Secrets Act.

Mr. Janner: Has the Attorney-General considered himself, or discussed with the Director of Public Prosecutions, the workings of this archaic and terrible old Act? For example, has he considered whether or not it would be a breach of the Act for information to be given to the public concerning the horrific dangers arising from the crashes of military convoys, such as that which occurred this weekend, about which public-spirited citizens saw fit to tell the public? Had they not done so, the public would not have known about the crash.

The Attorney-General: The basis upon which I operate was given in an oral answer to the hon. Member for Walsall, North (Mr. Winnick) as far back as 9 April 1984. The hon. and learned Gentleman knows that in appropriate circumstances Ministers themselves can authorise disclosure.

Mr. Aitken: Does my right hon. and learned Friend agree that the Attorney-General of the day is frequently put in a virtually impossible position by the Act? On the one hand the Law Officers have a clear duty to enforce the law; on the other hand, the law is so widely drafted that it is virtually unenforceable without bizarre selectivity in the exercise of the prosecutor's discretion. When my right hon. and learned Friend makes his statement, will he therefore place himself firmly on the side of the reformers of the Official Secrets Act?

The Attorney-General: Inevitably the decisions that I, the Director of Public Prosecutions and my right hon. and learned Friend have to take are sometimes described as political decisions. However, I assure the House that we look at each case entirely wearing our quasi-judicial hats. We are not influenced in any way by the political consequences. Sometimes, as my hon. Friend the Member

Thanet, South (Mr. Aitken) said, one is put in an impossible position. However, we use our discretion and our best judgment.

Mr. Stanbrook: Despite the comparatively wide terms in which the Official Secrets Act is drafted, do not the figures revealed by my right hon. and learned Friend's original reply show that because the consent of the Director of Public Prosecutions is required there is a proper balance between the public interest and the enforcement of the law in every case and that, given the discretion that can be exercised by the Director of Public Prosecutions, and in the absence of any serious suggestions for reform of the Act, the present system is working much better than one might have expected?

The Attorney-General: My hon. Friend must appreciate that it is primarily my decision, but always I am advised by the DPP and in many cases I am also advised by counsel.

Mr. Campbell-Savours: And by the Prime Minister.

The Attorney-General: Certainly not. There is no question—

Mr. Skinner: The Prime Minister's dish cloth.

Mr. Speaker: Order.

The Attorney-General: Now that I have a moment to reply, there is no question, ever, in any single case under the Official Secrets Act or, indeed, in any case involving a criminal prosecution of my having been ordered or directed in any way by the Prime Minister.

Mr. Nicholas Brown: I have no sympathy at all with those who reveal real state secrets, but the ludicrous Australian trial and the Official Secrets Act combined, have not even preserved the Government's dignity in the Wright case. Will the Attorney-General confirm that if Wright were to decide to publish in Ireland, following the Miller case, the chances of successfully preventing publication would be very slight? In the light of that, is the House not entitled to a Government statement on the future of the Official Secrets Act? Once Mr. Justice Powell has announced his decision, will the Attorney-General make a full statement to the House about the Government's handling of the Wright case?

The Attorney-General: On the Australian case, I should have thought that it would be absolutely apparent to the hon. Gentleman that it involves a very important principle, that those who promise to keep quiet for the rest of their lives should keep that promise. It is very interesting that I cannot find a single hon. Member, on either side of the House, who has received a letter complaining about that.

Mr. Alex Carlile: Can the Attorney-General tell the House if any useful purpose is served by prosecuting people who reveal matters of ancient history which can do no possible damage to the state and who, by reason of the threat of prosecution, feel driven to leave the United Kingdom?

The Attorney-General: Let us get the procedure clear. I am surprised that the hon. and learned Gentleman does not appreciate the position. The case in Australia is not a prosecution—it is civil proceedings for an injunction. Whether the person concerned left to go to Tasmania

because of the book or for other reasons, I simply do not know. The principle remains, and it is one that we are determined to uphold.

State Security

53. Mr. Greenway asked the Attorney-General what is the cost to date to public funds of the case being brought against publication of Mr. Wright's book in Australia; and if he will make a statement.

56. Mr. Teddy Taylor asked the Attorney-General what has been the cost to public funds of the action taken against Mr. Peter Wright in the Australian courts; and if he will make a statement.

The Attorney-General: The total cost to public funds to date of the court action in Australia concerning the publication of a book by Mr. Peter Wright, including legal fees paid to date, and fares and subsistence for civil servants, is estimated to be of the order of £170,000.

Mr. Greenway: Even if counsel's fees considerably increased this figure, is not money spent in this way on proceedings against Mr. Wright necessary in order to deter ill-motivated ex-MI5 employees from damaging the security of the nation? Does my right hon. and learned Friend not agree that in future every ex-MI5 employee who breaks the Official Secrets Act should have all pension and emoluments ended forthwith?

The Attorney-General: I agree entirely with the first part of my hon. Friend's question, but the latter part of his question is not a matter for me.

Mr. Teddy Taylor: As there is now quite a lot of public money involved, will the Attorney-General tell us whether the action was taken because Mr. Wright broke the rules of confidentiality or because the material in his proposed publication was considered damaging to national security?

The Attorney-General: The principal purpose of those proceedings is to preserve the principle that those who have promised to keep the secrets do so.

OVERSEAS DEVELOPMENT

Aid Policy

62. Mr. Chapman asked the Secretary of State for Foreign and Commonwealth Affairs what proportion of the current overseas aid programme and budget is channelled through multilateral agencies and bilateral government agreements, respectively.

The Minister for Overseas Development (Mr. Chris Patten): In 1985-86, the latest year for which figures are available, Britain's contributions to multilateral aid agencies accounted for 42 per cent. of gross aid programme expenditure, and total bilateral aid for 58 per cent. Bilateral country programmes amounted to 40 per cent. of total expenditure.

Mr. Chapman: I am grateful to my hon. Friend for that information. Can he say whether there has been any change in those proportions in recent years, and will he confirm that, generally speaking, long-term sustained aid projects can be more effectively attained through bilateral Government agreements and that a major role for multilateral agencies should be to assist in providing short-term emergency aid when necessary?

past few years, that the airport is vital to the regeneration of employment and industry in the north-west and that the current strike is economic suicide for the region?

Mr. Spicer: Yes, I agree with my hon. Friend's comments.

Mr. Carter-Jones: Does the Minister accept that it would be a considerable help to Manchester and the regions if he was to have a word with his right hon. Friend the Secretary of State for Trade and Industry and order the A340 Airbus to allow regions such as Manchester to provide aircraft for the long, narrow routes?

Mr. Spicer: The hon. Gentleman is quite right, this is a matter for my right hon. Friend the Secretary of State for Trade and Industry. No doubt my right hon. Friend will have noted what the hon. Gentleman has said.

Mr. Favell: Does my hon. Friend agree that the astonishing increase in passenger transport at Manchester airport shows that the north-west is not on its uppers as the Labour party would have us believe?

Mr. Spicer: Manchester airport's achievements have been remarkable. It is now one of the major airports not only in this country but in Europe.

Mr. Dormand: Does the Minister realise that there are other airports in the northern region besides Manchester and that the greatest needs are at Newcastle and Teesside?

Mr. D. N. Campbell-Savours: And Carlisle.

Mr. Dormand: And Carlisle, as my hon. Friend the Member for Workington (Mr. Campbell-Savours) said. If the Government are serious about narrowing the north-south divide or eliminating it, will the Minister give priority to those three airports?

Mr. Spicer: Newcastle airport, which is closest to the constituency of the hon. Member for Easington (Mr. Dormand), is very successful. Indeed, since 1981 it has received capital allocations of £13 million.

Speed Limits

12. **Mr. Bidwell** asked the Secretary of State for Transport if he will consider introducing a campaign for the strict observance by the public of road speed law.

Mr. Moore: I shall continue to campaign for better road safety, strict observance of speed limits is not necessarily enough. Within the legal limit drivers need to keep to a safe speed for the road conditions.

Mr. Bidwell: Would the Secretary of State and other Ministers agree that there is a dangerous and wanton disregard of existing legal speed limitations? Is it not high time that a campaign was undertaken to make changes? Motorists who try to observe speed limits often feel that they are in a dangerous position with the flow of traffic which is far too excessive at present. At the same time, it is wrong that there should occasionally be punitive police action. There should be a national campaign, and pretty soon.

Mr. Moore: I cannot disagree with the emotion and attitude expressed by the hon. Gentleman. The regular enforcement of the law is obviously a matter for my right hon. Friend the Home Secretary, and I will draw his

attention to the hon. Gentleman's remarks. Clearly, strict observance is a key factor in maintaining the level of quality of safety that we would expect on our roads.

Mr. Higgins: May I again press my right hon. Friend to erect 70 mph signs on an experimental basis on some motorways, especially the M25, so that drivers are constantly reminded of the speed limit?

Mr. Moore: Since my right hon. Friend raised this point, I have examined it and am prepared to consider the idea. However, at this stage we are testing the "Keep your distance" signs and we want to consider their effect. However, I am prepared to consider my right hon. Friend's point and I am examining it now.

Channel Tunnel

13. **Mr. Teddy Taylor** asked the Secretary of State for Transport if he will make a statement on the security provisions being planned for the Channel tunnel.

Mr. David Mitchell: This subject is being taken very seriously by the two Governments and the concessionaires. However, for obvious reasons, I cannot make the details public.

Mr. Taylor: Is the Minister aware of the immense public concern at the possibility that the tunnel will be an open invitation for those appalling terrorist groups which seek to draw attention to themselves by committing outrages? How will it be possible for every vehicle to be inspected and X-rayed when, according to the chairman—still—of the Channel Tunnel Group, Lord Pennock, such a machine has not yet been invented?

Mr. Mitchell: Eurotunnel has been proposing various arrangements to the Government, but it will be for the Government to examine those arrangements and to decide whether they are satisfactory.

Mr. Donald Stewart: Does the Minister accept that security should include the safety of the public and that there is much disquiet about the fact that drivers will have to remain with their vehicles and that the tunnel might turn out to be the longest crematorium in the world.

Mr. Mitchell: Safety, is of course, a prime question. There is long experience in Switzerland of drivers remaining with their vehicles and there being no serious incidents such as the right hon. Gentleman fears.

ATTORNEY-GENERAL

Wright Case

39. **Mr. Dalyell** asked the Attorney-General when he first became aware that Sir Robert Armstrong had offered inaccurate evidence in the Wright case in Australia concerning the Attorney-General's alleged role in deciding whether to proceed against Mr. Chapman Pincher's book "Their Trade is Treachery"; and if he will make a statement.

40. **Mr. Winnick** asked the Attorney-General if he will make a statement on the latest position regarding the Wright case in Australia.

44. **Mr. Nicholas Brown** asked the Attorney-General if he will now make a statement on the Government's handling of the Wright case.

Attorney-General (Sir Michael Havers): This is a matter at issue in the proceedings in Australia. I must remind the House again that I am the plaintiff in that case and cannot, therefore, comment on it. I have to be careful to avoid the risk of prejudicing the case or, at worst, being in contempt of court in New South Wales. When the proceedings are over, then will be the time to deal with any matters that are outstanding, in the light of the usual customs and conventions. We are awaiting judgment, for which no date has yet been fixed.

Mr. Dalyell: Would it be unkind to the Attorney-General to suggest that it was only after questions were asked and a fuss was made in the House, especially by the Leader of the Opposition on 27 November at column 426, that he took steps to correct a perjury in the Australian court? Notwithstanding the general issues to which he understandably referred, why did this correction take so long?

The Attorney-General: I think it is right to say that there was no question of perjury, which requires an intentional deception of the court. As for other matters, I am bound by the attitude which the Government have adopted on this.

Mr. Winnick: Does the Attorney-General recognise that an important lesson of the Wright case is that civil liberties should not be undermined by the Administration of the day? Does it not appear that that lesson has not been learnt by the Government, bearing in mind the KGB-like operation against the Glasgow office of the BBC? Does the Attorney-General recognise that this matter—

Mr. Speaker: Order. The hon. Gentleman's question must relate to the main question.

The Attorney-General: I am afraid that I was unable to hear the hon. Gentleman's last few words.

Mr. Winnick: Does the Attorney-General recognise that the importance of the Wright case is that civil liberties should not be undermined by the Government? We need an explanation of what occurred at the weekend, bearing in mind the KGB-like operation against the BBC in Glasgow.

Mr. Speaker: Order. There will be other opportunities to raise that matter. The Attorney-General may answer the first part of the question.

The Attorney-General: On the first part, I should have thought that the hon. Gentleman would have realised by now the principle which the Government are trying to uphold in the court in New South Wales. The second part of the question cannot possibly arise from the main question.

Mr. Nicholas Brown: It would help the House enormously if the Attorney-General would give a clear and unambiguous commitment to make a statement on the Government's conduct of the Wright case as soon as the judgment is announced.

The Attorney-General: There is a problem—I am taking advice on it—as to whether I could comment if the case went to the Court of Appeal. All that I can tell the hon. Gentleman is that I am longing for the opportunity to make a statement to the House.

Mr. Stokes: Is my right hon. and learned Friend aware that although the people of Walsall, North and Newcastle

upon Tyne, East may be waiting with bated breath for the news of the Wright case from Australia, no one in my constituency has written to me about it or even mentioned the subject?

The Attorney-General: I thought that I was tempting providence when, in answer to questions three weeks ago, I said that some 70 hon. Members had informed me that they had received no letter. I got no letters from any hon. Member saying that that statement was inaccurate.

Mr. Adley: Has my right hon. and learned Friend noticed that, whether it be obsessive, old MI5 buffoons in Australia or fellow travelling journalists in Britain seeking to undermine national security, there is never any shortage of Opposition Members jumping up to defend them, regardless of the circumstances?

The Attorney-General: It has struck me as curious that, while the Leader of the Opposition has agreed that this could be a serious breach of national security, so many of his hon. Friends take a completely different view.

Mr. Alex Carlile: Does the Attorney-General recognise that, when one puts aside all the personal and political criticism that has arisen from it, the Wright case and other more recent events have given rise to severe public anxiety about the attitude of government, of whatever colour, to secrecy. Will the Attorney-General recommend to his right hon. Friend the Prime Minister that the time has come for a thorough-going and fresh inquiry into the whole subject of secrecy and secrecy legislation?

The Attorney-General: No, I will not. The ordinary British public believe that, when somebody working in one of the security services makes a promise to keep the secrets that he learns in the course of his duties secret for the rest of his life, that promise should be honoured.

Mr. Hickmet: Will my right hon. and learned Friend confirm that much of the evidence that was given in camera in the case in Australia came into the possession of Opposition Members? Will he confirm further that it was used in the House and that the effect was to undermine the Crown's case in Australia? Is he aware of the arrangements that existed between the Leader of the Opposition and his office and Mr. Turnbull, the lawyer acting for Mr. Peter Wright? What effect did the presence of Mr. Paul Greengrass in court in Australia have upon the presentation of the Crown's case and the manner in which it was presented to the Court?

The Attorney-General: It would be quite wrong for me to comment on any proceedings that took place in camera. Perhaps it will be of some consolation to my hon. Friend that, in the end, the facts will speak for themselves.

Mr. John Morris: In the Attorney-General's anxiety to make a statement to the House, do I understand his answer to mean that he clearly and unequivocally is telling the House that, provided he can get over any legal difficulties that may remain after judgment is delivered at first instance in Australia, he will not be thwarted by even the Prime Minister and will make a statement to the House?

The Attorney-General: Yes.

Diplock Courts

41. **Sir John Biggs-Davison** asked the Attorney-General what views he has exchanged with the Attorney-General of the Republic of Ireland, within the framework of the Anglo-Irish Intergovernmental Conference, and also elsewhere, on the constitution and working of the Diplock courts.

The Attorney-General: I am not prepared to disclose the details of matters that I have discussed in confidence with the Attorney-General for the Republic of Ireland.

Sir John Biggs-Davison: In the interests of Anglo-Irish relations, can my right hon. and learned Friend deny that Irish politicians, whom I should not name because of the general election in the Republic, wanted to make the ratification and implementation of the European convention on the suppression of terrorism conditional upon changes in the Diplock courts, which is a matter only for the United Kingdom?

The Attorney-General: I am sorry to have to say to my hon. Friend that it is not a matter for me. I remind him that, in the Second Reading debate, my right hon. Friend the Secretary of State for Northern Ireland said:

"After the most careful consideration, the Government are not presently persuaded that this—
that is, the three-judge court—
"would be an appropriate change".—[Official Report, 16 December 1986; Vol. 107, c. 1081.]

Mr. Heffer: Has the right hon. and learned Gentleman had any discussions with his counterpart in the Republic of Ireland on the basis of the book that was published there and which is not allowed to come to this country, entitled "One Girl's War"? Has he seen a copy of the book and read it? It is absolutely ludicrous. Is the right hon. and learned Gentleman aware that, at one stage, they actually entered Mr. Palme-Dutt's house, looked into the great secret under his bed and discovered that it was his marriage lines?

The Attorney-General: I have had no discussion about the book with my opposite number in the Republic. The other matters to which the hon. Gentleman referred are news to me.

High Court Cases

42. **Mr. Neil Hamilton** asked the Attorney-General if he has any plans to seek to change the speed with which cases come to trial in the Queen's Bench division of the High Court.

The Solicitor-General (Sir Patrick Mayhew): In February 1985 the Lord Chancellor set up a major review of civil justice in England and Wales with the object of bringing about reforms which would reduce the delays in and complexity of civil litigation. The review is expected to be completed by the end of this year.

Mr. Hamilton: I thank my right hon. and learned Friend for his reply. Although the law's delay is a cliché which has been with us for hundreds of years, is my right hon. and learned Friend aware that cases in the Queen's Bench division now seem to take quite insupportable periods of time before they reach court? In my case against the BBC not so long ago we set down the action for trial in November 1984 and we came to court in October 1986. That can hardly be regarded as satisfactory.

The Solicitor-General: I am, indeed, aware, as is my noble Friend the Lord Chancellor, of the very undesirable length of time that is taken for many cases in London to come to court after having been set down. In the provinces there is a much more favourable picture. Cases that are estimated to take a long time to try take longer to come to court. My hon. Friend's case was estimated as a six weeks' trial. In the event it was settled after six days, in circumstances that we remember.

OVERSEAS DEVELOPMENT**Southern Africa (Front-line States)**

47. **Mr. Stuart Holland** asked the Secretary of State for Foreign and Commonwealth Affairs whether he intends to increase aid to the front-line states which are members of the Southern African Development Co-ordination Conference; and if he will make a statement.

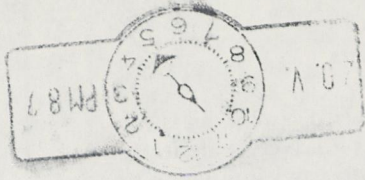
The Minister for Overseas Development (Mr. Chris Patten): We are already giving substantial bilateral aid to the front line states which are members of the Southern African Development Co-ordination Conference. This amounted to £86 million in the last financial year. We have pledged £25 million so far to SADCC for regional projects. I shall make a statement on our future aid to SADCC at the organisation's annual meeting later this week.

Mr. Holland: We understand that the Minister is going to Mozambique. We hope that he will be able to come back and make commitments to provide assistance to Mozambique, granted the key role that it plays among the SADCC countries. Will he also accept the invitation to the Government from Prime Minister Rajiv Gandhi to join India and other developing countries in financing the Africa fund for the front line states as a short term emergency complement to SADCC's longer term programme? India has pledged \$50 million over three years to the Africa fund. How much will the Minister pledge?

Mr. Patten: We think that we can best help both through our bilateral programme, which will be increased for the region in the next financial year, and through our commitments to SADCC—an existing institution that works particularly well. I hope, too, that I shall return and that when I am in Mozambique I shall be able to make additional commitments to our aid programme to that country.

Sir Ian Lloyd: Is it not almost as ludicrous to suggest that sub-Saharan African economies can be developed without proper recognition of the enormous role played by South Africa as it would be to suggest that the continent of North America could be developed without proper recognition of the place of the United States in its development? If, as my hon. Friend doubtless wishes to say, we intend properly to pursue the twin goals of multi-racialism and economic development throughout sub-Saharan Africa, should not those twin goals be supported by Western European and North American resources, wherever they may be found, instead of being confined in some extraordinary and ludicrous way to what is almost indefinable—that is, the boundary of the so-called front line states?

Mr. Patten: I agree with my hon. Friend that the region would develop best if it were able to do so in peace.



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10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

20 May 1987

Dear Philip,

PETER WRIGHT CASE: LIKELY PUBLICATION OF THE BOOK
IN THE UNITED STATES
OD(DIS)(87)36

The Prime Minister would like Ministers' comments during today on the issues raised in this paper so that she can come to a view on its recommendations this evening.

The Prime Minister's preliminary views on the conclusions in paragraph 21 of the paper are as follows:

Paragraph 21a Certainly all the matters in the paper should be kept under review. The Prime Minister believes that some of the decisions do not need to be taken now (unless we are faced with the Wright book's sudden publication). She would be glad to know which of the decisions do really have to be taken straightaway, and which can be left for the time being.

Paragraph 21b Before agreeing with the paper's conclusion that the chances of stopping publication of the Wright book in the United States are too remote to justify action, the Prime Minister would like to have detailed written advice about why we cannot stop this publication in the United States. If we cannot prevent the publication of the Wright book there, surely other books can be published just as easily?

Paragraph 21c She believes that it would be worth sending the letter attached to the paper to Lord Blakenham, but she believes that the last paragraph of the draft might be phrased more tactfully on the following lines:

You said that your legal advice is that there is nothing effective that you can do to prevent the publication of the book in the United States. I wonder if you could indicate the basis of that advice. Our advisers find it puzzling as Pearson Inc. is a wholly owned subsidiary of your Company and Viking Penguin Inc. is a wholly owned subsidiary of Pearson Inc. Our advisers do not understand therefore why your Company does not have control over the activities of Viking Penguin Inc.

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I should be glad to know whether anyone sees difficulty with this revised formulation.

Paragraph 21d Before agreeing with the line in paragraph 17, if Wright's book is published in the United States, the Prime Minister would like to see in writing the legal advice referred to in that paragraph.

Paragraph 22(i) She sees no present reason for referring the book to the DPP.

Paragraph 22(ii) Of the two lines, in paragraphs 19 and 20, if the book is not being referred to the DPP, the third option, referred to in paragraph 20 - refusing altogether to comment on Wright's allegations - coupled with the material in the last sentence of paragraph 19, seems to the Prime Minister to be the better approach. She would be glad to know what colleagues think.

The Prime Minister has commented on the reference in paragraph 20 that "Ministers have implied many times that they would comment after the conclusion of the Australian case on matters at issue in the proceedings". She has commented that she has not done any more than say that we would consider commenting. I should be grateful if Private Offices could let me know whether their Ministers have made any more definite comment.

I am sending a copy of this letter to the Private Secretaries to members of OD(DIS), Sir Robert Armstrong and to Mr. Mallaby and Mr. Dinwiddy (Cabinet Office).

*Truly
N. L. Wicks*

(N. L. WICKS)

Philip Mawer, Esq.,
Home Office.

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PRIME MINISTER

PETER WRIGHT CASE: LIKELY PUBLICATION OF THE BOOK IN THE
UNITED STATES
OD(DIS)(87)36

In normal circumstances, we would have had a meeting on the paper below. I suggest that in this case, you ask Ministers for their comments during tomorrow (Wednesday) so that you can come to decisions tomorrow evening. Agree this procedure?

Meanwhile you may like to give Ministers some steers on the matters raised in the paper, without coming to definite views.

Taking the conclusions in paragraph 21 of the paper:

Paragraph 21a: obviously we need to keep all these matters under review. *Yes*

Paragraph 21b: you tend to agree with the conclusion that the chances of stopping publication in the United States are too remote to justify action.

Paragraph 21c: Yes, it is worth sending the letter attached to the paper to Lord Blakenham.

*The letter
para could be put
much more fully*

Paragraph 21d: Yes, the line in paragraph 17, if Wright's book is published in the United States, is the right one.

*I should
like to see
this advice in writing.*

Paragraph 22(i): You are disinclined to refer the book to the DPP unless that becomes absolutely unavoidable. We are still some way from that position.

*I see no present reason
to refer the book to the DPP.*

Paragraph 22(ii): Of the two lines, in paragraphs 19 and 20, if the book is not being referred to the DPP, the third option, referred to in paragraph 20 - refusing altogether to comment on Wright's allegations - coupled with the material in the last sentence of paragraph 19 (which I have side-lined,

about the false statements in Wright's book) seems to be the better approach. Yes

Do you agree that you should give Ministers these steers, while making clear that you want to make up your mind finally in the light of their comments?

The most difficult question is the reference to the DPP. This is not a matter completely in our hands. Anyone can ask the DPP to look into the allegations in the book; and he makes up his own mind, in consultation (I think) with the Law Officers, but not with Government Ministers generally, what to do. The Attorney General may also feel that he has no option but to refer matters to the DPP. There is also the difficulty that we asked the Australian court for permission to use the Wright manuscript for the purpose of referring it to the DPP. That will be difficult to reconcile with any decision now not to refer. Yet, despite these difficulties, there are strong reasons, outlined in paragraphs 14 and 15, for avoiding any reference to the DPP if we can. You will note that the Director General is strongly of the view that in present circumstances reference to the DPP is undesirable.

N.L.W.

By then he would be A.G.

(N. L. WICKS)

19 May 1987

Surely some of these decisions do not need to be taken now (unless faced with sudden publication). But I do feel that we should have a further advice about why we can't stop publication in the U.S. if we can - other books can be published now.

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PETER WRIGHT CASE POSSIBLE PUBLICATION IN THE US

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PETER WRIGHT CASE

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SIR B CUBBON, PERM. SEC, HOME OFFICE
MR PARTRIDGE }
MR NURSAW } HOME OFFICE
MR MOWER }
LEGAL ADVISERS, SEC. SERVICES) VIA
DIRECTOR GENERAL, SEC. SERVS) PUSD E203

MR WICKS NO 10 DOWNING ST

PRESS OFFICE NO 10 DOWNING ST

CONFIDENTIAL



HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

14 May 1987

Prime Minister

*Officials will advise
on this on Monday. I see no problems
with the recommendation at X. You have
never said why, which rules out a
reference to the DPP if that is what is
decided. N.C.U 15.5*

The Home Secretary has seen Sir Robert Armstrong's minute to you of 11 May.

attached He is concerned about the problem stated in paragraph 9. He is sure that Ministers need early advice on how to respond to the contents of Wright's book as the probability of its appearance increases. It has for some time been likely that the book would one day be published somewhere outside the jurisdiction, leading to open quotations in our newspapers.

What complicates the position is that last year the Australian court (and Wright's team) were told that the Government wished to refer the book to the DPP. Should copies of the book become available (from the USA or elsewhere) there will be no obstacle to that reference.

X If there is a reference to the DPP, we need to consider how this squares with the Prime Minister's statement last week that she would not institute a special inquiry into the Wilson business?

If there is not to be a reference to the DPP what explanation could be given for not doing what we said in Australia we wanted to do? And how would Ministers respond to the individual allegations in the book: apart from the allegations about Sir Roger Hollis and the Wilson business, there are a variety of stories which will excite interest and will be said to reveal criminal or other misconduct.

The Home Secretary thinks it important that we should have advice from officials on all these matters.

I am sending copies of this letter to the Private Secretaries to the Lord President and the Foreign and Commonwealth Secretary, to the Legal Secretary to the Law Officers and to Sir Robert Armstrong.

Yours sincerely,

P J C MAWER

N L Wicks, Esq, CBE

Ref: A087/1360

MR WICKS

Peter Wright Case

One Minute
to see - a further
report is in preparation.

*N.L.W.**14.5.*

attached Thank you for your minute of 13 May about the risk of publication of Wright's book in the United States.

2. The Prime Minister will be kept in the closest touch with developments.

3. My minute of 11 May gave the views of officials after urgent consideration of the news that Wright's book might soon be published in the United States. As noted in paragraph 9 of the minute, officials are now looking in detail at possible moves to prevent publication in the United States. The work is being done urgently, and a report will be submitted very soon. The advice that the chances of success in proceedings against Viking's British parent were remote came from the legal advisers at my meeting of officials.

4. It has been confirmed that Viking Penguin Inc is fully owned by Pearson in this country. The question is whether there are legal arrangements between the parent company and the subsidiary which deprive the former of editorial control over the latter. We are obtaining the articles of association of Viking Penguin Inc, which may answer this question. But I am not hopeful that this will change the assessment of the prospects, because Lord Blakenham, in his letter of 8 May to the Treasury Solicitor, said that his legal advice was that he was not in a position to prevent Viking Penguin Inc from publishing Wright's book; and that legal advice is likely to have taken account of the corporate arrangements

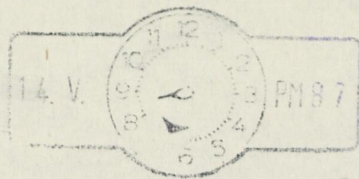
between Pearson and Viking. Definitive views on this matter will be included in the report by officials which is urgently being prepared.

5. I am sending copies of this minute to the Private Secretaries of the Lord President, the Foreign and Commonwealth Secretary and the Home Secretary and to the Legal Secretary to the Law Officers.

RA

ROBERT ARMSTRONG

14 May 1987

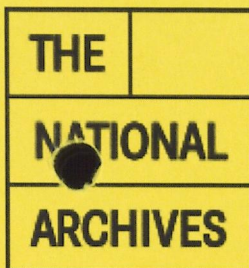


SECURITY

WRIGHT

PT 7

CONFIDENTIAL



DEPARTMENT/SERIES <i>prem 19</i> PIECE/ITEM <i>2506</i> (one piece/item number)	Date and sign
Extract details: <i>Letter dated 14th of May 1987</i>	
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	<i>AC</i> <i>23/05/23</i>
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NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	

01-936-7494

Communications on this subject should
be addressed to

THE LEGAL SECRETARY
ATTORNEY GENERAL'S CHAMBERS

ATTORNEY GENERAL'S CHAMBERS,
LAW OFFICERS' DEPARTMENT,
ROYAL COURTS OF JUSTICE,
LONDON, W.C.2.

CONFIDENTIAL

13 May 1987

N L Wicks Esq CBE
Principal Private Secretary
10 Downing Street
LONDON S W 1

Prime Minister 2

to note

N.L.W

13.5

Dear Nigel,

PETER WRIGHT CASE

Thank you for your letter of 11 May.

In the event Treasury Counsel advised on the morning of 11 May that it would
be tactically disadvantageous to proceed against the Guardian and Observer for
civil contempt and so this was not done.

I am copying this to Philip Mawer, Trevor Woolley and Christopher Mallaby.

Yours sincerely,

Anthony Inglese

A M C INGLESE

Security

WRIGHT

PT 7





File

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

I have shown the Prime Minister your minute of 11 May about the response to the news, contained in Sunday's Observer and in the letter to the Treasury Solicitor from Lord Blakenham, that Viking are likely to publish Spycatcher (Peter Wright's book) in the near future. The Prime Minister found your report very disturbing and wishes to be kept in the closest touch with developments.

She has noted that you have considered whether it would be possible to proceed against Viking's British parent, Pearsons but the advice is that the chances of success are remote and an attempt to try to restrain publication in America by action in the British courts, would be counter-productive in the United States. The Prime Minister would like to know from whom this advice has been obtained and whether we are sure of it.

I am sending copies of this minute to the Private Secretaries to the Lord President, the Foreign and Commonwealth Secretary and the Home Secretary and to the Legal Secretary to the Law Officers.

N.L.W.

(N. L. WICKS)
13 May 1987

ACTIVITY REPORT

(MANUAL)

'86. 12/02 16:47

MODE	CONNECTION TEL	CONNECTION ID.	START TIME	USAGE T.	PAGES	RESULT
*AUTO RX	01 583 1700	G3	11/07 17:44	00' 42	1	OK
*AUTO RX	01 213 5432	G3	11/12 11:26	02' 34	3	OK
*AUTO RX	013790600	G3	11/13 12:09	01' 00	1	OK
*MANUAL TX	95885598		11/14 10:33	00' 36	0	NG
*AUTO RX	34 1 4197373	G3	11/19 11:37	02' 02	3	OK #018
*AUTO RX	34 1 4197373	G3	11/19 11:40	01' 01	1	OK
*AUTO RX	34 1 4197373	G3	11/19 11:42	01' 11	1	OK
*MANUAL TX	90532448005	LDS UNI ELEC ENG	11/19 16:44	05' 24	4	NG
*MANUAL TX	90532448005	LDS UNI ELEC ENG	11/19 16:51	15' 53	7+2	NG 4
*MANUAL TX	90532448005	LDS UNI ELEC ENG	11/19 17:16	15' 21	7+2	OK 7
*AUTO RX	01 583 2254	Platts-Mills Q. C	11/20 09:12	01' 09	2	OK
*AUTO RX	0532 448005	LDS UNI ELEC ENG	11/20 09:16	02' 31	3	NG
*AUTO RX	0532 448005	LDS UNI ELEC ENG	11/20 09:44	05' 55	7	OK #009
*AUTO RX	01 583 2254	Platts-Mills Q. C	11/20 10:13	01' 00	2	OK
*AUTO RX	01 583 2254	Platts-Mills Q. C	11/21 11:08	01' 01	2	OK
*POLLING	90232247895		11/25 12:09	00' 20	0	NG
*MANUAL TX	90232247895	G3	11/25 12:17	06' 02	2+2	OK #011
*AUTO RX	01 583 2254	Platts-Mills Q. C	11/27 09:27	01' 46	4	OK
*POLLING	90222396600		11/27 12:26	00' 22	0	NG
*MANUAL TX	90222396600	G3	11/27 12:35	01' 50	1	NG #011
*SEQ. B' CAST M	90222396600	G3	11/27 12:38	02' 14	1	NG 1
*MANUAL TX	90222396600	G2	11/27 12:42	04' 14	1	NG 1
*POLLING	90222396600		11/27 12:47	00' 20	0	NG 1
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*MANUAL TX	96790056		11/27 14:53	00' 36	0	NG #018
*MANUAL TX	96790056		11/27 15:38	00' 36	0	NG #018
*MANUAL TX	92196356	RICHARD MORGAN	11/28 16:17	00' 32	1	OK #018
*MANUAL TX	92196356	RICHARD MORGAN	11/28 16:19	00' 33	1	OK
*AUTO RX	0231 404 239 0078	G3	11/28 16:45	00' 44	1	OK
*AUTO RX	0231 404 239 0078	G3	11/30 14:23	02' 34	3	OK
*AUTO RX	0231 404 239 0078	G3	11/30 14:27	04' 26	6	OK
*AUTO RX	0231 404 239 0078	G3	11/30 14:37	01' 04	1	OK
*AUTO RX	0231 404 239 0078	G3	11/30 14:39	03' 06	4	NG
*MANUAL TX	92196356	RICHARD MORGAN	12/01 10:45	00' 33	1	OK 4 #009
*MANUAL TX	90519225394		12/02 12:27	00' 20	0	NG
MANUAL TX	90519225394	G3	12/02 14:34	01' 23	1	NG #001
MANUAL TX	90519225394	G3	12/02 14:36	17' 01	10+1	OK 1
AUTO RX	32 2 2350133	G3	12/02 15:08	02' 51	3	OK
AUTO RX	32 2 2350133	G3	12/02 15:15	02' 24	3	OK
MANUAL TX	90519225394	G3	12/02 15:21	19' 32	7+2	OK

CF pa m. Wright
file

N.C.W.

XXXX

CONFIDENTIAL

DASHO



celo

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

12 May 1987

Dear Director General.

Thank you for your letter of 5 May, and for reporting to me the outcome of your investigations into stories that the Security Service attempted to undermine or discredit the Labour Government of 1974-76, and particularly its Prime Minister.

As you know, on 6 May I made a statement in the House of Commons, in which I told the House that you had advised me that your investigations had yielded no evidence of any truth in the allegations, and that you had given me your personal assurance that the stories were false. I made it clear that I accepted that advice, and that I was satisfied that the allegations did not constitute grounds for any lack of confidence in the competence and impartiality of the Security Service or for instituting a special inquiry.

I hope that what I was able to say will at least have taken the steam out of the campaign of vilification to which the Security Service has been subjected, even if it is too much to hope that it will bring it to a total stop. It is deplorable that that campaign should have been fuelled in part by the activities of a former member of the Service who seems to be prepared totally to disregard his duty of confidentiality and his obligations to his former colleagues. I share your concern that these attacks should not damage the

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CONFIDENTIAL

- 2 -

effectiveness and standing of the Service; I am glad to know that it is in good heart, and performing effectively.

You know how greatly I value the work the Service does in the defence of our freedoms and security. I am glad to have this opportunity of letting you know, and of asking you to make known to the Service, that my colleagues and I continue to hold its skill, efficiency and loyalty in great esteem. I have no doubt that that sentiment is shared by a great many people who share our understanding of the importance and value of the Service's work.

Yours sincerely
Margaret Thatcher

The Right Honourable
Sir Antony Duff, G.C.M.G., C.V.O., D.S.O., D.S.C.

CONFIDENTIAL

Ref. A087/1320

MR WICKS

Pme Nimitz

A progress report.

Very disturbing

NWS

N. L. W.

12.5

Officials have considered how to respond to the news, contained in yesterday's Observer and in today's letter to the Treasury Solicitor from Lord Blakenham, that Viking are likely to publish Spycatcher (Peter Wright's book) in the near future.

2. We have considered, first, what action the Government might be able to take to prevent that publication. The unanimous legal advice, confirmed by American Counsel, is that the Government would have no chance of succeeding in obtaining an injunction against publication in the American courts. We are taking legal advice as to whether we should stand a better chance with an application for an account of profits: Viking might be less keen to publish if they thought that they might not make any money out of it. We have considered whether it would be possible to proceed against Viking's British parent, Pearsons; but again the advice is that the chances of success are remote and an attempt to try to restrain publication in America by action in the British courts, would be counter-productive in the United States.

He is
sure of
this
advice

from
JLW

3. That leaves the possibility of proceeding by way of the courts in Australia. It seems that, though the publishing rights in America may well have been legitimately conferred by Heinemann Australia upon Viking, the delivery of the manuscript of the book to Viking took place after the Australian publishers had given undertakings to the court which would have made that action a breach of the undertakings and therefore contempt of court. Legal advisers are therefore considering as a matter of urgency whether and how it would be possible to seek the protection of the Court of Appeal in New South Wales against a breach of the undertaking given by the publishers before the

case began. That seems to be the least unhopeful means of preventing publication in the United States; but I do not think that anybody sets very great store by it.

4. Mr Simos has been consulted by telephone about the effects on the Australian case of publication of the book in the United States. His advice is robust: he does not consider that such publication would significantly damage the British Government's case in the Australian courts, or its chances of succeeding in that case on appeal. Even if the Court of Appeal found against us on publication, we should still want to keep alive that part of our claim which consists of an application for account of profits.

5. In the meantime, it has been agreed that the case against The Independent for contempt of court should be heard on 20 May. In the first instance the argument will be about the point of law whether there can be contempt when the injunction was against other newspapers. Only when that point of law has been decided, and if the decision is that there can be contempt, will the court proceed to consideration of facts. The hearing of the contempt case would be followed immediately by the hearing of the application by The Guardian and The Observer for relief from the injunctions we have against them.

6. The House of Lords hearing of the appeal against the Court of Appeal's decision on the injunctions against the Guardian and the Observer was originally scheduled for 14 and 15 June. It appears that, because of the calling of a General Election, the House of Lords (sitting judicially) will lose sitting days, and the hearing is liable to be postponed until the autumn. The Treasury Solicitor is making urgent representations with a view to reinstatement of the earlier date, or a date in the near future.

7. If the book is published in the United States, the Government will have to consider its position in relation to the cases against the newspapers in this country. The advice of the Law Officers will need to be sought on this, as on other matters. The preliminary view is that the outcome of those cases could be adversely affected by any substantial leakage into this country of hitherto unpublished material from the book as a result of the publication in the United States. This will not necessarily take the form of serialisation or publication in this country: it could just as well take the form of extended reporting of and comment on the book by the British media.

8. As to the public line to be taken by the Government if and when the book is published in the United States, it would be to the effect that publication in the United States does not affect the principle of Peter Wright's duty of confidentiality which it has been the object of legal proceedings to uphold, and that accordingly the cases in Australia against Peter Wright and his publishers and in this country against the newspapers concerned will continue.

9. Questions may also be raised about the contents of the book, since there will be many allegations of misconduct by the Security Service not covered by the Prime Minister's statement on 6 May. Even if the Australian case continues, it may be more difficult to hold the position that we cannot comment while the case continues. As the Prime Minister will remember, it was decided last October that, in order to provide ourselves with a defence against the argument that publication of the book would be in the public interest because of the allegations of illegal and improper activities by the Security Service, we should be ready to refer the manuscript to the Director of Public Prosecutions. We were, however, prevented from referring the manuscript to the Director of Public Prosecutions by the ruling of the Australian court. Once the book was published in the United States, we could no longer be bound by that ruling.

It would be for question whether the Government should at that stage refer the book to the Director of Public Prosecutions, as it previously decided to do last October. The advantage of such a reference would be that the Government could reasonably refuse to comment on the contents of the book while it was under investigation by the Director. The disadvantage could well be that the Director would be obliged to institute police investigations which would no doubt involve extensive inspection of Security Service files and many inquiries of present and former Security Service personnel and of those who held relevant Ministerial and Civil Service posts in the period covered by Mr Wright's book. The outcome would be unpredictable, and the risk of leaks during the investigation not negligible.

9. All these matters are being looked at in detail by officials and there will be a full submission as soon as possible.

10. I am sending copies of this minute to the Private Secretaries to the Lord President, the Foreign and Commonwealth Secretary and the Home Secretary and to the Legal Secretary to the Law Officers.

RA

ROBERT ARMSTRONG

11 May 1987

PERSONAL AND CONFIDENTIAL

Mr Wicks



CABINET OFFICE

70 Whitehall London SW1A 2AS

01-270 0101

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

Sir Robert Armstrong GCB CVO

Ref. A087/1321

11 May 1987

Dear Mike,

The Peter Wright Case

The Lord President mentioned this morning that, though he could not take action with Lord Blakenham to prevent publication by Viking in the United States of Peter Wright's book, he could perhaps make suggestions to him about the timing of that publication.

The Lord President may like to consider whether one reason to be given to Lord Blakenham for deferment of publication would be the existence of proceedings for criminal contempt of court in this country against The Independent for publication of material derived from Mr Wright's book.

I am sending a copy of this letter to Nigel Wicks.

Yours ae
Robert

M J Eland Esq
Privy Council Office

PERSONAL AND CONFIDENTIAL



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Ref. A087/1315

MR WICKS

The Security Service

WITH NLW!

The Director General of the Security Service wrote to the Prime Minister on 5 May 1987 to report the outcome of his investigations into the stories that the Security Service, or members of it, had attempted to undermine or discredit the Labour Government of 1974-76.

2. The Prime Minister relied on the advice and assurance contained in that letter in her answer to Mr Kinnock's Private Notice Question on 6 May.

3. To round this off, the Prime Minister may like to write and thank Sir Antony Duff for his letter. Such a reply would enable the Prime Minister to send the Director General an expression of her confidence in the Security Service, which I know the Director General would welcome.

--- 4. I attach a draft.

RA

ROBERT ARMSTRONG

11 May 1987

CONFIDENTIAL

The Prime Minister
in
DASAHO
DRAFT LETTER FROM THE PRIME MINISTER TO
THE RT HON SIR ANTONY DUFF GCMG CVO DSO DSC

Thank you for your letter of 5 May, and for reporting to me the outcome of your investigations into stories that the Security Service attempted to undermine or discredit the Labour Government of 1974-76, and particularly its Prime Minister.

As you know, on 6 May I made a statement in the House of Commons, in which I told the House that you had advised me that your investigations had yielded no evidence of any truth in the allegations, and that you had given me your personal assurance that the stories were false. I made it clear that I accepted that advice, and that I was satisfied that the allegations did not constitute grounds for any lack of confidence in the competence and impartiality of the Security Service or for instituting a special inquiry.

I hope that what I was able to say will at least have taken the steam out of the campaign of vilification to which the Security Service has been subjected, even if it is too much to hope that it will bring it to a total stop. It is deplorable

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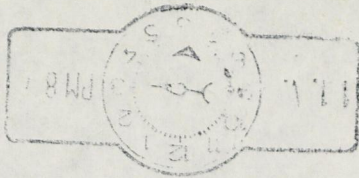
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that that campaign should have been fuelled in part by the activities of a former member of the Service who seems to be prepared totally to disregard his duty of confidentiality and his obligations to his former colleagues. I share your concern that these attacks should not damage the effectiveness and standing of the Service; I am glad to know that it is in good heart, and performing effectively.

You know how greatly I value the work the Service does in the defence of our freedoms and security. I am glad to have this opportunity of letting you know, and of asking you to make known to the Service, that my colleagues and I continue to hold its skill, efficiency and loyalty in great esteem. I have no doubt that that sentiment is shared by a great many people who share our understanding of the importance and value of the Service's work.

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PRIME MINISTER

PUBLICATION OF THE PETER WRIGHT BOOK IN THE USA

dated 8.5.87 - The Treasury Solicitor received today from Lord Blakenham the attached letter saying that Viking Penguin Inc. will publish Wright's book in the United States "in the near future" and that his legal advice was that there was "nothing effective" that he could do to prevent the publication.

Lord Whitelaw saw Lord Blakenham this afternoon for a private talk.

Lord Whitelaw, after noting Lord Blakenham's advice that publication could not be stopped, said that he was concerned about timing. Lord Blakenham replied that he had been told that the book would be published "in early June". He agreed with Lord Whitelaw that there would be real problems if it were published before 11 June, and he undertook to make representations to Viking Inc. for a later publication date. He thought he could prevail but would speak to Lord Whitelaw again if he did not.

Sir Robert Armstrong will be providing advice tomorrow on what action the Government might take to prevent US publication. His preliminary view is that there is not much that we can do through the US courts.

N.L.W.

N.L. Wicks

11 May 1987

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CONFIDENTIAL



FILE
JA

10 DOWNING STREET

From the Principal Private Secretary

11 May 1987

Dear Anthony,

PETER WRIGHT CASE

I have shown the Prime Minister the letter which you sent on 8 May to the Private Secretary to the Home Secretary about court proceedings relating to the Peter Wright book.

The Prime Minister agrees that the Attorney General should proceed as proposed in this letter, and in particular should take the action outlined in the third paragraph of the letter, subject, of course, to Counsel's advice.

I am sending a copy of this letter to Stephen Boys Smith (Home Office) and to Trevor Woolley and Christopher Mallaby (Cabinet Office).

Yours sincerely
Nigel Wicks

(N. L. WICKS)

A. M. C. Inglese, Esq.,
Law Officers' Department.

CONFIDENTIAL

dg

CONFIDENTIAL

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01-936-6494

Communications on this subject should
addressed to
THE LEGAL SECRETARY
ATTORNEY GENERAL'S CHAMBERS

ATTORNEY GENERAL'S CHAMBERS,
LAW OFFICERS' DEPARTMENT,
ROYAL COURTS OF JUSTICE,
LONDON, W.C.2.

8 May 1987

Prime Minister

Agree the course

proposed by the Attorney

*+ particularly the approach
at X?*

S Boys-Smith Esq
Private Secretary to
Secretary of State for the Home Department
Home Office
Queen Anne's Gate
LONDON S W 1

Yes not
Dear Stephen,

*N.L.W.
8-5*

PETER WRIGHT CASE

As you will know the Observer and Guardian newspapers' application to have the injunction against them set aside was adjourned this morning on the Attorney General's application, the principal ground being that it would be helpful to have the Attorney's contempt proceedings against the Independent resolved first. The judge decided to hear both sets of proceedings together (but to give a ruling first on contempt) and at 10.30 on Monday morning (11 May) he will be giving directions as to the handling of the combined proceedings.

Now that the proceedings are to be combined Treasury Counsel has been asked to consider over the weekend whether there is a case for bringing proceedings for civil contempt against the Observer and Guardian alleging breach of the injunction against them arising out of articles recently published in the two newspapers. It would be then possible to have any such proceedings combined with the others so that the judge could consider the whole picture. Treasury Counsel has been asked to advise on whether he considers in law that the two newspapers are guilty of contempt and on the tactical advantages and disadvantages of bringing proceedings against them.

X | The Attorney's present view - without of course his having had the benefit of Counsel's advice - is that we should bring proceedings for civil contempt against

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X | the Observer and Guardian only if we are advised by Counsel that he is sure that they are in contempt and that to do so would assist our case in the combined hearing.

The decision whether or not to bring such proceedings may have to be made quickly on Monday morning before the 10.30 hearing in the light of Counsel's advice. Accordingly, I would be grateful to know whether - since we are dealing with a possible civil contempt rather than a criminal one and are therefore in the territory where the Attorney acts collectively with colleagues rather than independently - the Home Secretary agrees that the Attorney should have discretion to act within the limits outlined above.

I am copying this letter to Nigel Wicks with a request that he obtain the Prime Minister's authority to the above course of action.

In view of the tightness of the timetable I would be grateful for a response by 9.45 on Monday morning.

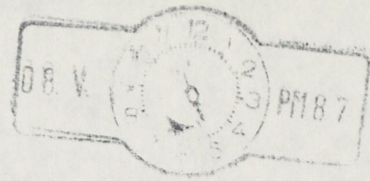
I am copying this letter also to Christopher Mallaby.

Yours ever,

Anthony

A M C INGLESE

CONFIDENTIAL





CABINET OFFICE

With the compliments of

C. L. G. MALLABY

70 Whitehall, London SW1A 2AS

Telephone 01

270 0360



· PEARSON ·

8 May 1987

D A Hogg Esq
(Assistant Treasury Solicitor)
The Treasury Solicitor
Queen Anne's Chambers
28 Broadway
London SW1H 9JS

Dear Mr Hogg,

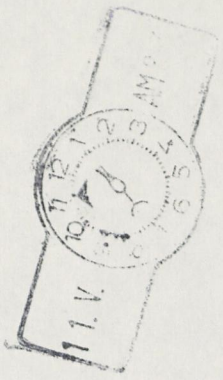
In my last letter I indicated that publication of Peter Wright's book "Spycatcher" by Pearson's subsidiary, Viking Penguin Inc, was not imminent. That was the position at the time.

However, since then newspapers both here in the UK and in the USA have published material derived from Mr Wright's manuscript.

In these circumstances it is likely that Viking Penguin Inc will publish the book in the United States in the near future. Any decision will be made by Viking Penguin Inc's management in New York and my legal advice is that there is nothing effective that I can do to prevent the publication.

I did not think that it was right to leave you under an impression to the contrary.

Yours sincerely
Walter Burt



DRAFT LETTER FROM THE LORD PRESIDENT TO
THE RT HON LORD GLENAMARA CH

In your intervention during supplementary questioning on Wednesday 6 May, after I had repeated in the House of Lords the answer which the Prime Minister had given in another place about the Security Service, you referred to your rather special personal interest in the matter.

This matter arose during a period for which members of the present Administration have no Ministerial responsibility, and, as the Prime Minister said in her answer, we cannot and should not ask ourselves to see the papers. I am advised, however, that the assurance which the Director General has given to the Prime Minister ^{ok} can be taken as covering the story that the Security Service were responsible for the forged Swiss bank account in your name. I have no doubt that that allegation is completely without foundation.

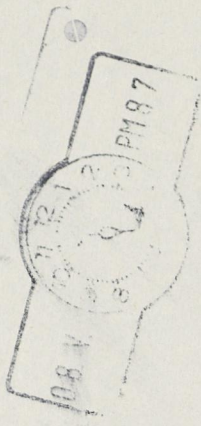
Under (whether
words are
impossible - eg.
the stories are
false)
we have no basis
in fact.

} Antijonas

But the stories he has
investigated are false

SECURITY - Secret Services

PT 7



SHORTLY AFTER THE 1987

THE 1987

In your interview during a preliminary

in January 1987, after I had reviewed in the

of later interview which was given

given in your place about the security

you referred to your report special

in the matter.

This matter arose during a period for which

members of the present Administration have

inherent responsibility and, at the time

Minister said in her report, we cannot

not ask ourselves to see the matter. I am

however, that the assurance which the Minister

Minister has given to the Prime Minister

taken as covering the entire time of the

service were responsible for the

account in your name. I have the

allocation is completely without

RESTRICTED



²
Prime Minister
to see how

Ref. A087/1281

MR WICKS

R.T.A. advises the hard
President to reply to
hard Glenamara's point
raised in the hard's about

The Security Service and Lord Glenamara

the forged Swiss Bank Account

Thank you for your minute of 7 May to
Mr Woolley.

N.C.U.

R.S.

2. I presume that the Prime Minister's
approach to this will be governed by her
view as reported in your minute of

28 January. *attached*
at that
at 5.

--- 3. I attach a draft reply accordingly.

RA

ROBERT ARMSTRONG

8 May 1987

Trevor Woolley referred that
the reply, as amended, may go out.

MEA 11/5

RESTRICTED



10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

I have shown the Prime Minister your minute of 26 January about the allegations that in 1974 the Security Service sent various newspapers forged documents purporting to say that Lord Glenamara had established an illegal Swiss bank account.

The Prime Minister agrees that in answer to Questions, she can say no more than that these matters had occurred before the period for which she has Ministerial responsibility. But she would not wish you to write to Lord Wilson or Mr. Roy Jenkins to tell them about the police inquiry and to seek their agreement to her saying something about the inquiry, if necessary, in the House of Commons.

N. L. Wicks

28 January 1987

30 pm

State Security

Mr. Neil Kinnock (Islwyn) (*by private notice*) asked the Prime Minister if she will make a statement in response to the statement made this morning by the right hon. Member for Cardiff, South and Penarth (Sir J. Callaghan) calling for a review by a senior judge of the findings of the 1977 inquiry into allegations about the operations of the security services in the mid-1970s, taking into account information reportedly contained in a book written by Mr. Peter Wright, examining both him and those officers who have been implicated by Mr. Wright or named by others, and providing the means to gain an independent verdict on the past, and to safeguard the future.

The Prime Minister (Mrs. Margaret Thatcher): The right hon. Member for Cardiff, South and Penarth (Sir J. Callaghan) has today called for an inquiry into recent allegations about the Security Service in relation to the Government led by the right hon. and noble Lord Wilson of Rievaulx between 1974 and 1976.

Allegations of this nature first gained currency 10 years ago, in July 1977. They were summarised in a speech in the House on 28 July 1977 by my right hon. Friend the Member for Blackpool, South (Sir P. Blaker). The allegations ranged widely, but were to the effect that the Security Service had sought to discredit the duly constituted Government of the day, and in particular its Prime Minister; or that some members of the Security Service had conspired together to do so.

On 23 August 1977, the right hon. Gentleman, the then Prime Minister, issued a statement in which he said that he had conducted detailed inquiries into the recent allegations about the Security Service and he was satisfied that they did not constitute grounds for lack of confidence in the competence or impartiality of the Security Service, or for instituting a special inquiry.

On 8 December 1977, he told the House that Lord Wilson associated himself with that statement, and therefore there was no reason to carry the matter any further. I accepted the right hon. Gentleman's statement and conclusions without question. I believed them, and I still believe them, to be correct.

Early in 1978, a book was published, entitled "The Pencourt File", which contained fuller accounts of these allegations. My hon. Friend the Member for Woking (Mr. Onslow) has let me see copies of correspondence which he exchanged with the right hon. Gentleman the then Prime Minister. My hon. Friend drew the right hon. Gentleman's attention to the contents of the book, and in particular to a number of statements attributed in the book to the then Sir Harold Wilson. My hon. Friend urged the then Prime Minister to arrange for a full inquiry to be undertaken by the Security Commission.

In his reply dated 20 February 1978, the then Prime Minister said:

"So far as I can see, there are no significant statements about matters of national security in this book of which the authorities were not aware when I issued a statement on allegations about the Security Service on 23 August last; I put the statement in the *Official Report* on 8 December."

He concluded:

"I have nothing to add to it."

In recent weeks these allegations have been given renewed currency in press reports which the right hon. Gentleman, in his statement issued this morning, says go into greater detail than the 1977 inquiry knew about.

It would not be appropriate for me or other members of this Administration to see papers relating to that time, and we have not asked to do so. I can, however, tell the House that the director-general of the Security Service has reported to me that, over the last four months, he has conducted a thorough investigation into all these stories, taking account of the earlier allegations and of the other material given recent currency. There has been a comprehensive examination of all the papers relevant to that time. There have been interviews with officers in post in the relevant parts of the security service at that time, including officers whose names have been made public.

The director-general has advised me that he has found no evidence of any truth in the allegations. **He has given me his personal assurance that the stories are false.** In particular, he has advised me that all the security service officers who have been interviewed have categorically denied that they were involved in, or were aware of, any activities or plans to undermine or discredit Lord Wilson and his Government when he was Prime Minister. The then director-general has categorically denied the allegation that he confirmed the existence within the security service of a disaffected faction with extreme Right-wing views. He has further stated that he had no reason to believe that any such faction existed. No evidence or indication has been found of any plot or conspiracy against Lord Wilson by or within the security service.

Further, the director-general has also advised me that Lord Wilson has never been the subject of a security service investigation or of any form of electronic or other surveillance by the security service.

The right hon. Member for Cardiff, South and Penarth, in a statement he issued on 22 March this year, declared that he had every confidence in the integrity and ability of the present director-general of the Security Service. So have I. I accept the assurance and the advice which he has given me.

This latest investigation, taking account of recently published material, confirms the conclusions reached and announced by the right hon. Gentleman in 1977, which I then accepted without question. That was in accordance with the tradition of bipartisan Front Bench support for the security and intelligence services and the work that they do. Like the right hon. Gentleman in 1977 and again in 1978, I do not propose to institute any other inquiry into these matters. In the light of the director-general's assurance and advice, I do not believe that any further inquiry would be justified.

So, once again, as in 1977, detailed inquiries have confirmed the conclusion that there are no grounds for lack of confidence in the competence or impartiality of the Security Service or for instituting a special inquiry.

It is time to stop raking over the embers of a period over 10 years ago and to assert confidence, as I readily do, in the Security Service's strict adherence to the directive under which it carries out its duties, and in its skill and loyalty in carrying out the tasks which it is called upon to undertake in the defence of our security and freedom.

Mr. Kinnock: I share the confidence that the Prime Minister and my right hon. Friend for Cardiff, South and

RESTRICTED



FILE
DA

10 DOWNING STREET

From the Principal Private Secretary

MR. WOOLLEY
CABINET OFFICE

THE SECURITY SERVICE AND LORD GLENAMARA

I attach a letter which Mike Eland has sent me about a point raised by Lord Glenamara in the House of Lords yesterday following the Lord President's repetition of the Prime Minister's Answer to yesterday's PNQ.

I should be grateful if you could let me have a draft letter which the Lord President might send to Lord Glenamara. The letter should, I think, be in the nature of a courteous brush-off.

Mike Eland tells me that the Lord President is likely to see some advantage in sending his letter to Lord Glenamara before Lord Molloy's Question on the security service is answered on Monday 11 May.

Would it therefore be possible for you to let me have a draft by close of play tomorrow, 8 May.

(N.L. WICKS)
7 May 1987

DE

RESTRICTED



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

7 May 1987

Dear Nigel,

PNQ - SECURITY SERVICE INQUIRY REQUEST

When the Lord President spoke to you yesterday he mentioned that in the supplementaries following his repetition of the Prime Minister's Answer to this PNQ a particular point had been raised by Lord Glenamara which he had to undertake to pass to the appropriate quarter.

The attached Hansard extract is self-explanatory of the point. In drawing it to your attention I think I have largely discharged the Lord President's undertaking. If you think it appropriate, however, I think the Lord President would like to follow it through with a letter. Perhaps we could have a word about what that might say.

yours sincerely,

/ Mike Eland.

M J ELAND
Private Secretary

Nigel Wicks Esq

RESTRICTED

4.15 p.m.

Lord Glenamara: My Lords, the House will recognise that I have a rather special personal interest in this matter. I am grateful to the noble Viscount for repeating the Statement, but what he has said is that the security service has investigated itself and given itself a clean bill of health. In no way do I impugn the integrity of the director general, but I find that totally unacceptable.

It will surprise noble Lords to hear that I have not heard a word from the Director General of the Security Service. He knows about the allegations concerning myself. Why has he not asked to see me or to see the documents which I have? There has been no word from him in this investigation. I find that absolutely unacceptable.

I agree with my noble friend Lord Cledwyn and with the noble Lord, Lord Diamond, that there must be an adequate inquiry of some kind which has power to

send for persons and papers, including, may I say, police records, which are extremely important in this matter—to send for them and require their presence. If nobody else will do it I hope that a Select Committee of the other place, or perhaps a joint Select Committee, will do it. But I must tell the noble Viscount, for whom I have enormous respect, that I am not going to let this matter drop and nor will my friends. We shall continue pressing day in day out until it is investigated thoroughly.

Viscount Whitelaw: My Lords, it would be quite improper for me to comment on the personal position of the noble Lord, which he has set before the House. He will be the first to appreciate that when these matters were investigated in 1977 it was the view of his then Prime Minister, the right honourable Gentleman the Member for Cardiff, South and Penarth, that there was nothing in the various allegations. I understand from what he has said, and I have to accept it, that that does not satisfy him. Clearly it is not for me to pursue that matter further. I can only say that I regret the understandable feelings that the noble Lord has and I shall certainly see that his views are passed to the appropriate quarter.

I do not think it is possible for me to go further than to state my belief in what the right honourable Gentleman the Member for Cardiff, South and Penarth said on that occasion about these allegations and many others, which has been confirmed by my right honourable friend the Prime Minister today.

NBPD (12)

Ref. A087/1245

NOTE FOR RECORD

cc Mr Wicks ✓
Sir Brian Cubbon
Sir Antony Duff
Mr Mallaby

RTA has given an
oral report on 5 May
directly, he returned for
Sir J.C.B. & the P.D.
on these lines.
N.H.U.
2-5

I went to see Sir James Callaghan at his home on Tuesday
5 May 1987 at 7.15 pm.

2. I asked that our discussion should be on Privy Counsellor terms. Sir James Callaghan agreed.
3. I opened by saying that the situation in which we were appeared to be very similar to the situation in August 1977. There had been allegations of plots within the Security Service to undermine and discredit the Wilson Government; they had been the subject of detailed inquiries; on that occasion he had sent me to see Mrs Thatcher and put her in the picture and Mrs Thatcher had accepted that there should be no inquiry. In doing that she had had much in her mind a desire not to undermine the Security Service.
4. I went on to say that the Security Service had conducted a thorough and comprehensive examination of all the papers relevant to that time, and had interviewed those most directly involved in the areas of the Security Service where any such plot would have been mounted. They had found nothing. I read over to Sir James Callaghan the significant parts of Sir Antony Duff's letter of 5 May to the Prime Minister, and he read the annex to it.

5. I went on to say that in the Prime Minister's view this made a further inquiry unnecessary. There was a further difficulty. We were advised that to establish an inquiry, which would have to be given access to the Peter Wright manuscript, would be likely to prejudice the outcome of the case in the Australian courts. The Government was not prepared to abandon that case. This was not just a matter of the contents of the book. The Government had applied for an injunction before seeing the manuscript. What was at stake was the principle of publication without authority by an insider. That principle was unaffected by the publication in various newspapers of material said to have been derived from the book. I said (apologising for the pun) that two wrongs did not make a right. If the fact that there had been publication in a newspaper or by other outside means was to be accepted as a reason for abandoning proceedings against an insider, it would be a licence to insiders to publish with impunity; all they would have to do would be to arrange for material to be leaked to and published by a newspaper as a cover for what they themselves wanted to publish.

6. Sir James Callaghan said that in his view my comparison between 1977 and 1987 was invalid. In 1977 there had been relatively few newspaper articles and not much follow-up; the case was quite different in 1987, with a sustained series of newspaper allegations, many of them new since 1977. In his view that made an inquiry necessary to clear the air. I said that I could not accept what Sir James Callaghan had said. The situation was in fact very similar. The basic allegations were the same as in 1977; they were now being renewed, with some variations and some new detail. As I had explained to him, they had been the subject of detailed inquiries, which were certainly at least as thorough as - perhaps more thorough than - the inquiries on which his own 1977 conclusions were based. In the light of the inquiries the Director General of the Security Service had given his assurance to the Prime Minister that the

stories were false. I was sure that Sir James Callaghan accepted the integrity and good faith of the Director General. Sir James Callaghan said that he did indeed accept the integrity and good faith of the Director General, and he was very glad to learn that the result of the investigation was as I had reported it. Nevertheless, as things had developed, he doubted whether the say-so of the Director General and the Prime Minister would be sufficient to dispose of the suspicions that had been created. That would need the confirmation of an independent inquiry.

7. Sir James Callaghan went on to say that he understood the need to defend the principle that an insider should not be able to publish without authority. He suggested, however, that the Government had already achieved a good deal of success in that respect. He thought that they were quite right to have instituted the proceedings in the Australian courts; but in the light of what had happened it was futile to pursue them any further, and the Government had already established that attempts by insiders to publish without authority would be fought and made as difficult as possible. I said that that did not seem to me to go to the heart of the matter. If the Government were to abandon the case at this point because of the material that had been published in the newspapers, that would be taken (as I had already indicated) as a licence to insiders to cover unauthorised publication by preparatory leaks to newspapers. In any case, we had argued in the courts in Sydney that there was a fundamental difference between publication by an insider and publication by an outsider. That was the principle which we were seeking to uphold. Admittedly the judgment had gone against us at first instance, but the judgment seemed to be in a number of respects defective and we were advised that we had a reasonable prospect of a successful outcome at appeal.

8. Moreover the Government was bound to go on with the Australian case, and not to do anything to prejudice its outcome, in order to protect its position in relation to the case against the Guardian and the Observer which the Government had won at first instance and before the Court of Appeal and which was now shortly to go before the House of Lords.

9. Sir James Callaghan said that he would reflect on what I had said, but he thought that it was likely that he would go ahead with a public statement calling for an inquiry. He did not believe that anything less than that was now capable of resolving the situation. He would naturally consider carefully what I had said, but he would find it very difficult to go against the unanimous view of the Shadow Cabinet.

10. I said that I hoped that it was understood how undesirable an inquiry might be. The inquiry would have to take evidence from Lord Wilson of Rievaulx, Lady Falkender, probably Mr Joe Haines and Lord Donoughue and certainly from himself. It would certainly not be confined to the Security Service. Sir James Callaghan said that he took the point but that that was a consequence that would have to be faced: an inquiry in his view was now inevitable.

11. Sir James Callaghan went on to say that what he would be proposing, and what he would say in any debate, was that an inquiry should take the form of a review of the 1977 conclusions and findings in the light of the recent allegations. It should be conducted by a senior judge and assessors. Evidence should be held in public save when it had to be held in private and as much as possible of the findings should be made public. That would give those who had been named a chance to give their side of the story. I asked whether Sir James Callaghan envisaged that Mr Wright would be invited to give evidence. He said that he would. I asked whether that meant that Mr Wright should be given immunity from prosecution. This seemed to be a new

thought to Sir James Callaghan. I explained that the Attorney General had made it clear that if Mr Wright set foot in this country he could face charges under the Official Secrets Act. After a little discussion of this matter, Sir James Callaghan said that it would not be possible to give Mr Wright immunity, and the judge or one of the assessors would have to go out and take evidence from him in Australia.

11. One of the points Sir James Callaghan made in distinguishing between 1977 and 1987 was that in 1987 at least some of the allegations appeared to have the authority of a former member of the Security Service (Mr Wright). I reminded him that one of the allegations in 1977 was that the then Director General had confirmed the existence in the Security Service of a disaffected faction of extreme right-wingers. There could hardly have been higher authority than that for an allegation which he himself had accepted as being untrue. I reminded him of various reasons for regarding Mr Wright as a less than totally credible witness, including the article in that morning's Times by Chapman Pincher, a copy of which I left with Sir James Callaghan.

12. Sir James Callaghan concluded by saying that, while he would of course reflect on what I had said, he nevertheless expected that he would issue a public statement calling for an inquiry. He said that he would be doing nothing that evening, but he would issue the statement fairly early the following morning since he had to go out to Mr John Silkin's funeral later in the day. He said that he would send me a copy of the statement fairly early in the morning.

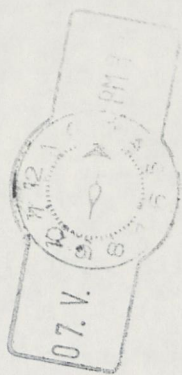
13. Finally Sir James Callaghan said that he had heard that the Guardian was querying the evidence which I had given in the court in New South Wales to the effect that I had no knowledge of inquiries into Security Service attempts to destabilise Mr Wilson's Government between 1974 and 1976. I

said that, as I understood the question put to me, it related to inquiries during that period, and it was the case that I had no knowledge of any inquiries that might have been made during that period. If I had been asked about later inquiries, I should have said that I was aware that detailed inquiries had been conducted before Sir James Callaghan made his statement on 23 August 1977, but that I had no detailed knowledge of the contents of those inquiries. But I had not been asked about inquiries at that time.



ROBERT ARMSTRONG

7 May 1987



CONFIDENTIAL



FCS/87/109

N BPN

SOLICITOR GENERAL

Peter Wright Case

attached.

1. You sent me a copy of your minute of 1 May concerning possible action against the Australian newspapers, The Canberra Times and The Age. I agree that you should proceed as proposed.
2. I am sending copies of this minute to the Prime Minister, the Home Secretary, the other members of OD(DIS), the Lord Advocate and Sir R Armstrong.

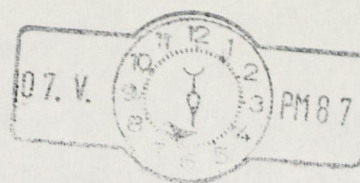
A handwritten signature in dark ink, appearing to be 'G. Howe'.

(GEOFFREY HOWE)

Foreign and Commonwealth Office

7 May 1987

CONFIDENTIAL



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10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

"THE SECRETS OF THE SERVICE" BY ANTHONY GLEES: OD(DIS)(87)34

The Prime Minister has seen this OD(DIS) paper about this forthcoming book by Mr. Anthony Glees. She is content with the course of action proposed in paragraph 5 of the note by officials, subject to the agreement of the other Ministers.

I am copying this minute to the Private Secretaries to members of OD(DIS).

N.L.W.

(N.L. WICKS)

6 May 1987

CONFIDENTIAL

FWE

DA

CC LOD

MOD

HO

FO

LPO

dg



Re. This is final version
of PNA

PRIVATE NOTICE QUESTION

6 May 1987

Mr Neil Kinnock to ask the Prime Minister if she will make a statement in response to the statement made this morning by the Rt Hon Gentleman, the Member for Cardiff South and Penarth, calling for a review by a senior judge of the findings of the 1977 inquiry into allegations about the operation of the security services in the mid-1970s, taking into account information in a book written by Mr Peter Wright and examining both him and those officers who have been implicated by Mr Wright or named by others and providing the means to gain an independent verdict on the past and to safeguard the future.

L. C. 1000 ¹⁰⁰⁰ / 1000

PERSONAL

PRIME MINISTER

PUBLICATION OF THE WRIGHT BOOK IN THE USA

Lord Whitelaw telephoned me this evening to report his conversation this afternoon with Lord Blakenham, Chairman of Pearsons, who own the US company Viking which have the US publication rights of the Wright Book.

The Lord President said that Lord Blakenham, though absolutely open and wanting to help, was in an edgy state. Lord Blakenham thought that the Washington Post, having published extracts from the book Viking, would say soon that they were going to publish the book. The Lord President thinks it is certain that Pearsons have been advised by their lawyers that they have no way of stopping Viking publishing if they decided to do so.

The Lord President added, though I am not sure of the relevance, that Pearsons have never given any general commitment to Viking that they would not prevent them publishing any book. Apparently, Pearsons have made such a commitment to their Canadian subsidiary.

I agreed with the Lord President that he, Robert Armstrong and myself would have a word tomorrow about how to follow up Lord Blakenham's information.

N.L.W.

NLW

6 May 1987

PERSONAL

Ref. A087/1237

MR WICKS

The Pencourt File

You asked for a note on the allegations in the "Pencourt File". A very quick analysis has suggested that these fall into three categories:

- a. The allegations of a smear campaign against Lord Wilson's Government reported in The Observer in July 1977. There are some additional points, apparently emanating from Lady Falkender, including suspicion about army manoeuvres at London Airport and references to the activities of such right-wingers as General Walter Walker and George Young.
- b. Wilson's suspicions of the CIA - as outlined in The Observer articles of July 1977.
- c. Wilson's belief in a smear campaign by the South African Intelligence Service BOSS. BOSS were alleged to have been responsible for a series of burglaries of Wilson's house and of the houses of Lady Falkender, Lady Falkender's brother and No 10 staff; and campaigns to discredit Jeremy Thorpe (the Norman Scott affair) and Peter Hain (the shop-lifting case).

2. The above represents a very abbreviated account of the plethora of accusations which appear in the book, but it would appear that the most significant allegations regarding the Security Service appeared in The Observer in July in advance of the publication of the book.

Timothy Woolley
T A WOOLLEY

6 May 1987



M.L. SAUNDERS
LEGAL SECRETARY

B H Dinwiddy Esq.
Cabinet Office
70 Whitehall
London SW1

CONFIDENTIAL

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

1. ME/A
2. Pme Pmter
to see

N.L.W.
G.5.

6 May 1987

Jean Bruce,

mt

THE PETER WRIGHT CASE: CONTEMPT PROCEEDINGS

You will recall that the Attorney General was granted leave last week by the Divisional Court to bring contempt proceedings against three newspapers. Counsel for one of the newspapers requested that there be an expedited hearing of the proceedings. The Court declined to order expedition, ruling that the case be heard as soon as practicable taking account of the other important matters before the Court. It seemed to those present that the Court wished to hear the contempt application after the House of Lords had given judgment in the Guardian/Observer case.

It was hoped that the fact that the Divisional Court had granted leave, and that considerable publicity had been given to their ruling, would cause editors to desist from publishing material in breach of the Guardian/Observer injunction. There has, however, been a number of articles published over the last few days, which have contained material attributed to Wright. The most blatant example perhaps is the front page of yesterday's Independent.

The Attorney discussed yesterday with Treasury Counsel what steps should be taken. Treasury Counsel advised that our position in the Guardian/Observer case would be seriously prejudiced by the publication of more and more of what was alleged to be the Wright manuscript, without any further attempt being made by the Crown to prevent such publication.

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The Attorney has decided, in these new circumstances, to seek an expedited hearing of the contempt application. The outcome of the application is, as you know, uncertain; a novel point of law is being tested, but Treasury Counsel is reasonably optimistic about our prospects. The Attorney feels that it is better to take the risk of an adverse judgment on the contempt application (which would inevitably result in widescale publication of the Wright allegations by all those not bound by the Guardian/Observer injunction) than to prejudice the House of Lords hearing of the Guardian/Observer^{case} by taking no action to stop publication in advance of that hearing. The only other option is to seek injunctions against all newspapers, magazines and radio and television companies. The Attorney advises strongly against taking such action.

The Attorney has also directed that a letter be sent to all national newspaper editors and to the BBC and ITN reminding them of the fact that he has been granted leave, informing them that he is seeking a hearing date for the application and that if he succeeds in the case against the three newspapers, he will give serious consideration to proceeding against other newspapers who have already published or in the future publish material in breach of the injunction.

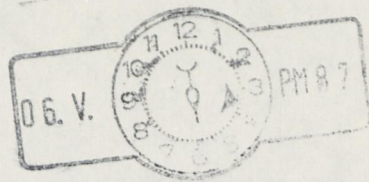
The Guardian and Observer have, as you know, applied for the discharge or variation of the injunction imposed on them. The hearing of that application will take place tomorrow. Treasury Counsel will inform the Court of the Attorney's decision to seek an early hearing of the contempt case.

I am copying this letter to John Bailey, Jim Nursaw, Bernard Sheldon, Christopher Battiscombe and Nigel Wicks.

Yours ever,
P. Saunders.

M L Saunders

CONFIDENTIAL



THE	
NATIONAL	
ARCHIVES	

DEPARTMENT/SERIES <i>Rem 19</i>	Date and sign
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Extract details: <i>Minute dated SR of May 1987</i>	
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MR WICKS5 May 1987SECURITY SERVICE ALLEGATIONS: SIR JAMES CALLAGHAN

1. I agree that the brief Sir Robert Armstrong seeks is drawn too widely. In particular we should not promise a statement, although at the end of the day one may have to be made.
2. Our object should be to take Sir James Callaghan as far into our confidence as possible, so as to persuade him of the good sense of our case, or at least to restrict his options, while retaining maximum freedom of manoeuvre ourselves.
3. In making our case to him, the main points would be those in paragraph 6 of Sir Robert Armstrong's minute, playing down his point 3, which has an element of threat to it, and putting stress on Sir Antony Duff's investigations. For this purpose Tony Duff's letter should be sent and should be shown to Sir James Callaghan on a confidential basis, without any statement about publication.
4. It is for consideration whether we should add the arguments, which weigh heavily with us, that an inquiry would not finally dispose of the kind of allegations we are now hearing; that our critics would never be satisfied, that they would claim a whitewash; that they would want more public or more wide-ranging investigations; that we would be setting a precedent for an inquiry after every public smear; and that the nett effect would be to damage rather than assist the intelligence services, which Sir James Callaghan, like ourselves, wishes at all costs to avoid.

SECRET AND PERSONAL

5. In any event we should add the weighty arguments based on the Australian difficulties, (Michael Saunders' letter of 1 May and Sir Robert Armstrong's paragraphs 7 and 8.) I see your problem over disingenuous argument, but this could be avoided by saying, before coming to this point, that in view of the preceding considerations (paragraphs 3 and 4 above), the Prime Minister is opposed to the idea of an inquiry. But even if she were not so minded there would still be the difficulties arising from the Wright case.

6. I fear that in the end Sir James Callaghan will not be persuaded, will succumb to the pressures from the other side and that we shall have to face the issue head on. But we should make it as difficult for him as possible.

ll

PERCY CRADOCK

424

pa
on Wright
file

RESTRICTED

Sir Robert Armstrong GCB CVO
Cabinet Office

Cuttings fm The Washington Post of 3 May 1987

With the compliments
of

Bernard Sheldon

PO Box 500
London SW1P 1XH

RESTRICTED

L604-53/SG/LA
5 May 1987

British Spy Agency Criticized

Former Official Describes Abuses In Unpublished Book

By Karen DeYoung
Washington Post Foreign Service

LONDON, May 2—A retired senior intelligence official has depicted Britain's domestic counter-intelligence agency, MI5, as frequently incompetent and characterized by systematic abuses of power and illegal acts, including efforts to spy on and overthrow former prime minister Harold Wilson.

The allegations are contained in an unpublished book called "Spy-catcher" by Peter Wright, a 21-year veteran of MI5 who left the service in 1976. The British government is engaged in a continuing legal battle to ban publication of the book. But new demands arose this week in Parliament for an independent inquiry into the charges after a London newspaper published an account of some of the allegations.

In the manuscript, a copy of which has been obtained by The Washington Post, Wright describes an organization that often operated outside the control or knowledge of the British government of the day. According to Wright, MI5 routinely used other British institutions, from the post office to the media, to further its aims, and covered up its more questionable activities.

Wright's account is taken from his detailed diary of events between 1955 and 1976, when he held a series of senior MI5 positions. Its primary focus is on proving Wright's long-held and widely aired belief that former MI5 head Roger Hollis was the undiscovered Soviet agent long suspected to be at the top of British intelligence.

According to Prime Minister Margaret Thatcher, a secret government investigation in the late 1970s cleared Hollis of suspicion.

But the manuscript also details two decades of day-to-day intelligence activities, from the bugging of embassies of both friends and foes by London and Washington to plots to assassinate heads of foreign governments.

Thatcher's government has sought repeatedly to suppress publication of the book on grounds of national security, and it is unlikely ever to be published here because of Britain's severe secrecy laws. The government is involved in a court battle to prevent its publication in Australia, where Wright, 71, now lives.

Last week, The Independent newspaper published a lengthy account of some of its allegations, including a politically motivated plot by up to 30 senior MI5 officers in

FROM BRITISH WTON

05/04/87 14:17 P. 1

Former British Official Says MI5

WRIGHT, From A1

1974 and 1975 to remove Labor Party prime minister Harold Wilson from office by smearing him as a Soviet spy.

According to Wright, the plan centered on selective leaking of information gathered during Wilson's earlier term in office between 1964 and 1970, when MI5 conducted a secret investigation of him, and in additional bugging of his home and office following his reelection at the head of a minority government in 1974.

The government has brought contempt of court charges against The Independent on grounds that it violated previous injunctions against newspaper publication of Wright's manuscript in this country.

But the Wilson revelations already have led to charges in Parliament of an MI5 cover-up of potentially treasonable behavior and demands for an independent inquiry. Opposition party leaders have renewed longstanding calls for oversight of the intelligence services, currently accountable only to the prime minister and selected Cabinet members.

On Thursday, Thatcher firmly ruled out any inquiry into the Wright allegations about the Wilson plot, saying the matter had been investigated by the Labor government of James Callaghan. Callaghan became prime minister in 1976, when Wilson resigned for still undisclosed reasons.

But officials from the Callaghan government have said the 1977 investigation concerned only the bugging reports, which they said were disproven, and not the more comprehensive plot that Wright has alleged.

While major Labor and other political opposition figures have demanded an independent inquiry, Wilson, 71, said last week that he respected Thatcher's decision.

"It sounds as though she does not intend to have one," he told BBC television. "I accept that. She is a little closer to it now than I am."

In a related controversy, Thatcher last month confirmed to Parliament that the late Maurice Oldfield, who during the 1970s headed MI6, Britain's overseas intelligence service, was a homosexual as had long been rumored. The fact that Oldfield had repeatedly passed security checks during his MI6 tenure, combined with the Wright charges, has led to a reported desire on the part of many current senior intelligence officers for some sort of indepen-

dent inquiry to clear the name of the service.

The issue so far does not seem to have captured public imagination, which at the moment is more concerned with whether Thatcher will call national elections in mid-June.

Wright's book contains numerous references to the often stormy Anglo-American intelligence relationship. He describes both MI5 and MI6 as poor and understaffed, and looking across the Atlantic for the resources they needed.

Both agencies, according to Wright, feared American wrath over suspicions of Soviet infiltration of British intelligence. The suspicions began with the 1951 defections to Moscow of British foreign service officers Guy Burgess and Donald Maclean, and continued to poison the trans-Atlantic relationship through the 1970s.

Among Wright's disclosures:

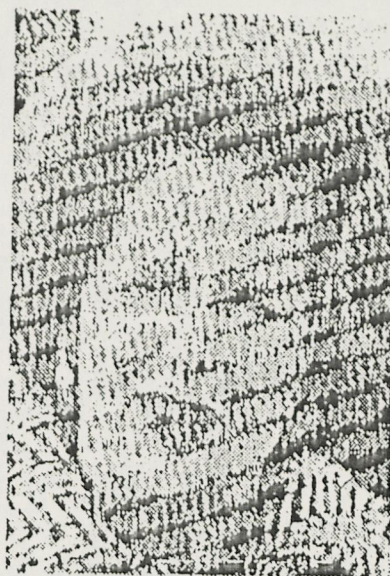
- As chief scientist for MI5 during the 1950s, Wright successfully reproduced a new form of resonance microphone developed by the Soviets and discovered hidden in the office of the U.S. ambassador in Moscow. The Americans subsequently ordered 12 of the devices, and made another 20 themselves, for their own use in Soviet Bloc embassies.

During the late 1950s and 1960s, until more sophisticated listening methods were developed, Britain used the device to bug the Soviet Embassy and Consulate in London, as well as the Hungarian, Polish, Egyptian, Cypriot and Indonesian missions here. Lancaster House, where numerous conferences were held leading to the independence of British colonies in Africa and Asia, was bugged, as were buildings around London where various international trade conferences were held.

Efforts to install a listening device in the West German Embassy failed, according to Wright. The French Embassy was bugged to listen to discussions about Britain's application to enter the European Economic Community, and to pass information along to the Americans about the French independent nuclear force. Wright says the Americans also installed their own bug in the French Embassy in Washington.

- British assassination plots were launched in the late 1950s against Egyptian leader Gamal Abdel Nasser and Cypriot guerrilla leader Col. George Grivas. Both plots failed, but the techniques developed, including the planned use of poison nerve gas against Nasser, interested the CIA.

According to Wright, the CIA asked in 1961 for British technical



MARGARET THATCHER

... rules out probe of charges

assistance in its plans to assassinate Cuban leader Fidel Castro.

"We're developing a new capability in the company to handle these kinds of problems, and we're in the market for the requisite expertise," Wright quotes senior CIA officer Bill Harvey as telling him in Washington.

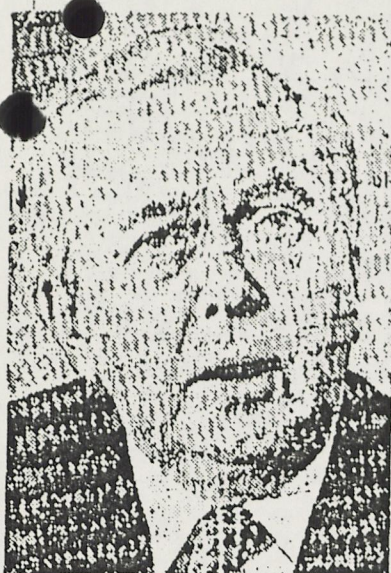
- In 1965, president Lyndon Johnson became so concerned about possible Soviet infiltration in Britain that he ordered the Foreign Intelligence Advisory Board to conduct a secret review of MI5 and MI6 in London. The result of the study, which Wright describes as espionage against a friendly government, was a "devastating critique" that led CIA counterintelligence chief James J. Angleton to propose a plan to station CIA agents inside MI5.

Playing on Britain's need for U.S. intelligence resources, Wright says, "they wanted MI5 as a supplicant client, rather than as a well-disposed but independent ally." Learning of the investigation, MI5 protested that it was a "blatant abuse" of the alliance, and the incident nearly led to the expulsion of a leading CIA official here.

- The first allegations against Wilson were made by Angleton, who in 1965 made a special trip here to tell MI5 that U.S. intelligence had information that the British prime minister "was a Soviet agent." Angleton, according to Wright, refused to divulge details unless MI5 could assure him the information would not fall into "political hands," presumably those of the Wilson government. The British could not make that guarantee, and the information was "fired away" here under the code name "Oatsheaf."

In 1967, Wright flew to Washington to query Angleton again. Angleton said that "an agent of his ...

Plotted Against Prime Minister



HAROLD WILSON
... "I accept that."

had heard that Wilson had clandestine meetings very occasionally with the Russians," but that the source was "no longer available."

A CIA connection to the Wilson story also has been recounted in the recently published book "The Second Oldest Profession," a history of modern spying by British author Phillip Knightley. Knightley writes that shortly before Wilson's resignation in 1976, when he believed both MI5 and MI6 were plotting against him, the prime minister secretly sent an emissary to Washington to ask the CIA what it knew.

In response, then-CIA director George Bush flew to London to assure Wilson there had been no U.S. involvement. The day before his meeting with Bush, however, Wilson resigned.

In his book, Wright does not explain his decision to break the contract of silence that virtually every British intelligence officer has adhered to, and that the Thatcher government has accused him of breaching in the Australia case. But the manuscript, and what is known of MI5 during the period he served there, provide some answers.

Wright makes repeated reference to MI5's failure to provide for its former employees, allegedly cheating them, including himself, out of deserved pensions and rewards. Another recurring theme is the inability of top intelligence chiefs—described by Wright as a clubbish upper-class crowd more interested in the Times crossword puzzle than in systematic intelligence work—to listen to the advice of scientists and activists like him.

Knightley, who said he read Wright's manuscript during a visit to Australia, described Wright in an interview as a classic "hoffin."

In British slang, "boffins" are "the

backroom boys, the unrecognized scientists" who resent "the flashy ones at the top," Knightley said. They see themselves as the true workers and achievers, deprived of credit, and tend to hold grudges when they are not listened to.

In Wright's case, he has long resented the failure of British governments to believe his charges, and those of some of his MI5 colleagues, against Hollis, who headed the agency until 1966.

But aside from Wright's circumstantial and hypothetical case against Hollis, Knightley and other seasoned observers of British intelligence point out that much of his book is based on detailed accounts of events in which Wright himself participated, first as MI5's chief scientist and later as its head of research and informal liaison officer to U.S. intelligence.

Wright describes his early years with MI5 as a "fun" period during which he and his colleagues "bugged and burgled our way across London at [the] State's behest, whilst pompous bowler-hatted civil servants in Whitehall pretended to look the other way."

These endeavors were aided, he says, by the British post office, which shared part of its headquarters with a permanent MI5 mail interception team. The post office also ran the telephone exchange system, and shared information and assisted in bugging. According to Wright, additional help frequently was obtained from newspapers and broadcasters who were in MI5's pocket.

Wright is critical of the lack of a comprehensive clearance process for MI5 agents. His own introduction into the service, he says, consisted of a light-hearted interview in which he was asked if he'd ever been a communist or a "queer." During training, he says, he was told of the service's "Eleventh Commandment . . . Thou shalt not get caught."

It was this lack of a clearance procedure, Wright says, that allowed so many British communists and fellow travelers from the 1930s to enter British intelligence.

Wright spent much of the 1960s in a massive MI5 effort, instigated partly in response to American suspicions, to reinvestigate the "Oxbridge" crowd from where proven spies like Burgess, Maclean and MI6 double agent Kim Philby had emerged.

As a result of his "vetting of an entire generation," Wright says, he discovered as many as 40 "probable" Soviet spies, many of whom he names in the book. Few prosecutions or even interrogations re-

sulted, however, because of what Wright maintains was the reluctance of senior officials to cause a political stir or increase American worries still further.

It was also during this period that MI5, spurred in part by the Angleton report, began to investigate Wilson. Wright says his own suspicions had begun with the mysterious death in 1963 of Labor Party leader Hugh Gaitskill. Gaitskill, on the party's right, was replaced as leader by the left-wing Wilson, who 18 months later was elected prime minister.

According to Wright, MI5, with assistance from Angleton, investigated the possibility that Gaitskill had been poisoned by the Soviets, who were believed to prefer Wilson.

Wilson had at one time worked as the representative of an East-West trading company, and MI5 began secretly to track his association with Eastern European acquaintances of that period. But the inquiries eventually petered out, and in 1970, Labor lost the election to the Conservative Party led by Edward Heath.

In 1974, when Heath and the Conservatives appeared likely to be replaced again by the Labor Party with Wilson still at its head, the Wilson investigations were revived.

According to Wright, a group of senior MI5 officers met with him to propose a plan to discredit Wilson.

"The plan was simple," Wright says. "In the run-up to the election . . . MI5 would arrange for details of the intelligence about leading Labor Party figures, but especially Wilson, to be leaked to sympathetic press men . . . word of the material contained in MI5 files, and the fact that Wilson was considered a security risk, would be passed around."

Wright says he balked at participation in the plot, and refused to allow the conspirators, who he said eventually numbered about 30, or "half the senior staff," to gain access to the Gaitskill file.

Despite the smear campaign, Wilson was able to form a minority government after the 1974 election. But the MI5 campaign against him continued, according to Wright, who says that in the summer of 1975 he reported it to then MI6 head Oldfield.

Wright says that Oldfield warned that news of the plot could "blow up" on the intelligence services.

At Oldfield's urging, Wright says he reported the conspiracy to then MI5 director general Michael Hanley, who asked him for the names of those involved.

"I need to protect them," Wright says Hanley told him.

SUBJECT
MASTER

SECRET AND PERSONAL



file

BM

10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

SECURITY SERVICE ALLEGATIONS: SIR JAMES CALLAGHAN

The Prime Minister discussed with you this afternoon your line for your meeting this evening with Sir James Callaghan, in the light of the advice set out in your minute to me of today. Sir Percy Cradock was present.

The Prime Minister said that she would not want to make any statement about an inquiry while the Wright case proceeded.

THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT

The Prime Minister went on to say that if Sir James demanded an inquiry, she would stand firm. Her backbenchers would, no doubt, react vigorously to any such suggestion on his part; they considered that an inquiry would cause considerable discredit to the Labour Party. She believed that an inquiry would damage the Security Service, and would be particularly damaging for the work of the Service in Northern Ireland at this dangerous time in the Province's affairs. The current difficulty arose from the fact that present Ministers could not, and past Ministers were unwilling, to stand up for the Security Service. The plain fact would be that if Sir James continued to press for an inquiry, he would be accepting the word of Messrs Wright, Holroyd and Wallace against that of the present Director General, Sir Michael Hanley, Mr. Wharton and Mr. Brooks.

After further discussion it was agreed that you should take the following line with Sir James tonight:

SECRET AND PERSONAL

- the entire interview should be on strict Privy Counsellor terms;
- he should be reminded of the situation in 1977 when, in similar circumstances, he had sent you to see Mrs. Thatcher on two occasions;
- the allegations now circulating were, to a large extent, embroideries on those current in 1977;
- the Director General had, on his own volition, instituted a detailed internal inquiry into the allegations. You should describe the outcome of that inquiry on the lines set out in the attachments to your minute;
- you should emphasise that the existence, let alone the outcome, of this inquiry could not be made public because of the consequences for the Australian case;
- the Prime Minister saw no need for an inquiry. Even if she was so minded, the legal advice placed a formidable obstacle in the way of one;
- when the case was over, the Prime Minister would as she has already said "... consider carefully any questions that are put to us in the light of the usual customs and conventions." (Hansard, col. 691, 20 November 1986). He might be reminded that she had not been backward in making statements on security matters when she believed it proper to do so;
- the Prime Minister believes that an inquiry would not help and would damage the Security Service;
- you should remind him that the Security Service would expect just as much loyalty from him now as it did from her in 1977;
- she was ready to see Sir James, in due course, to hear his views on the future management, targeting and structure of the Security Service.

I am sending a copy of this minute to Sir Percy Cradock.

N.L.W.

N.L. WICKS
5 May 1987

SECRET AND PERSONAL

CCB/KIP 10

PRIME MINISTER

SECURITY SERVICE ALLEGATIONS: SIR JAMES CALLAGHAN

In his minute below, Sir Robert Armstrong seeks his marching orders for his discussion this evening with Sir James Callaghan. I advise some caution in giving Sir Robert all he requests.

(i) Paragraph 6 of his minute sets out the structure for his discussion with Sir James. This looks sensible.

(ii) The main brief on the particular allegations is set out in the attachment to the minute. It is a straightforward and thorough answer to the main allegations. Sir Robert's main task must be to take Sir James through each new allegation, one by one, to show why the Security authorities believe them to be groundless.

(iii) In paragraphs 7-9 of his minute, Sir Robert discusses whether he should use the state of the Wright case as a reason for not having an inquiry now. Please note in particular Sir Robert's paragraph 9. As he says, the effect of his argument is that we would be agreeing

"... not that there should be no inquiry but that the question whether there should be an inquiry should not be decided until after the Australian case is over".

^{d.s}
This would be an ingenuous argument if you had firmly decided that there should never be an inquiry into this matter.

(iv) Sir Robert attaches to his minute a letter which the DG would be prepared to send to you. He asks for your authority to show a copy of the letter to Sir James.

I see no harm in either the DG writing or Sir Robert showing the letter to Sir James. But this should be on the explicit understanding that you have given no undertaking whatsoever

SECRET AND PERSONAL

SECRET

SECRET AND PERSONAL

- 2 -

that the DG's letter or any version of it should be published.

(v) Sir Robert finishes his minute with the statement that he has concluded that

"whatever the outcome of my meeting with Sir James Callaghan the Prime Minister will need to make a statement later this week."

No

Sir Robert goes on to seek your authority to let Sir James Callaghan know that you are minded to make a statement on the lines he described.

No
Statement

I am sure that Sir Robert is wrong here. Maybe, you will have to make a statement this week. But that is not in prospect for the moment. There is certainly nothing to be gained, and potentially a lot to be lost, by telling Sir James that you are contemplating a statement.

N. L. W.

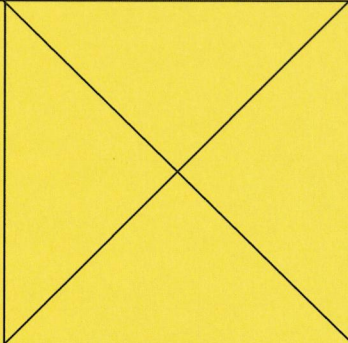
(N. L. WICKS)

5 May 1987

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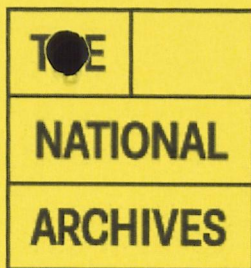
SECRET AND PERSONAL

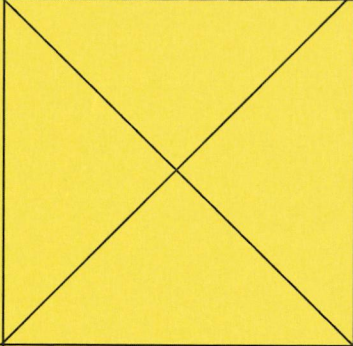
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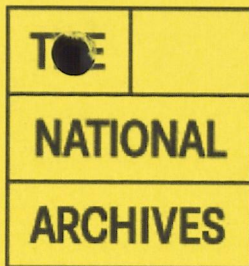
DEPARTMENT/SERIES <i>prem 19</i> PIECE/ITEM <i>2506</i> (one piece/item number)	Date and sign
Extract details: <i>Minute dated 5th of May 1987</i>	
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DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>2506</i> (one piece/item number)	Date and sign
Extract details: <i>Brief for Sir Robert Armstrong's conversation with Sir James Callaghan dated 4 May 1987</i>	
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	<i>22/9/2023</i> <i>Wayland</i>
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DEPARTMENT/SERIES <i>PR0119</i>	Date and sign
PIECE/ITEM <i>2506</i> (one piece/item number)	
Extract details: <i>Note on Allegations (undated)</i>	
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DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>2506</i> (one piece/item number)	Date and sign
Extract details: <i>Draft letter to the Prime Minister (undated)</i>	
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	<i>22/9/2023</i> <i>C. Wayland</i>
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From: THE PRIVATE SECRETARY



CONFIDENTIAL

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

5 May 1987

ra
Peter Wright

PETER WRIGHT CASE

ATTACHED

The Home Secretary has seen the Solicitor General's minute of 1 May about the reports in two Australian newspapers on the Wright manuscript. He is content with the course of action proposed.

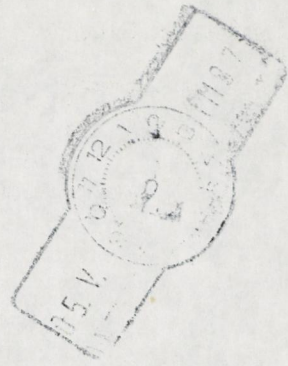
Copies of this letter go to the Private Secretaries to members of OD(DIS), the Lord Advocate and Sir Robert Armstrong.

*Law,
Seyh*

S W BOYS SMITH

M Saunders, Esq.,

CONFIDENTIAL



SECRET AND PERSONAL

Seen by
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Ref. A087/1222

MR WICKS

I understand that the Prime Minister would like to be reminded of what was said at the two meetings which I had with her, on the then Prime Minister's instructions, on 9 and 11 August 1977.

2. I attach notes of the two meetings, based
--- on my contemporary records.

RA

ROBERT ARMSTRONG

5 May 1987

SECRET AND PERSONAL

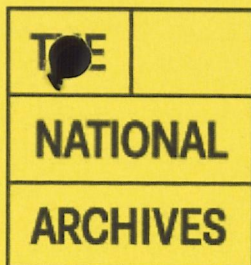
Note of a Meeting on 11 August 1977

At the Prime Minister's request I called on Mrs Thatcher at her home in Chelsea on Thursday, 11 August 1977 at 9.15 pm.

2. I said that I had given the Prime Minister a report on the talk which she and I had had on 9 August. He had been reflecting on the position since then, and had now asked me to let her know he was now more minded not to institute an inquiry into the allegations of unauthorised electronic surveillance at 10 Downing Street, but to seek to dispose of that and other allegations by means of a statement making it clear that he had looked into all these matters very closely himself.

3. Mrs Thatcher said that, as I would know from what she had said on 9 August, she would prefer not to have an inquiry, if that could be avoided; she would therefore welcome the direction in which the Prime Minister's mind was moving, and would be content if he eventually decided to take that course.

4. Mrs Thatcher asked what the view of the Security Service would be, and whether they would wish to have an inquiry for the purpose of clearing their name. I said that I thought that they did not regard an inquiry as essential for that purpose; they would be content with a clear statement of confidence by the Prime Minister. They were, however, very anxious to avoid becoming a political football, and that consideration would be very much in their minds. They would want to feel that the course decided upon by the Prime Minister was not likely to be challenged by the Opposition. Mrs Thatcher indicated that she understood and shared the Security Service's desire not to become a political football and that she would accordingly accept and support a decision by the Prime Minister not to institute an inquiry into the "bugging" allegation but to seek to dispose of that and other allegations by means of a statement.



DEPARTMENT/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>2506</i> (one piece/item number)	
Extract details: <i>Note of a meeting on 9 August 1977</i>	
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