

NOTE FOR FILE

## E - FILE REFERENCE

WALLACE:

Note of Conversation with Cameron on 4 May

1. Cameron told me that he had not omitted anything from his report which could have embarrassed HMG or the services. Whilst he was in Northern Ireland, no information concerning undermining of politicians came his way. He had not heard any rumours to that effect.

2. **SIS OFFICER B** was in touch with WALLACE. He used WALLACE as a link man to cream off information from the press. There was no indication that **SIS OFFICER B** used WALLACE for misinformation purposes. **SIS OFFICER B** was unorthodox but **MI5 OFFICER 4**, who was **SIS OFFICER B**'s assistant, had said that nothing more had happened than indicated by Cameron.

3. As for Kincora, it was the Army source that had spoken to the police. Cameron was in little doubt that McGRATH was actively inclined towards homosexuality. But there was no evidence of sexual abuse at Kincora. There was concern amongst the Paisley supporters about Paisley's association with McGRATH.

4. Two secretaries in Northern Ireland at the time might be able to help. They were **D - PROTECTION OF IDENTITY** (now **D - PROTECTION OF IDENTITY**) and **SECRETARY 1**.

E - SIGNATURE

D - MI5 LEGAL ADVISOR

LA  
Ext **E - TEL EXT**  
24 May 1990

KIN-1

LOOSE MINUTE

For PA on [REDACTED] E - FILE REFERENCE

Copied to: [REDACTED] E - STAFF DESIGNATION

LA

WALLACE

1. I discussed the Fuller Memorandum etc with [REDACTED] SIS OFFICER E on 30 May.
2. He promised a note to LA on how he sees contacts between WALLACE and [REDACTED] IJS/HQNI and HQNI [REDACTED] IJS staff.
3. He discussed the subject with [REDACTED] B - PROTECTION OF IDENTITY an earlier [REDACTED] HEAD OF IJS/HQNI who was specially asked for by the then GOC because they had worked together [REDACTED] B - PROTECTION OF IDENTITY and who was to advise on Psy Ops but never did so because in his time they did not appear.
4. From the files [REDACTED] SIS OFFICER E has seen that some information was produced from covert or overt sources by SIS and provided by them to the Army staff for unattributable release for publication. This was not false propaganda but straight information for release and was given to G Int staff who would normally pass it to WALLACE for planting with journalists.
5. The Fuller case was one such where SIS produced a memorandum based on [REDACTED] B - SOURCE PROTECTION information and provided it to [REDACTED] IJS/HQNI who reported back that as instructed WALLACE was not made aware of the source and was only aware it had come from intelligence. [REDACTED] IJS/HQNI appeared to have amended the memorandum before sanitising it further before handing it to G3 Int.
6. [REDACTED] SIS OFFICER E had looked up a number of leads files. He looked up journalists and found none that had been introduced by WALLACE. [REDACTED] F - RELEVANCE GROUNDS [REDACTED] F - RELEVANCE GROUNDS - he was known to be an RUC contact and also known to be run as a contact by the Army through PR/HQNI WALLACE. [REDACTED] SIS OFFICER E found criticism of [REDACTED] SIS OFFICER B for not having produced more leads.
7. Nothing [REDACTED] SIS OFFICER E saw suggested that these releases of information should come back to SIS since [REDACTED] IJS/HQNI invariably handed the documents to the Army.
8. [REDACTED] SIS OFFICER B made a report to [REDACTED] MI5 OFFICER 3 at Stormont in 1974 describing his work (available, no doubt, from Stormont).
9. [REDACTED] SIS OFFICER E strongly recommended interviewing (a) [REDACTED] SECRETARY 1 (b) [REDACTED] SECRETARY 3 [REDACTED] B - PROTECTION OF IDENTITY and her family and had asked for permission to interview her. If her memory is reasonable she could

- 2 -

say if CLOCKWORK ORANGE was typed by her in her office or at home and it is even possible that WALLACE might have told her where the material came from and, for example, that he had been told not to use it.

10. We made a date for me to come to London on 12/13 June for further discussion and to read recommended files.

### Conclusion

11. There was evidently much indirect contact between WALLACE and [REDACTED] IJS/HQNI officers. There is no evidence of direct contact and no evidence of [REDACTED] SIS OFFICER B or [REDACTED] IJS/HQNI running Ops directly with WALLACE. Since WALLACE was not carded not much is traceable, save by reading each officer's file, which [REDACTED] SIS OFFICER E has been doing.

12. [REDACTED] SIS OFFICER E would like a copy of the CAMERON Report. He has promised to send:-

- i) a note of the contacts he discovered between SIS and WALLACE - i.e the indirect use of WALLACE through G3 Int;
- ii) a copy of the amended Fuller Memorandum as it was finally handed to G3 Int and the covering [REDACTED] IJS/HQNI telegram saying how much WALLACE knew.

E - SIGNATURE

E -  
SIGNATURE

MI5 OFFICER 1

(dictated on 13 June 1990)

15 June 1990

E - CLASSIFICATION

LOOSE MINUTE

For PA on [E - FILE REFERENCE]

Copied to: [E - STAFF DESIGNATION] (minus Annexes A - C)

LA  
28 i

WALLACE

1. On 12 and 13 June at your request I came to the office. I first read [E - FILE REFERENCE] volumes [E - FILE REFERENCE]. Volume [E - FILE REFERENCE] is the first volume and houses volumes [E - FILE REFERENCE] and [E - FILE REFERENCE] of [E - FILE REFERENCE]. Only these two [E - FILE REFERENCE] volumes have papers of the relevant dates.

2. These files are for [IJS] Possible Contacts and Agents - General. [E - FILE REFERENCE]

[E - FILE REFERENCE] Pages are not serially numbered. Throughout there are numerous pages which show simply that a serial has been transferred out but not what the serial is. These files cannot be said to contain an authoritative list of all contacts, agents and attempted recruitments but they clearly give some view. I noted three items which are relevant and attach copies hereto:-

Annex A

[SIS] minute of 30 October 1973 about a return of British civil servants recruited to run as agents. This names three low level civil servants and had WALLACE been recruited, he should have been included on this list for 1973. Incidentally, the three agents had originally been recruited by, and were still paid from, [B - SOURCE PROTECTION] funds and WALLACE has alleged he was run by "Shaw" of MI5.

Annex B

[IJS/HQNI] telegram to [DCI STAFF] of 18 November 1974. This refers to [IJS/HQNI] having been asked for details including sub-sources currently being run on an unconscious basis by PR/HQNI (principally Colin WALLACE). The four principal sources had been allocated codenames:-

- a. [B - CODEWORD & SOURCE PROTECTION]
- b. [B - CODEWORD & SOURCE PROTECTION]
- c. [B - CODEWORD & SOURCE PROTECTION]
- d. [B - CODEWORD & SOURCE PROTECTION]

/ .....

E - CLASSIFICATION

E - ADMIN ANNOTATION

After describing these journalists' sub-sources it speaks of the distribution of information gained from these sources and in paragraph 4 stresses that [DCI STAFF] may check with [MOD OFFICER P] to establish the source of subsequent int. reps. (Comment: [MOD OFFICER P] was a G3 Int officer working close to [SIS OFFICER B]'s office. [SECRETARY 1] recently recalled that he had asked her to make folders for certain journalists which were, perhaps, these four. [B - PROTECTION OF IDENTITY]).

### Annex C

[IJS/HQNI] telegram to Head Office 9 April 1975 notes failure to obtain identification details of these four press sources and that since WALLACE was transferred to England the system whereby information from these sources had been passed to G Int had been suspended. The potential backlash of recent developments in IP/PR HQNI (presumably WALLACE's removal) is such that we should be extremely wary of planning IJS approach to these journalists.

Also attached is a list of WALLACE's journalistic contacts produced by him but curiously omitting FISK.

I see the significance of these items in the following light:-

A Corroborates the fact that WALLACE was not recruited as an agent by the end of 1973 despite what he has said about "John Shaw" and shows that the system of making a return of British civil servants recruited was being properly implemented.

B and C Suggest strongly the explanation of the files for journalists which CAMERON noted in his records when he took over from [SIS OFFICER B] and made him think that [SIS OFFICER B] had some relationship with WALLACE. [SECRETARY 1] has said she made these almost certainly at the request of [MOD OFFICER P]. I think this goes a long way to refuting the suspicions raised by CAMERON that [SIS OFFICER B] might have had journalists introduced to him by WALLACE for recruitment. It now seems very likely that the codewords had been allocated by the Army and that [MOD OFFICER P] requested these codewords to be made to avoid duplication or overlap. [MOD OFFICER P] in the telegram, is seen to be the G3 Int officer concerned with the four journalists who were being run as contacts by PR/HQNI who in due course circulated information gained by them to G3 Int Military Intelligence who in due course put the information out in their intelligence sitreps as "intelligence". This will also account for CAMERON's recollection that the Colonel Intelligence, [MOD OFFICER F] occasionally boasted of having some high level sources! It looks as if the Army saw WALLACE running agents on their behalf since the journalists' comments were treated in that light.

3. It is a pity that the telegram and WALLACE's list of journalist contacts omitting FISK as it does was not copied to those investigating WALLACE. Had the list with that omission been put to WALLACE either by his police interrogators or the Civil Service Appeal Tribunal it would have been interesting to see how he explained the passage of information to FISK which he claimed he regularly did as part of his duties. Perhaps he might have made a franker admission.

4. The documents make plain that the journalists were not to be approached by [redacted] IJS/HONI and also that the long list of WALLACE's journalist contacts had also by April 1975 not been approached by [redacted] IJS officers in Ireland since they were now being offered to [redacted] IJS LONDON to consider looking up for possible approaches: had there been any dealings by [redacted] SIS OFFICER B or others with anyone on the list it would have been necessary to alert [redacted] IJS LONDON to that fact.

Discussion

5. I had further discussions with [redacted] SIS OFFICER E partly with LA and partly while driving to [redacted] B - PROTECTION OF IDENTITY on my way to see [redacted] SECRETARY 1 [redacted] E - ADDRESS We decided there was no point in my duplicating [redacted] SIS OFFICER E fruitless research on [redacted] D - SOURCE PROTECTION file. We also agreed that LA should be asked to agree to [redacted] SIS OFFICER E seeing [redacted] SECRETARY 3 and that he should be asked to telephone [redacted] SIS

LA:  
Action

6. [redacted] SIS OFFICER E also referred me to [redacted] E - FILE REFERENCE now in [redacted] E - FILE REFERENCE RUC Investigation of Kincora Boys Home. These papers beginning February 1980 consist mainly of press cuttings, though do not include all those in LA's [redacted] E - FILE REFERENCE on the same subject. The [redacted] IJS etc telegrams also appear on agent files. I recommend this file should be closed and recent press cuttings destroyed since they are misleading without the full story which appears on LA's [redacted] E - FILE REFERENCE It would have been better if the [redacted] PROTECTION OF IDENTITY papers had been put on LA's [redacted] E - FILE REFERENCE [redacted] E - ADMIN ANNOTATION

7. I attach Annex D, a note of my interview of [redacted] SECRETARY 1 and Annex E, a draft letter to Rucker, [redacted] SECRETARY 1 MOD. [redacted] E - ADMIN ANNOTATION

[redacted] E - SIGNATURE  
[redacted] E - SIGNATURE  
[redacted] MI5 OFFICER 1

(dictated on 13 June 1990)

18 June 1990

(A)

E - CLASSIFICATION

E - CLASSIFICATION

Copy:

E - FILE REFERENCE

E - FILE REFERENCE

E - STAFF DESIGNATION

E - STAFF DESIGNATION

30 October 1975

RECRUITMENT OF BRITISH CIVIL SERVANTS

Through:

Reference <sup>E - STAFF DESIGNATION</sup> minute <sup>E - DOCUMENT REFERENCE</sup> of 10 October.

E - STAFF DESIGNATION

By an oversight, <sup>E - STAFF DESIGNATION</sup> was not originally consulted about the return called for by <sup>E - STAFF DESIGNATION</sup> minute.

To:

We have since spoken <sup>E - STAFF DESIGNATION</sup> and I will submit a list of 3 low-level, borderline cases:

E - STAFF DESIGNATION

B - SOURCE PROTECTION

[Redacted]

B - SOURCE PROTECTION

[Redacted]

B - SOURCE PROTECTION

[Redacted]

<sup>B - SOURCE PROTECTION</sup> of these agents were originally recruited. <sup>B - SOURCE PROTECTION</sup> remain on <sup>B - PROTECTION OF IDENTITY</sup> books, being paid from <sup>B - SOURCE PROTECTION</sup> resources.

E - STAFF DESIGNATION

FROM <b>IJS/HQNI</b>	ORIGINATED DATE TIME 18 Nov 74 1600Z	ADDRESSED <b>DCI STAFF</b>
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**E - ADMIN ANNOTATION**

FOLLOWING ALSO FOR **E - STAFF DESIGNATION** [REDACTED]

HQNI PRESS SOURCES

Date 22 Nov 74  
RS 25 948 5/66

**E - STAFF DESIGNATION** [REDACTED]

1. DURING A NOT SO RECENT CONVERSATION WITH [REDACTED] YOU SAID YOU WOULD LIKE FURTHER DETAILS (INCLUDING SUB-SOURCES CURRENTLY BEING RUN ON AN UNCONSCIOUS BASIS BY PR HQNI (PRINCIPALLY BY COLIN WALLACE) IN ORDER BETTER TO EVALUATE THEIR PRODUCT. THE FOUR PRINCIPAL SOURCES CONCERNED HAVE ALLOTTED CODENAMES AS FOLLOWS:

**E - FILE REFERENCE** [REDACTED]

- A. [REDACTED] B - SOURCE PROTECTION
- B. [REDACTED] B - SOURCE PROTECTION
- C. [REDACTED] B - SOURCE PROTECTION
- D. [REDACTED] B - SOURCE PROTECTION

2. THESE JOURNALISTS OF COURSE DRAW ON A WIDE VARIETY OF SUB-SOURCES AND, FOR OBVIOUS REASONS, ARE RELUCTANT TO BE SPECIFIC ABOUT THE PROVENANCE OF THEIR INFORMATION. NEVERTHELESS PR HAVE ELICITED THE FOLLOWING SUB-SOURCES FROM THE JOURNALISTS CONCERNED:

**E - ADMIN ANNOTATION** [REDACTED] B - SOURCE PROTECTION

A. [REDACTED] A SENIOR PIRA LEADER, [REDACTED] B - SOURCE PROTECTION  
[REDACTED] OF THE INDEPENDENT UNITY PARTY, [REDACTED] B - SOURCE PROTECTION  
[REDACTED] BELFAST COMMAND STAFF). [REDACTED] OIRA

**E - ADMIN ANNOTATION** [REDACTED] B - SOURCE PROTECTION

B. [REDACTED] B - SOURCE PROTECTION [REDACTED] PROVISIONAL  
SINN FEIN). [REDACTED] B - SOURCE PROTECTION [REDACTED] OIRA BREAKAWAY GROUP)

**E - ADMIN ANNOTATION** [REDACTED] B - SOURCE PROTECTION

C. [REDACTED] B - SOURCE PROTECTION [REDACTED] (PROVISIONAL SINN FEIN). [REDACTED] B - SOURCE PROTECTION  
[REDACTED] (PROVISIONAL SINN FEIN). [REDACTED] B - SOURCE PROTECTION  
[REDACTED] OIRA COMMAND STAFF).

PAGE TWO

E - ADMIN ANNOTATION

B - SOURCE PROTECTION

PROVISIONAL ARMY COUNCIL  
B - SOURCE PROTECTION

B - SOURCE PROTECTION

PROVISIONAL SINN FEIN).

B - SOURCE PROTECTION

3. INFORMATION HITHERTO RECEIVED FROM THE FOUR SOURCES CONCERNED:

B - SOURCE PROTECTION

A.

B - SOURCE PROTECTION

B - SOURCE PROTECTION

B.

E - DOCUMENT REFERENCE

i.

E - DOCUMENT REFERENCE

ii.

B - SOURCE PROTECTION

C.

B - SOURCE PROTECTION

B - SOURCE PROTECTION

D.

E - DOCUMENT REFERENCE

i.

E - DOCUMENT REFERENCE

ii.

4. DCI STAFF MAY NOW WISH TO CHECK IN FUTURE WITH MOD OFFICER P TO ESTABLISH THE SOURCE OF SUBSEQUENT INTREPS YOU MAY RECEIVE IN THIS SERIES, TO AID YOU IN YOUR ASSESSMENT.

5. IJS LONDON WE ARE COPYING THIS TELEGRAM TO YOU IN CASE THESE JOURNALISTS FEATURE IN ANY WAY IN YOUR OPERATIONS. HAVE YOU EVER TRACED THE JOURNALISTS NAMED IN PARA 1 ABOVE? IF NOT, WE SHALL SUBMIT TRACE FORMS, IF POSSIBLE, TO SEE IF WE CAN FIND AN INDEPENDENT LINE TO ANY ONE OF THEM.

*Passed*

IJS LONDON

SENT AT 20/1714Z DEC

From **IJS/HQNI** E - DOCUMENT REFERENCE  
 No. **[REDACTED]** Date 4 April 1975

Addressed to **IJS LONDON** (form 91422 attached)  
 Copied to **DCI STAFF** E - SECTION REFERENCE  
 References **E - FILE REFERENCE** Section ... **[REDACTED]**  
 No. of enclosures 1 Date *11 Apr 75*  
 Subject **HQNI PRESS SOURCES** E - ADMIN ANNOTATION  
 Our tel rptd **E - ADDRESS** of 18 Nov 74, para 5. RS 25 948 5/66

1. We have unfortunately been unable to obtain identifying details of these four HQNI press sources, and **B - SOURCE PROTECTION** has drawn a blank in **E - SECTION REFERENCE** records. In fact, since Colin WALLACE (formerly IP, HQNI) was transferred to a post in England, with its consequent complications, the system whereby information from these sources had been passed to **SIS LONDON** & IMP has been suspended. Further, as **SIS LONDON** will be aware, the potential backlash of recent developments in IP/PR HQNI is such that we should be extremely wary of planning an IJS approach to any of these journalists.

2. It may, however be worth tracing them in **E - SECTION REFERENCE** records (they having been looked up in **E - SECTION REFERENCE** records) only in case a very clear lead is thrown up, on the basis of the information contained in our a/g tel para 1 and the only other information we are able to provide, that they are all British and their estimated/which are as follows:

/(a)....

B - SOURCE PROTECTION

- (a)
- (b)
- (c)
- (d)

[Redacted]

3. Your **E - FILE REFERENCE** of 10 January 75. After being told at the beginning of the FULLER ploy that there was no HQMI card for **B - SOURCE PROTECTION** we have now had one produced for us. The traces are as follows:

B - SOURCE PROTECTION

[Redacted]

E - FILE REF

E - ADMIN ANNOTATION

4. In this context, WALLACE was asked to produce a summary of his knowledge of his journalist contacts, (copy attached for all) which may be of interest to **BS LONDON** in the context of their present operations. WALLACE was unfortunately unable to complete his list.

E - CLASSIFICATION

NOTE FOR FILE

E - FILE REFERENCE

Copied to: E - STAFF DESIGNATION for E - FILE REFERENCE E - STAFF DESIGNATION

WALLACE

1. On 12 June, with agreement from LA, E - SECTION REFERENCE and E - SECTION REFERENCE I telephoned SECRETARY 1 former Security Service officer and PA, 1973-74, to SIS OFFICER B and Ian CAMERON. She kindly agreed to see me and on hearing that I was B - PROTECTION OF IDENTITY invited me to dine. I drove to E - ADDRESS E - TELEPHONE NUMBER taking her a bottle of wine and a box of chocolates.

2. E - ADMIN ANNOTATION B - PROTECTION OF IDENTITY B - PROTECTION OF IDENTITY I explained that on behalf of LA I wanted to probe her memories of events at HONI in 1974 arising from the WALLACE affair. F - RELEVANCE GROUNDS SECRETARY 1 submitted to half an hour's interrogation - she warned me that marriage B - PROTECTION OF IDENTITY had blurred her memory. I said that E - NAMED SECTION authorised me to say she could freely speak of the time she had been PA to SIS OFFICER B - not that SIS OFFICER B was suspected of anything improper, but many allegations had been made by WALLACE and we wished to try to make sure that the circumstances were as the files seemed to show.

3. WALLACE had spoken of a "John Shaw" whom he described as MI5. SECRETARY 1 said she did not know anyone of that name and could not recall such a name used by any MI5 or MI6 person.

4. She remembered WALLACE chiefly from his association with SECRETARY 2 whom she knew quite well and recalled as working at E - ADDRESS but believed that SECRETARY 2 worked, perhaps temporarily, at HQNI.

5. She had never seen WALLACE in or near SIS OFFICER B's office and was slightly outraged at the idea that he, as a local employee, could have obtained access into their suite - she would never have allowed him in and she had no doubt that he never entered it. She had never seen him with any E - NAMED SECTION officers and she was conversant with IJS/HQNI and the officers there.

6. She had no recollection of any involvement by SIS OFFICER B with WALLACE in any type of agent, or any other, operation or of typing any papers connected with WALLACE. She had a reservation that she always felt uncertain that she knew everything that SIS OFFICER B got up to; he was the sort of person whose mysterious manner suggested he might

/ .....

E - CLASSIFICATION

E - ADMIN ANNOTATION

be up to something and she knew he sometimes used [REDACTED] IJS/HQNI communications if he had not wanted her to know. But she believed he spent, perhaps most, of his time visiting units as he was supposed to and talking, no doubt mysteriously, to young Army unit intelligence officers. They were all thrilled by [REDACTED] SIS OFFICER B who enjoyed this. I asked her if she had ever heard the codeword CLOCKWORK ORANGE - she did not remember it. I described WALLACE's mention of it and the allegation that it had been typed by an official typist called Penny, and that [REDACTED] B - PROTECTION OF IDENTITY [REDACTED] SECRETARY 1 could not restrain laughter because she doubted if [REDACTED] B - PROTECTION OF IDENTITY [REDACTED] could type at all and remembered that she had come [REDACTED] B - PROTECTION OF IDENTITY as [REDACTED] B - PROTECTION OF IDENTITY [REDACTED] More likely [REDACTED] B - PROTECTION OF IDENTITY was [REDACTED] SECRETARY 3 [REDACTED] who is [REDACTED] B - PROTECTION OF IDENTITY [REDACTED] (I later asked [REDACTED] SECRETARY 1 not to mention my enquiries to [REDACTED] SECRETARY 3 as we would rather make a direct contact, perhaps later).

7. I said that Ian CAMERON remembered some files for a few journalists, evidently made in [REDACTED] SIS OFFICER B's time, containing codewords but not much else and with some connection with WALLACE which made CAMERON suspect [REDACTED] SIS OFFICER B might have obtained introductions or otherwise have co-operated with WALLACE. [REDACTED] SECRETARY 1 had difficulty remembering but later said she did and had made a few files for journalists with almost nothing on them, save a few press cuttings, and that there was some connection with [REDACTED] MOD OFFICER P the G3 Int Army officer who sat in their wing.

8. On the morning of 13 June [REDACTED] SECRETARY 1 rang me to say she had thought over our conversation and was now pretty certain she had made these folders at [REDACTED] MOD OFFICER P request for inclusion in [REDACTED] SIS OFFICER B files. She did not think they had any connection with [REDACTED] SIS OFFICER B himself. She sometimes made entries in her index for [REDACTED] MOD OFFICER P to prevent duplication or overlap between Army and [REDACTED] E - NAMED [REDACTED] e.g. in recruitment. She said [REDACTED] B - PROTECTION OF IDENTITY

9. On 12 June the only person she recalled as an associate of WALLACE at HQNI was Freddie MEAD, an Army officer who married FISK's wife after her divorce.

10. [REDACTED] SECRETARY 1 suggested [REDACTED] SECRETARY 4, her predecessor as [REDACTED] SIS OFFICER B PA, who she believes later worked for [REDACTED] E - STAFF DESIGNATION. This girl might also remember WALLACE.

11. I gave [REDACTED] SECRETARY 1 [REDACTED] SIS OFFICER E name and office telephone number in case she remembered any more relevant facts, and my [REDACTED] E - ADDRESS [REDACTED] and telephone number for social reasons. She promised not to speak to [REDACTED] SECRETARY 3 and to ask [REDACTED] B - PROTECTION OF IDENTITY [REDACTED] to be similarly discreet. (I would

/ .....

judge he would be sensible).

B - PROTECTION OF IDENTITY

B - PROTECTION OF IDENTITY

we drank the wine I brought and left with mutual expressions of goodwill. I telephoned SIS OFFICER E on 13 June to give him the gist of the above.

E - ADMIN  
ANNOTATION

E -  
ADMIN  
ANNOT/  
TION

MI5 OFFICER 1

(dictated on 13 June)

19 June 1990



MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 071-21 82193 (Direct Dialling)

071-21 89000 (Switchboard)

E - ADMIN ANNOTATION

PERMANENT UNDER-SECRETARY OF STATE  
SIR MICHAEL QUINLAN K C B

PUS/E90/591  
54/2

E - SIGNATURE

Separate Copies to:

Received: 27-6-90

DG/DDG Private Office:

PA: E - FILE REFERENCE

E - STAFF DESIGNATION

*AA to see & file*

*What is the significance of ? / on the last page (ie. Subpara 1005) ?*

20 June 1990

DG SIGNATURE

*28/6*

WALLACE RESEARCH

As you know, following the 30 January statement by Mr Hamilton on the Wallace affair my Department continued its researches into it, both on particular points raised by Members of Parliament and on a more general basis to deepen our understanding.

2. By early April we had in total, since the affair's resurgence from last July onwards, surveyed a very great deal of material and expended an exceptional amount of staff effort, including occupying a high proportion of the time of two Grade 5's. Leaving aside the two aspects being dealt with separately by special means (the Calcutt and Heyhoe enquiries), the focus of interest had been the two other allegations which Ministers have in effect recognised as being, were they substantiated, proper matter for contemporary concern - whether British politicians were deliberately "smeared", and whether knowledge of homosexual abuse at Kinora was deliberately suppressed. The extensive further staffwork since Mr Hamilton's statement had substantiated neither of these allegations; and though it had of course faced the usual difficulty of proving negatives, in my view it had in neither case found material pointing significantly towards any greater likelihood than we had earlier supposed that the allegation was well-founded.

3. I concluded accordingly that there was no sufficient reason for prolonging the general enquiries, and that further work should be undertaken only to meet the ordinary needs of Parliamentary business, or to address manifestly-significant new evidence. I reported this view orally to you and other colleagues on 6 April, as Sonia Phippard's note of 9 April records. I understood you to concur, and I therefore gave instructions that the general work should take the end of April as its closing date. Ministers here have noted this without demur.

4. One of the strands of work had been Arthur Rucker's continuation (in parallel with and support of the mainstream work of the General Staff Secretariat under Paul Cassell) of his special study. He has now rendered to me a Supplementary Report, and I attach a copy herewith; the text has been agreed with FCO, NIO and the Security Service. Its content is in my judgement entirely consistent with the view reported in the last sentence of paragraph 2 above, and so with the conclusions and instructions in paragraph 3. Arthur has for convenience noted in various places points that could be followed up yet further if it were judged appropriate to prolong enquiry; but he is not suggesting that any such judgement should be made. I have it in mind therefore to take no further action. I do not think it necessary or useful to offer the report to Mr Calcutt.

5. I am sending copies to Patrick Wright, Clive Whitmore, John Bletloch, Patrick Walker and Jim Nursaw.

Jim ...  
Michael

Sir Robin Butler KCB CVO  
Cabinet Office  
70 Whitehall  
London SW1A 2AS

E - CLASSIFICATION

THE WALLACE CASE - SUPPLEMENTARY REPORT BY MR RUCKERSummary Note

The text of the attached Supplementary Report on the Wallace case has been agreed with the FCO, the NIO and the Security Service; and the other Departments concerned have been given the chance to comment. Within MOD, the text has been cleared with Head of GS Sec and D Sy(Army).

## 2. The Supplementary Report records and analyses:

a. New papers found since the submission of the Report of 8 December 1989;

b. Recent statements made by people involved at the time which (if correctly reported) may contain significant new information.

For both these categories of data the books have been regarded as closed on 30 April 1990.

## 3. Among the material which is covered are:

a. A fuller description of the part played by IRD;

b. A fuller analysis of the reference in "Who Framed Colin Wallace?" to "Clockwork Orange" and the alleged smearing of MPs; and

c. Some further information about the Kincora affair.

4. The Supplementary Report should be read throughout in conjunction with that of 8 December last.

## 5. The Report is divided into twelve sections:

I and II. (Paragraphs 1-3). Introduction and Aim.

III. (Paragraphs 4-6). Mr Wallace's supplementary job specification. The new documents which have been found do not significantly alter the assessment at Reference A; but it would be imprudent to make further statements that there is no evidence that that job specification was not "approved".

IV. (Paragraphs 7-11). Mr Wallace's reference in February 1975 to "the darkest side" of his work. It is unclear what he had in mind at that time: no doubt he would now say it was "Clockwork Orange" and Kincora.

V. (Paragraphs 12-37). Information Policy at HQNI between 1970 and 1973. New papers confirm that the organisational arrangements for IP were less than satisfactory at that period; and indicate that the Army may have been allowed to conduct an IP campaign about which the NIO had serious reservations. But that campaign seems to have stayed - just about - within acceptable limits, if allowances are made for

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the circumstances of the time and for the willingness at that period to use disinformation for propaganda and denigratory purposes. "Who Framed Colin Wallace" acknowledges that until at least the end of 1973 disinformation was directed against terrorism.

VI. (Paragraphs 38-61). Information Policy at HQNI in 1974 and 1975. In this extremely traumatic period the organisational arrangements for IP were even less satisfactory for some considerable time. Whilst the documentation is extremely sparse, the papers would tend to support rather than to refute suggestions that:

- a. Some Army officers may have held strong personal views (different from those of the then Governments) on how terrorism should be defeated;
- b. Briefings may sometimes have been given which did not properly reflect Government policy; and
- c. It is possible, although certainly not proven, that personal attacks may have been made against people only on the fringes of terrorism/extremism, perhaps including some Irish/Northern Irish politicians and certain journalists.

These papers contain no evidence of any deliberate campaign to undermine Government policy; nor that British politicians with no connections with terrorism/extremism were smeared in the media; nor that there was a conspiracy to suppress police enquiries into homosexual offences at Kincora; nor that there was a seditious plot by the Security Service to undermine the Wilson Government. Nor do these papers give any reason to believe that such allegations are likely to be true.

VII. (Paragraphs 62-64). Alleged attempts to undermine Government policy. These paragraphs do not contain significant new information.

VIII. (Paragraphs 65-92). "Clockwork Orange" and the Smearing of MPs. Some new statements have been made which (assuming that they were correctly reported) may indicate that the authors have significant new information to offer; and these are analysed. In general, these paragraphs confirm the assessment in Section VI: but they draw attention to the possible relevance to the "Clockwork Orange" allegations of references in the Cameron Report to "the Fuller Story" and to "Anti-Loyalist Projects" as well as to the "Clockwork Orange" project itself. The numbers of cases where Mr Wallace has claimed personal knowledge of the smearing of MPs is extremely small; and it may be that he has little more of substance to offer on this aspect of the case.

IX. (Paragraphs 93-109). Kincora. Again some statements have been made which (if correctly reported) may indicate the existence of significant additional information; and these are analysed. These paragraphs also contain some further analysis of Departmental papers. They conclude that the Intelligence Staffs had heard reports (which were not at first hand but which some officers probably believed to be true) that Mr McGrath was a homosexual who made a practice of seducing promising young men; and that they knew that he worked at

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7.1 Kincora; but that no evidence has been found that they received any reliable reports that homosexual offences were being committed against residents at Kincora. No evidence has been found of a deliberate cover-up of such offences, but attention is drawn to the document referred to at subparagraph 100(f). It should be noted that by 1974 TARA were no longer viewed as an active paramilitary organisation, as the militants associated with it earlier had moved to the UVF, the UDA and the Red Hand Commandos.

X. (Paragraphs 110-121). Mr Wallace's disciplinary case. The new material is mainly of detailed interest. A statement by Mr Mooney (paragraph 110) is potentially embarrassing, if correctly reported.

XI. (Paragraphs 122-127). Mr Wallace's search for employment after leaving MOD and his approach to Mr Moyle. Again these paragraphs are mainly of detailed interest.

XII. (Paragraphs 128-130). New papers and Corrigendum. The likelihood of significant new information being found, after the completion of this further search for files, is assessed as quite small, but the possibility cannot be discounted altogether. These paragraphs also correct a rather significant typing error in the earlier Report.

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KIN-1



# CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 071-270 0101

*From the Secretary of the Cabinet and Head of the Home Civil Service*  
Sir Robin Butler KCB CVO

E - ADMIN ANNOTATION

E - ADMIN ANNOTATION

Received: 29-6-90  
DG/T  
PA:

E - FILE REFERENCE

Ref.A090/1491

27 June 1990

E - FILE REFERENCE

Separate Copies for

*Dear Michael,*

Wallace Research

Many thanks for your letter of 20 June.

The main purpose of the research you have undertaken since last year is to satisfy ourselves that there were no other categories of overlooked papers, the overlooking of which had caused Ministers to make false or misleading statements to Parliament. I think that the work which has been done should by now have given a reasonable assurance of that, and I fully agree that this work and the devotion of effort to it should now be ended.

I have read with interest the summary of Arthur Rucker's supplementary report. I am very grateful to him for the thorough way in which he has continued to undertake this work. I agree with you that the report does not disclose anything which makes it necessary or useful to show it to Mr Calcutt.

I am copying this letter to Patrick Wright, Clive Whitmore, John Belloch, Patrick Walker and Jim Nursaw.

*Your eva,*

*Robin*

Sir Michael Quinlan KCB  
Ministry of Defence

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AN APPEAL BY MR JOHN COLIN WALLACE  
TO THE CIVIL SERVICE APPEAL BOARD

ADVICE AND RECOMMENDATION

David Calcutt QC

AN APPEAL BY MR JOHN COLIN WALLACE  
TO THE CIVIL SERVICE APPEAL BOARD

ADVICE AND RECOMMENDATION

1. The Secretary of State for Defence has asked me to advise him 'Whether an injustice was done to Mr Colin Wallace as a result of the manner in which his case was presented to the Civil Service Appeal Board when on 17 October 1975 it considered the decision of the Ministry of Defence to terminate his employment on disciplinary grounds; and, if so, to recommend whether compensation should be paid to him.'

2. My terms of reference are precise and, strictly construed, would require me to limit myself to a consideration of the manner in which Mr Wallace's case was presented at the hearing which took place before the Civil Service Appeal Board (CSAB) on 17 October 1975 (and whether that resulted in an injustice). Having, however, considered the relevant material, I take the view that a slightly wider approach is called for, and that I should also take into account what took place shortly before and in anticipation of the hearing.

3. The Secretary of State has specifically asked me not to prepare a Report, but simply to express my conclusions. I nevertheless take the view that a bare expression of my conclusions, without more, would possibly be open to misinterpretation, and that some reasoning, however brief, is needed.

4. After wide reading and consultation, I have reached the clear conclusion that the hearing which took place before the Civil Service Appeal Board on 17 October 1975 was unsatisfactory in two material respects.

5. First, I am satisfied that shortly before the hearing took place representatives of the Ministry of Defence were in private communication with the chairman of the hearing with regard to Mr Wallace's appeal. Such communications should not have happened; and I believe that what occurred probably affected the outcome of the appeal.

6. Secondly, Mr Wallace's work, as an information officer, was wide-ranging in its nature. I am satisfied that the full range of Mr Wallace's work was not made plain to the CSAB. In my view the CSAB needed to know the full range of his work if it was to adjudicate justly on his appeal.

7. The Ministry of Defence had decided to terminate Mr Wallace's employment. The CSAB recommended that if Mr Wallace wished to offer his resignation, the Department should accept this as an alternative to dismissal. In my view neither dismissal nor resignation (as an alternative to dismissal) was within the range of penalties which would have been reasonable for the isolated incident which gave rise to the disciplinary proceedings. In attempting to pass a restricted document to a journalist, at a time when and in the circumstances in which he did, Mr Wallace erred; but if this incident had been considered in the overall context of Mr Wallace's work, neither dismissal nor resignation (as an alternative to dismissal) was a reasonable penalty. To this extent, I am of the opinion that an injustice was done to Mr Wallace; and I so advise.

8. In these circumstances I am asked to recommend whether compensation should be paid to Mr Wallace, and, by implication, the amount of such compensation. In my view compensation should be paid. Precise calculations are not possible; but I have had regard principally to the amount of compensation which Mr Wallace might have received had compensation been paid to him in about 1975, to the fall in the value of money since 1975, and to the difficulty which Mr Wallace has experienced in obtaining alternative employment. In my view an appropriate amount of compensation would be £30,000 and I recommend that such sum should now be paid to Mr Wallace.

*David Calcutt*

David Calcutt  
Queen's Counsel

10 August 1990

LOOSE MINUTE

E - FILE REFERENCE

DGCALCUTT INQUIRY

1. Reference the attached Note from Sonia Phippard. I would have thought it would have been useful from our point of view that CALCUTT's report indicated that the private briefing related to information of a national security nature relating to WALLACE which could not be shown to him. This would at least indicate publicly that there was more to the WALLACE case than met the eye and the hearing was not a set-up.

E - SIGNATURE

D - MI5 LEGAL ADVISOR

LA

E - TEL EXT

13 August 1990

E - CLASSIFICATION

E - ADMIN ANNOTATION

Correspondence to this address must be under double cover. The outer envelope should be addressed to  
The Secretary PO Box 500 London SW1P 1XH and not to any individual.



**PO Box 500  
London SW1P 1XH**

Telephone 071-388 3232 ext.  
071-491 4488 ext.  
GTN 3085 ext.

E - TEL EXT

E - FILE REFERENCE

20 August 1990

*Paul Richard,*

CALCUTT INQUIRY - CONCLUSIONS

1. We have been considering Paul Cassell's letter of 14 August.
2. We agree with Jim Nursaw and Wally Hammond that the Report should be published in full for the reasons they adduce.
3. We do, however, agree with Wally Hammond's view that we should say something more about the content of the private briefing. We believe also that the reason for that private briefing should be revealed, that is the non-existence of any procedures (as exist in immigration and vetting cases) to allow the Board to consider evidence which could not be revealed to the appellant for national security reasons. Thus we would support Wally's proposal to invite Calcutt to expand paragraph 5 to reveal the existence of other leaks and to explain the Government's dilemma in presenting the evidence of such leaks to the Board.
4. This approach should have the added bonus of allowing Government to comment no further on the Report and to refuse to give any details of the other leaks on the same national security grounds that applied at the time of WALLACE's appeal.

E - SIGNATURE

D - MI5 LEGAL ADVISOR

R Hastie-Smith Esq CB  
MOD  
Main Building

Copied to: J Nursaw, Treasury Solicitor; A H Hammond and  
D M Ackland, Home Office; D Gowan, Cabinet Office;  
B Blackwell, NIO London; W P Cassell, MOD

E - ADMIN ANNOTATION

E - CLASSIFICATION

London SE1

E - FILE REFERENCE

20 August 1990

D - MI5 LEGAL ADVISOR

Legal Adviser  
Security Service

E - FILE REFERENCE

Dear

D - MI5 LEGAL  
ADVISOR

COLIN WALLACE

Your ref **E - FILE REFERENCE** of 28 June 1990.

1. Thank you for sending us a blind copy of your letter of 28 June 1990 to A G Rucker, AUS(SC) MOD, and for the attachment containing the results of **MI5 OFFICER 1**'s researches. As you know, I have been keeping you informed of the progress of our investigations into whether there is any evidence of professional involvement between SIS, and in particular **SIS OFFICER B** and Colin WALLACE. You asked that at some stage we should send you a note of our researches and conclusions. In response to this, and to points raised by **MI5 OFFICER 1** in his memorandum of 19 June 1990, I now attach:

- a. A copy of a minute dated 2 July 1990, giving the 'in-house' result of our inquiry into any possible **SIS OFFICER B**/WALLACE connection, plus **SIS** notes of 12 June (file research), 12 March (conversation with **MI5 OFFICER 1**) and 27 February (conversation with **DCI**).
- b. The sanitised write-up on Bill FULLER passed to WALLACE. Before handing this to RYDER, WALLACE photocopied on to the last page some of his own information. This was the information contained in paragraph 3 of **IJS/HQNI**'s telegram **E - DOCUMENT REF** of 7 June 1974 (see (d) below).
- c. A note about **B - PROTECTION OF IDENTITY** and **B - PROTECTION OF IDENTITY** also passed to WALLACE, whose copy had no "Col GS" on it. We are uncertain whether or not WALLACE passed this to RYDER.
- d. **IJS/HQNI** tel no **E - DOCUMENT REF** of 7 June 1974, which sets out how much WALLACE knew about the FULLER operation.
- e. A short chronology.

2. The only outstanding matter is the interview with **SECRETARY 3**, which we hope to conduct shortly. I will let you have the result in due course.

E - ADMIN  
ANNOTATION

- 2 -

3. Since events have overtaken the points raised by  
MI5 OFFICER 2's letter to SIS of 18 December 1989,  
this should be taken as a reply to that letter also.

*Yours ever,*

E - SIGNATURE

SIS OFFICER E

Enc (5, as detailed)

COLIN WALLACE

1. I have now interviewed [DCI], talked again with [MI5 OFFICER 1] and done further file research. [MI5 OFFICER 1] has paid a follow-up visit to Ian CAMERON and has interviewed [SIS OFFICER B]'s PA [SECRETARY 1]. As a result I am quite satisfied that there are no official skeletons in the SIS cupboard as far as [SIS OFFICER B] is concerned. The residual danger, about which we can do nothing, is that WALLACE will impute to [SIS OFFICER B] some unwholesome or illegal activity allegedly carried out independently or on behalf of SIS. Sadly almost anything may be believed by a credulous public in view of [SIS OFFICER B]'s larger than life image and his firm identification as SIS. So far WALLACE has been reticent about revealing SIS identities and activities (even if he knows anything of the latter, which is doubtful), presumably out of loyalty to his wife, or at her insistence. Unfortunately, as [SIS OFFICER B]'s job was to advise the Army on operations this involved him with Fred HOLROYD, who has also made claims about [SIS OFFICER B]. HOLROYD and WALLACE are now co-operating to some extent.

2. A report has already gone from the Security Service to the MOD, for the Cabinet Office, mentioning [SIS OFFICER B] as possibly having had 'dealings' with WALLACE. Extracts relevant to [E-NAMED SECTION] were sent under cover of [MI5 OFFICER 2]'s letter to [B-PROTECTION OF IDENTITY] dated 18 December 1989. However, as a result of further researches here and in the Security Service LA has now written again to Arthur RUCKER of the MOD (LA letter dated 28 June '90) withdrawing the earlier suppositions about [SIS OFFICER B] and WALLACE.

3. We can therefore be confident that SIS had no conscious operational involvement with WALLACE of any kind. It appears that we used WALLACE only once, on an unconscious basis, and using G/INT as a cut-out. This was in the FULLER case, a straight information operation. Our role was to provide true facts through G/INT for PR HQNI to pass on without attribution to suitable journalists, principally Chris RYDER of 'The Sunday Times' Insight team [B-SOURCE PROTECTION]. WALLACE's intuition may suggest that SIS provided input but he certainly cannot prove it. In any case, what he was being asked to do was normal information work, the only difference being that he was not given details as to the origins of the facts. It is possible, of course, that WALLACE thought he was engaged in disinformation, but he wasn't. I have reassured LA that there was no SIS involvement with WALLACE, even indirectly, over psyops or any other clandestine activity which could lay us open to criticism were WALLACE to publicise it.

E - STAFF DESIGNATION

2 Jul 90

COLIN WALLACE - File research on possible contact between **SIS OFFICER B** and WALLACE, or between SIS and WALLACE

1. Prompted by Ian CAMERON's remark to **MI5 OFFICER 1** that he thought that **SIS OFFICER B** had had 'dealings' with WALLACE, I have trawled through the likely files to see if there is any evidence of this. There is no doubt that WALLACE and **SIS OFFICER B** were acquainted socially, but almost everybody who spent any time at HQNI during the period that WALLACE was there knew him socially. Professional contact, whether direct or indirect, would have been another matter.

2. According to **MI5 OFFICER 1** (file note dated 12 March), CAMERON discovered that **SIS OFFICER B** had held files on some journalists, and that code words had been allocated to them. CAMERON had surmised that **SIS OFFICER B** obtained the names and the background details of these journalists from WALLACE.

3. **SIS OFFICER B** certainly had an **SIS LONDON** brief to find sources for **IJS/HQNI** among the local, UK and international press, and as WALLACE was not at that time under any kind of suspicion, there would have been no reason why **SIS OFFICER B** should not have turned to him. However there is no indication that he did. I have examined the relevant volumes of **E - FILE REFERENCE** and there are only three mentions there of WALLACE, in the correspondence quoted in para 4 below. I have also examined the files of all the journalists involved with Northern Ireland at the time and for whom we also hold **E - FILE REFERENCE** files, namely **E - FILE REFERENCES**. With the exception of **B - SOURCE PROTECTION** file there are no mentions of WALLACE. In **B - SOURCE PROTECTION** case the references are related to those in file **E - FILE REFERENCE** (William FULLER), which contains, as one would expect, numerous mentions of WALLACE (see para 6 below).

4. Far from discovering any evidence that **SIS OFFICER B** had any professional dealings with WALLACE, the evidence I have found suggests the opposite. Late in 1974, possibly prompted by the then current inquiry into leaks from HQNI, **DCI STAFF** asked **IJS/HQNI** for details of all HQNI Press sources being run on an unconscious basis by PR HQNI (principally Colin WALLACE). **IJS/HQNI** replied (**IJS/HQNI** Telegram 293 of 18 Nov to **DCI STAFF** rptd **E - DOCUMENT REFERENCE** attached) that there were four such sources, but did not indicate how they knew this. In all probability the information came indirectly from WALLACE via G/INT because in April 1975 (**IJS/HQNI** **E - DOCUMENT REFERENCE** of 4 April, also attached, **IJS/HQNI** says that 'since WALLACE left IP HQNI the system whereby information from these sources had been passed to G/INT had been suspended'. **IJS/HQNI** suggested looking up the four in **SIS LONDON** records in case this threw

/up ...

- 2 -

up a clear lead. There is no suggestion in [REDACTED] or in [REDACTED] nor in any of the annotations made in [REDACTED] that any of these journalists had been looked at previously by [REDACTED] or [REDACTED] on the basis of earlier information, whether supplied by [REDACTED] or by anybody else.

5. The conclusion to be drawn from the above is that [REDACTED] had not been feeding the names of journalists to [REDACTED] for operational purposes. If he had, the correspondence would have referred or cross-referred to this in some way. In fact, the files and anecdotal evidence suggests that [REDACTED] provided few, if any, leads for [REDACTED] at all. If [REDACTED] did have contact with journalists this must have been for his own cover or private purposes. We can therefore regard Ian CAMERON's suspicions about professional contact between [REDACTED] and WALLACE as unproven and probably groundless. This is also the recollection of his former MI5 PA [REDACTED] who [REDACTED] saw on our behalf on 12 June. When [REDACTED] MI5 report on his interview with [REDACTED] comes to us and when, as we propose, we have seen [REDACTED] it may be appropriate for LA to inform the MOD (Arthur RUCKER) of the results of our enquiries regarding [REDACTED] and WALLACE.

6. However, although there was no official contact between [REDACTED] and WALLACE it is clear that in one specific area at least there was considerable indirect contact between WALLACE and SIS. This was over the William FULLER case. Here SIS, using G/INT as a cut-out, provided information for WALLACE to pass on to the journalist Chris RYDER. It is unclear whether WALLACE was aware that SIS was one of the original providers of this information. Strictly speaking WALLACE should not have known, and the files indicate the care that was taken by [REDACTED] to ensure that he did not find out. However, WALLACE must have known that the detailed information he was given could not have come from Army sources alone, even though he was told that it had. We are therefore dependent to a considerable extent on the Army's own security in this case, and must hope that knowing winks and glances were not exchanged. Otherwise WALLACE could claim that he was part of an SIS/MI5 dirty tricks operation (even though the FULLER operation was straight information work), and provide sufficient circumstantial detail to be believed.

SIS

12 June 90

COLIN WALLACE - Note of [REDACTED] SIS [REDACTED] conversation with [REDACTED] MI5 OFFICER 1 [REDACTED]

1. On 8 March I spoke to [REDACTED] MI5 OFFICER 1 [REDACTED] who has been looking into the WALLACE affair for MI5. As [REDACTED] MI5 OFFICER 1 [REDACTED] is a retired officer he has handed over the bulk of his research to [REDACTED] MI5 OFFICER 2 [REDACTED] [REDACTED] E - STAFF DESIGNATION [REDACTED], and this was something of a once-off visit.

2. [REDACTED] MI5 OFFICER 1 [REDACTED] told me that he had been to see Ian CAMERON again. They discussed CAMERON's recollection of possible [REDACTED] SIS OFFICER B [REDACTED] WALLACE contact in the light of CAMERON's earlier conjecture [REDACTED] E - STAFF DESIGNATION [REDACTED] letter of 18 December to [REDACTED] E - STAFF DESIGNATION [REDACTED] that [REDACTED] SIS OFFICER B [REDACTED] had had 'some dealings' with WALLACE.

3. CAMERON took over from [REDACTED] SIS OFFICER B [REDACTED] in July 1974 and had a handover lasting only three days, at the end of which he claims he was not much the wiser about what [REDACTED] SIS OFFICER B [REDACTED] was actually doing. It was only after [REDACTED] SIS OFFICER B [REDACTED]'s departure that CAMERON discovered some files which [REDACTED] SIS OFFICER B [REDACTED] had kept and which contained details of a few journalists. There wasn't very much in the files, which were really just folders with a single sheet of paper inside on which was recorded the name of the journalist and a codeword. However, as CAMERON had also gathered that [REDACTED] SIS OFFICER B [REDACTED] had been in the habit of meeting journalists he suspected that [REDACTED] SIS OFFICER B [REDACTED] had been studying journalists for some undisclosed purpose.

4. It was because everybody at Lisburn regarded WALLACE as the local guru on every subject, and because whenever anything cropped up the immediate reaction was to 'ask WALLACE', that CAMERON told his staff to keep well away from the Army Information Services and from WALLACE in particular. This of course was well before WALLACE had fallen under any sort of suspicion.

5. Comment. To some extent the above is reassuring. CAMERON has no direct evidence that [REDACTED] SIS OFFICER B [REDACTED] had dealings with WALLACE. It may be that it was only after the case against WALLACE hardened that CAMERON drew the conclusion that it must have been WALLACE who had provided [REDACTED] SIS OFFICER B [REDACTED] with information about journalists and had assisted with introductions. For our part it would be helpful to know why [REDACTED] SIS OFFICER B [REDACTED] was gathering details of journalists (if indeed he was). I will therefore examine our records to see whether he had a brief to do so, and whether he supplied SIS with any journalist leads. Incidentally, there is no particular mystery as to what [REDACTED] SIS OFFICER B [REDACTED] was supposed to be doing in NI. In March 1974 [REDACTED] MI5 OFFICER 3 [REDACTED] forwarded to the DCDS(I), General WILLISON, a comprehensive 5-page report by [REDACTED] SIS OFFICER B [REDACTED] covering his first 13 months in NI and setting out guidelines for the year ahead.

[REDACTED] SIS [REDACTED]

12 March 90

NOTE OF **SIS** DISCUSSION WITH **FORMER DCI**

1. On 22 February I asked **FORMER DCI** about the relationship between himself and **SIS OFFICER B** in Northern Ireland (NI). **F. DCI** explained that his job was to coordinate the activities of all the various elements working on Intelligence and Security in NI. The NI Secretary of State William WHITELAW had given him authority to pick his own staff and he decided that if he was to carry out his duties effectively he needed his own men at all the key HQs, ie at Stormont (HQ Northern Ireland Office), at Lisburn (Army HQNI and at Police HQ. All were to report to him and he and they were to be regarded as NIO whatever their parent Department or Agency. Accordingly the following were picked:

- a. at Police HQ - a seconded **E- NAMED SECTION** Officer, **B - PROTECTION OF IDENTITY**
  - b. at Army HQ - a seconded **E- NAMED SECTION** Officer, **SIS OFFICER B** (not **F. DCI** first choice)
  - c. at HQNI in Stormont - a seconded **E- NAMED SECTION** as Head of the Assessments Staff plus an Army Military Assistant as DCI's Staff Officer. The DCI's office was a truly joint operation, though genuine FCO seconded officers outnumbered the **E- NAMED SECTION** element by a wide margin.
2. **F. DCI** was known to insiders as the DCI but this title was not used publically. His cover was that of the senior resident official in NI, ie AUSS NI. Correspondingly, **SB** was not known as the DCI's representative but as the GOC's liaison officer with NI HQ is Stormont. While to the Bn IO's and to the Int Corps **SB** made no secret of his **E- NAMED SECTION** affiliations, **F. DCI** went to some trouble not to allow himself and **SB** to become linked officially in the eyes of non insiders. However, they needed to meet regularly so that **F. DCI** could be updated, so they developed the strategem of playing golf together after the lunch which followed the weekly meetings at Stormont of all the HQNI liaison staff.
3. **SB** had three overlapping directives.
- a. His cover and overt duty was as a member of the NIO responsible for civil liaison between the GOC and the NIO. He was to make himself known to all the military units in NI and to familiarise himself with their tasks and activities so that he could deal with any matters, (including intelligence) that came up affecting the Police and the NIO.

/b. ...



FROM IJS/HQNI	ORIGINATED DATE TIME 7 June 74 1445Z	ADDRESSED DCI STAFF
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[BILL FULLER.]

E - DOCUMENT REFERENCE

OF 10 MAY 1974.

1. MOD OFFICER J HAS NOW SHOWN THE SANITISED WRITE-UP TO COLIN WALLACE WHO IS AT PRESENT CONSIDERING THE BEST MEANS OF EXPLOITING THE INFORMATION. IN THIS CONTEXT, THERE ARE ONE OR TWO FACTORS CONCERNING RYDER'S CURRENT DIMINISHED INTEREST IN THE STORY AND HIS PRESENT RELATIONSHIP WITH HQNI, UPON WHICH, ACCORDING TO G/INT, WALLACE CAN BE RELIED TO GIVE SOUND ADVICE. FOR THE RECORD WALLACE UNDERSTANDS THE DOCUMENT WAS COMPILED BY G INT HQNI.

2. WE ARE CLOSELY FOLLOWING THE SITUATION THROUGH MOD OFFICER J AND ARE ADVISING PRIOR TO ANY ACTION.

3. WALLACE HAS PRODUCED THE FOLLOWING FROM HIS QUOTE PRESS SOURCES UNQUOTE WHICH, IF HE FINALLY DECIDED THAT THE PAPER SHOULD BE PASSED TO RYDER WILL FEED IN ORALLY:

/QUOTE.

PAGE TWO

QUOTE

B - PROTECTION OF IDENTITY (POSS UVF) E - ADDRESS HAS HAD SEVERAL  
 MEETINGS WITH B - PROTECTION OF IDENTITY (COUSIN OF B - PROTECTION OF IDENTITY) IN THE  
 ARDOYNE. HE HAS ALSO VISITED DUNDALK. B - PROTECTION OF IDENTITY IS CO-DIRECTOR  
 WITH B - PROTECTION OF IDENTITY OF THE B - PROTECTION OF IDENTITY B - PROTECTION OF IDENTITY  
 FORMERLY OF E - ADDRESS NOW LIVES AT E - ADDRESS  
 FINANCE TO ESTABLISH THE B - PROTECTION OF IDENTITY CAME FROM THE UNITED  
 STATES. B - PROTECTION OF IDENTITY IS B - PROTECTION OF IDENTITY AND  
 IS INVOLVED IN THE B - PROTECTION OF IDENTITY. HE IS RETAINED BY AMERICAN  
 BUSINESS INTERESTS TO ADVISE ON B - PROTECTION OF IDENTITY IN  
 NORTHERN IRELAND.

THE FOLLOWING VISITED DUBLIN ON 5TH APRIL 1974.

- A. ✓ B - PROTECTION OF IDENTITY
- B. ✓ B - PROTECTION OF IDENTITY
- C. ✓ B - PROTECTION OF IDENTITY ? B - PROTECTION OF IDENTITY
- D. B - PROTECTION OF IDENTITY
- E. ✓ B - PROTECTION OF IDENTITY
- F. ✓ B - PROTECTION OF IDENTITY UNQUOTE.

E - ADMIN ANNOTATION  
 E - FILE REFERENCE

## CHRONOLOGY OF NORTHERN IRELAND

John Colin WALLACE (CW)

Born 6 June 1944 Randalstown, Co Antrim. 49-55 Georgian Elementary School, Randalstown; 55-59 Ballymena Academy; 53-55 and 62-68 Member, Boy's Brigade; Nov 59 - 62 apprenticed with J.A.Woodside Co. Ltd., Pharmaceutical Chemists, Ballymena; May 62 transferred to associated Company, KOUROS Ltd., Ballymena; 3/62-9/63 Sgt (Instructor) with Antrim and Belfast Army Cadet Force; Sept 63 commissioned in ACF General List B on probation as A/Captain; Aug 65 confirmed; Jan 71 applied for TAVR commission in Para Brigade as TAVR Observer Officer; Jan 72 Commissioned in UDR as 2nd Lt (Act Capt) for duty with 1st (Co.Antrim) Bn. Member of the Ulster Volunteer Force - the 'B' Specials. WALLACE was never PV'd.

15 March 1968: CW appointed assistant information officer at Army HQNI, Lisburn.

August 1969: The 'Troubles' begin. Army sent in to quell sectarian riots.

18 June 1970: Edward HEATH becomes Prime Minister.

24 March 1972: Direct Rule imposed.

October 1972: LITTLEJOHN Brothers arrested (Convicted in Dublin Aug 73).

4 October 1972: B - PROTECTION OF IDENTITY appointed Director and Co-ordinator of Intelligence (DCI) in Northern Ireland (Stormont Castle).

15 January 1973: SIS OFFICER B arrives in NI on secondment to Northern Ireland Office (NIO) at Army HQ Lisburn as DCI Liaison Officer to GOC NI with the rank of Assistant Secretary (Political). Throughout much of his tour his secretary was SECRETARY 1. She shared a room with him. His cover was as Civil Liaison Officer to the GOC. His role was to advise the Army (in effect 19 different units) on all aspects of agent running and clandestine operations, both in terms of tradecraft and possible political repercussions. His covert role, and in SIS terms a very important part of his work included the selection of sources for handing over to IJS/HQNI

/2

- 2 -

- 1 August 1973: CW briefs journalists about William McGRATH, of Kincora and TARA.
- 9 December 1973: [REDACTED] DCI [REDACTED] leaves NI. His job was split into an FCO job (WYATT) and a DCI job [REDACTED] MI5 OFFICER 3 [REDACTED] arrived later and there was no direct handover.
- 1 January 1974: Reorganisation of Army Information Services into 3 Sections. Editorial (Production) Section headed by CW. (CW also responsible for Press Briefings in support of Psyops). Other Heads were HICKS (Press) and RAILTON (Psyops).
- February 74: Fred HOLROYD posted to NI.
- 28 February 1974: Harold WILSON, Prime Minister.
- 14 April 1974: [REDACTED] SECRETARY 2 [REDACTED] arrived in Northern Ireland [REDACTED] IJS/HQNI [REDACTED]
- 27 May 1974: [REDACTED] SECRETARY 3 [REDACTED] arrived in Northern Ireland [REDACTED] IJS/HQNI [REDACTED]
- 17 June 1974: [REDACTED] SECRETARY 2 [REDACTED] transferred from [REDACTED] IJS/HQNI [REDACTED] to [REDACTED] E - NAMED SECTION [REDACTED]. She was already WALLACE's girlfriend.
- 15 July 1974: [REDACTED] SIS OFFICER B [REDACTED] handed over his duties to Ian CAMERON (MI5), and left NI by overnight ferry [REDACTED] IJS/HQNI [REDACTED] E - DOCUMENT REFERENCE [REDACTED] of 11 Jul 74). He was warmly praised by the Army for his work in NI.
- 27 September 1974: CW promoted to Senior Information Officer.
- 1974 (no exact date) In an article in 'Tribune' on 2 October 1987, CW claims that in 1974 the first phase of "Clockwork Orange" was typed for him by a member of MI5 at Army Headquarters.
- 24 September 1974: A gloating article in The Times Diary says that the Army is quite unable to identify sources of leaks from HQNI. Previous leaks had appeared on 19/3/74, 14/8/74, 31/8/74, 2/9/74 and 3/9/74. WATERFIELD (NIO) asks for immediate investigation.

/3

- 3 -

15 October 1974: Codeword <sup>E -</sup> [REDACTED] CODEWORD allocated to investigation. DCI in charge .

24 October 1974: A special investigating officer, <sup>D - MI5 OFFICER</sup> [REDACTED] is provided by the Security Service to conduct further investigations. He identifies WALLACE as the principal suspect and informs the NIO accordingly.

6 December 1974: First intimation in <sup>SIS LONDON</sup> [REDACTED] of WALLACE as an adverse factor is <sup>E - STAFF DESIGNATION</sup> [REDACTED] minute quoting <sup>SIS</sup> [REDACTED] as sounding a note of warning on the grounds that WALLACE was chief suspect for a security leak.

24 December 1974: CW told that he is to be moved from Northern Ireland.

31 January 1975: CW hands over his duties at HQNI.

4 February 1975: CW without authority dropped an envelope containing papers including a document classified 'Restricted' through the private letterbox of Robert FISK, a 'Times' journalist. The story is that the envelope burst open and the cleaning lady saw the classified document and informed her husband, a policeman.

4 February 1975: CW left Northern Ireland for a post with the Army's North Western District at Preston.

11 February 1975: CW suspended from duty in Preston.

14 February 1975: <sup>SIS</sup> [REDACTED] Interview with <sup>SECRETARY 2</sup> [REDACTED] <sup>SECRETARY 2</sup> [REDACTED]

25 April 1975: CAMERON Report (Damage Assessment) completed for MOD.

25 June 1975: CW informed by a Civil Service Tribunal that he would be dismissed.

9 August 1975: CW marries <sup>SECRETARY 2</sup> [REDACTED]

17 October 1975: Civil Service Appeal Board hears CW Appeal and allows him to resign instead of being dismissed.

/4

- 4 -

- 14 February 1976: JS/HQNI tel E - DOCUMENT REFERENCE ascribes Ian PAISLEY's accusation of Black Propaganda to a meeting he had with CW.
- 25 February 1976: According B - SOURCE PROTECTION CW is now in Northern Ireland and on PAISLEY's payroll.
- 24 January 1980: Kincora story exposed by 'Irish Independent'.
- 24 April 1980: An article by David MCKITTRICK in the 'Irish Times', claims that MI5 were working against Harold WILSON. He says that MI5 (in the early 1970s) objected both to WILSON being Prime Minister and to his Government's NI policy. On 2 October 1987 WALLACE reveals (in 'Tribune') that he was interviewed for many hours in 1980 by David MCKITTRICK, when the latter was researching three stories about intelligence activities in Northern Ireland. CW admits that he was the source of the information that MI5 were working against WILSON.
- 8 August 1980: Body of Jonathan LEWIS found.
- 18 September 1980: CW charged with murder (he had been having an unconsumated affair with Jane LEWIS, Jonathan's wife).
- December 1980: CW released on Bail.
- 20 March 1981: CW convicted of manslaughter.
- 28 March 1981: 'Republican News' claims that while CW was on duty in Northern Ireland, he fed to the UDA the name of a music teacher in Country Antrim, ex-British Army, as the author of 'communist-inspired' leaflets. At the time, CW was having an affair with the man's wife. He expected the UDA to assassinate the man, but the UDA were suspicious of the information and failed to act.
- 5 December 1986: CW released from prison.

KIN-105400



HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

071 273 2681

22nd August 1990

Received: 22.8.90

Local Authority's Office

E - FILE REFERENCE

PA:

Dear Horrie-Smith,

CALCUTT INQUIRY - CONCLUSIONS

At yesterday's meeting, you asked me if I would suggest a form of words which could be added to paragraphs 5 and 6 of Calcutt's Report by way of explanation of the points which he makes in those paragraphs if it should be decided that the Report should be published. I realise, of course, that a decision is still to be taken on publication and there would be no question of going back to Calcutt except in the context of a decision to publish.

... I enclose, for consideration by those involved, additional material which might be inserted in paragraphs 5 and 6. I have discussed them with Jim Nursaw and Juliet Wheldon and they have asked me to say that they are both content with them. You will see that I have offered two versions in the addition to paragraph 5. My own personal preference is for the second, because it says more clearly and succinctly what we mean. But it is very much a matter of judgment as to whether it would be better to be rather less explicit and I would be content if either approach were adopted. The proposed insertion in paragraph 6 goes no further, I think, than what was said in Mr Hamilton's Written Answer on 30th January 1990. Juliet Wheldon has suggested that Calcutt might prefer to add the new material by way of footnotes to his Report, rather than to alter the Report itself. I see no objection to that, but perhaps it could be left to him to suggest it if he wanted to do so.

Again, it is a difficult question of judgment whether, if the



Report were to be published, it should be published as it is or with the addition of the explanatory material. The question, I suggest, is whether the additional material would make it easier for the Government to rest its case on the Report and to refuse to go into further detail in its comments on it. My own view, for what it is worth, is that the present wording of paragraphs 5 and 6 is so opaque that it would only fuel suspicions that the Government has been involved in a cover-up. No doubt the inclusion of the additional material would not prevent the Government from being pressed to offer further explanation, but at least it has the merit that it gives some indication of the matters which Calcutt considered and which form the basis of his conclusion that Wallace had been unfairly treated. And I would have thought that it would help to rebut the wilder accusations which the Government have faced and will, no doubt, continue to face. But this is only my own view and, at the end of the day, the judgment which has to be made will be made by others.

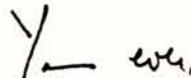
Some doubts were expressed at yesterday's meeting whether Calcutt would be amenable to an approach of this kind. It seems to me that it could be presented to him as an attempt to help him to say more than he has done up till now, no doubt out of the laudable motive of protecting sensitive information. Furthermore, if I am right in thinking that the Government will find it difficult to stand firm on the Report as presently drafted, by the same token, Calcutt may find that his Report is misinterpreted. The additions could be presented to him as a means of clarifying what, at present,



could be the subject of ill-informed speculation.

There is one final point arising from **D - MI5 LEGAL ADVISOR**'s letter to you of 20th August. He makes the point that the Government may have felt obliged to give the private briefing to the Chairman of the Civil Service Appeals Board because of the absence of any procedures, such as those, for example, which apply in deportation cases based on national security grounds, for the presentation of sensitive information without disclosing it to the individual concerned. This may be a point which could be made by Government spokesmen by way of defence of the procedure which was adopted in Wallace's case, although it would need careful handling. But I doubt very much whether it would be sensible to try and get Calcutt to say anything to that effect in his Report. It would look too much like an attempt to get him to provide an excuse for a procedure which he has said should not have taken place and I think that could well be counter-productive to the objective of seeking an expansion of paragraphs 5 and 6.

I am sending copies of this letter to Len Appleyard, Jim Nursaw, Juliet Wheldon, **D - MI5 LEGAL ADVISOR**, Brian Blackwell, Paul Cassell and David Ackland.

  
E - SIGNATURE

(A H HAMMOND)

R Hastie-Smith Esq. CB  
Ministry of Defence  
Whitehall.



Paragraph 5

After first sentence add the following sentence -

"It appears that the Chairman was informed that there was reason to believe that [there had been other instances of misconduct on the part of Wallace of a similar nature to that which was the subject of the disciplinary proceedings against him] [Wallace had improperly disclosed classified information on previous occasions].".

Paragraph 6

Add at the end of first sentence -

"He had the discretion to disclose sensitive information to the press on an unattributable basis.".

Correspondence to this address must be under double cover. The outer envelope should be addressed to  
The Secretary PO Box 500 London SW1P 1XH and not to any individual.



PO Box 500  
London SW1P 1XH

E - TEL EXT

Telephone 071-388 3232 ext.  
071-491 4488 ext.  
GTN 3085 ext.

E - FILE REFERENCE

23 August 1990

Dear Mr Hastie-Smith

CALCUTT INQUIRY

1. As you know, I was unable to attend your meeting on 21 August as your office had failed to inform me of its rescheduling.

2. I have now seen Wally Hammond's letter of 22 August. We entirely agree with the contents. We would prefer to see the second version of paragraph 5 for the reasons Wally gives.

E - ADMIN  
ANNOTATION

3. Given the doubts expressed at your meeting about Calcutt's amenability to approach I agree with Wally's final point on our proposal in my letter of 20 August. We do, however, feel that some explanation of the procedural deficiencies of CSAB should be made by Government.

*JH*  
D - MI5 LEGAL ADVISOR

R Hastie-Smith Esq CB  
DUS(CM)  
MOD  
Main Building

Copied to: A H Hammond Esq, Home Office  
L V Appleyard Esq, Cabinet Office  
J Nursaw Esq CB, Treasury Solicitor  
Miss Juliet Wheldon, Law Officers' Department  
B Blackwell Esq, NIO London  
W P Cassell Esq, Hd Gen Staff Sect., MOD,  
Main Building  
D M Ackland Esq, Home Office

E - ADMIN ANNOTATION

Correspondence to this address must be under double cover. The outer envelope should be addressed to The Secretary PO Box 500 London SW1P 1XH and not to any individual.



PO Box 500  
London SW1P 1XH

Separate Copies to

E - ADMIN ANNOTATION  
[Redacted]

071 - 388 3232 ext.  
071 - 491 4488 ext.  
GTN 3085 ext.

Your Ref: TCM/E90/120

E - FILE REFERENCE

AA to sep. 13th

6 September 1990

E - ADMIN ANNOTATION  
[Redacted]

Dear Tom

WALLACE: CALCUTT Conclusions and Recommendations

Please refer to your letter of 3 September which I only received this afternoon.

2. In confirmation of our telephone conversation, the second sentence of the fifth paragraph of the attachment to your letter is correct. I have checked the originals of the information shown to (both) Chairmen of CSAB. None of the reports contain any references to Kincora or the 'smearing' of politicians.

Yours sincerely

E - SIGNATURE  
[Redacted]

D - MI5 OFFICER

T C McKane Esq  
Private Secretary to  
Sir Michael Quinlan KCB  
Ministry of Defence

References checked:

E - FILE REFERENCES  
[Redacted]

Copied to:

Ms Sonia Phippard  
Private Secretary to  
Sir Robin Butler KCB CVO  
Cabinet Office

E - ADMIN ANNOTATION  
[Redacted]

E - CLASSIFICATION

E - ADMIN ANNOTATION  
[Redacted]

Correspondence to this address must be under double cover. The outer envelope should be addressed to  
The Secretary PO Box 500 London SW1P 1XH and not to any individual.



**PO Box 500  
London SW1P 1XH**

Telephone 071-388 3232 [REDACTED] **E - TEL EXT**  
071-491 4488 ext.  
GTN 3085 ext.

**E - FILE REFERENCE**

17 October 1990

WALLACE

**E - ADMIN  
ANNOTATION**

1. I am sorry not to have replied earlier to your loose minute of 25 September. I have been looking into the files to see what part anyone from this Service played in the decision to brief the CSAB.

2. Our files show that the decision to brief the CSAB was taken by Sir Michael Cary himself and first intimated to this Service in his letter of 4 July 1975 after his initial briefing of the Chairman of the Board. There is nothing to indicate that this Service participated in the decision making process either before or after that letter. Sir Michael Hanley, the then DG, confirmed this in his reply of 9 July 1975 "I take my concern to be with the release to Jock Shaw of verbatim reports from [REDACTED] **B - SOURCE PROTECTION** sources". This was re-confirmed by Bernard Sheldon, the then Legal Adviser, on 29 July 1975 in discussions with Mr Howe, Sir Michael's Private Secretary, when Bernard Sheldon made it plain that there was no direct Security Service interest in the disciplinary proceedings.

3. We were, however, asked to give advice on that basis on the draft statement by MOD for CSAB. Bernard Sheldon pointed out that WALLACE's job specification overlooked the description of the covert role.

**E - SIGNATURE**

**D - MI5 LEGAL ADVISOR**

P M Whittingham Esq  
GS Sec lc  
MOD  
Main Building

LOOSE MINUTE

E - ADMIN ANNOTATION

Copied to:

E - FILE REFERENCE

LA

WALLACE: evidence for leakages

When we saw PUS (MOD) on 1 November he asked who had signed [REDACTED] of which we had shown him extracts (the extracts shown in 1975 to the Chairman of the Civil Service Appeals Board, and later to his Deputy). [REDACTED]

2. I have now consulted the files and also spoken to [REDACTED] DCI at Stormont, with the result that I can state that [REDACTED] J C WALLACE at the [REDACTED] was signed on 18 November 1974, and apparently cancelled on 28 February 1975. It is not possible to establish precisely whose signature appears [REDACTED] because the folder itself (my information comes from a card held for reference by the [REDACTED] DCI STAFF Section) was passed to [REDACTED] RUC Headquarters in March 1987, and I felt that our enquiry should not be pursued there. The RUC were responsible for [REDACTED] but why they only received the folder [REDACTED] in 1987 is not clear, although this might have resulted from "weeding" of records, or (less likely) have had something to do with some enquiry then by the RUC into aspects of the WALLACE affair. However, I think it virtually certain that [REDACTED] would have been the Secretary of State for Northern Ireland in November 1974, who was Mr Merlyn Rees. You were, I think going to inform the PUS accordingly.

3. You will recall that we showed the PUS extracts from the [REDACTED] on WALLACE and left them with him temporarily (as background, unquotable, briefing for his appearance before the Home Defence committee). These papers were those shown to the CSAB Chairmen and comprised [REDACTED]

4. The [REDACTED] confirm that the extracts shown by us to the PUS, and previously to the CSAB Chairman and Deputy, and used to provide background to the leakage case against WALLACE, were from [REDACTED]

E - ADMIN ANNOTATION

B - SOURCE PROTECTION

5. The Leakage Report by the Security Service (B - PROTECTION OF IDENTITY) which was presented to the NIO on the 9 December and sent on to the MOD on 11 December 1974 concluded that "the evidence for WALLACE being a source of unauthorised disclosure to FISK is all circumstantial, although its cumulative weight is strong". (B - SOURCE PROTECTION) provided indicators of leakage of items of information, some possibly classified and presumably unauthorised, from WALLACE to FISK (and perhaps others), but it was with FISK that WALLACE clearly had a special relationship, closer and occasionally more clandestine than with the few other journalists (B - SOURCE PROTECTION). The indicators from the WALLACE (B - SOURCE PROTECTION) with the MOD and the CSAB Chairmen to reinforce the conclusions of the Report, but were themselves circumstantial and (on security grounds alone) unusable as evidence. One of them, (B - SOURCE PROTECTION), was quoted in the Report itself. It was long after the Report, however, that (B - SOURCE PROTECTION) disclosed WALLACE's intention to deliver a classified document to FISK's residence, and thus gave the lead to the (B - SOURCE PROTECTION) discovery of the leakage which in turn helped lead to WALLACE's dismissal/resignation. In the interim his transfer from Northern Ireland to North Western District had in any case been arranged.

6. I have re-examined FISK's and WALLACE's files (B - SOURCE PROTECTION) (B - SOURCE PROTECTION) to see whether they contain anything further which might today be quoted (possibly even publicly) to show WALLACE's flouting of security rules outside that allowed by his secret job description. I do not believe that (B - SOURCE PROTECTION) material we have reveals any leakages of classified or related information about which the NIO or MOD were not informed, whether orally, in writing or by means of the Security Service Leakage Report of 9 December 1974 (E - FILE REFERENCE). Significant passages from the Leakage Report, which depends upon a particularly (B - SOURCE PROTECTION) source, were quoted in Part III of Rucker's Report to the PUS MOD of November 1989, which in turn was made available to the Calcutt enquiry and now to the DPP. Reference is made by Rucker to the contents of (B - SOURCE PROTECTION) source reports as indicators of leakage. The instances which I have found, other than (B - SOURCE PROTECTION) in our Leakage Report, are summarised in the file as follows:-

- a. (B - SOURCE PROTECTION) December 1974: The computer story (featured as a probable for Leakage No 7 in the Leakage Report). This was SECRET. It is quoted (B - SOURCE PROTECTION) at page 41 of the Rucker report, and assessed by Rucker on pages 51-54.
- b. (B - SOURCE PROTECTION) December 1974: Reactions to the computer story (B - SOURCE PROTECTION) from FISK for (B - SOURCE PROTECTION) (B - SOURCE PROTECTION)

E - CLASSIFICATION

- c. [B - SOURCE PROTECTION] December 1974: confirming SECRET information about helicopters and spares. (Admitted by WALLACE to Chief of Press Relations at MOD on 11 February [E - FILE REFERENCE] It is perhaps odd that this should not have been added to the overt case against him, except that it did not [B - SOURCE PROTECTION]  
[B - SOURCE PROTECTION]
- d. [B - SOURCE PROTECTION] December 1974: volunteering information about identity of unit which produced fake IRA newspapers (later information suggests this had been with WALLACE's help which, if revealed, would have been very damaging); and about helicopter spares.

WALLACE receives notice of transfer on 24 December 1974.

- e. [B - SOURCE PROTECTION] January 1975: possible offer of [B - SOURCE PROTECTION] about security force activities.

- f. [B - SOURCE PROTECTION] January 1975: FISK [B - SOURCE PROTECTION] [B - SOURCE PROTECTION] (This item was evidently [B - SOURCE PROTECTION] to the NIO, but it is not clear when; and it is quoted in [B - SOURCE PROTECTION] the Rucker report at page 56).

- g. [B - SOURCE PROTECTION] January 1975: acknowledgement that [B - SOURCE PROTECTION] and [B - SOURCE PROTECTION] The former should certainly be regarded as SECRET, but would be very difficult to quote in evidence.

- h. [B - SOURCE PROTECTION] January 1975: [B - SOURCE PROTECTION] the Army keeps files on some journalists. (Quoted, [B - SOURCE PROTECTION] at page 57 of the Rucker report).

- i. [B - SOURCE PROTECTION] February 1975: Arrangements to leave document at FISK's house (Security Service report to MOD quoted at page 58 of the Rucker report).

WALLACE moves to Western District.

- j. [B - SOURCE PROTECTION] February 1975: WALLACE and FISK [B - SOURCE PROTECTION] now that the document has been found.

7. [E - FILE REFERENCE] There are a few other indicators on file of clandestinity (eg [E - FILE REFERENCE] but, apart from i. and c. above, I do not think there is actual proof that classified information was leaked, and am doubtful what else could be used without risk of libel. The files referred to in item h. have, I think, been revealed as necessary PR adjuncts and not tendentious. It is simply that there were clear indications of leakage of some sort, coupled with an element of clandestinity. I notice, too, that "Private Eye" of 27 March 1981, after WALLACE's conviction for manslaughter, describes him as a lunatic and states that "many of FISK's more sensational scoops were fed to him by the killer WALLACE" - which suggests at least that WALLACE was fairly widely believed to have been a useful source for FISK.

/...

8. WALLACE's Army superiors found him an enigma, and as someone who had moved from a fair neutrality to being a more obvious Ulsterman who might have leaked from a feeling of superiority over mere newsmen but certainly not in order to frustrate the security forces. Perhaps he just allowed himself to get closer to FISK, whom he probably admired as a successful news hound, than he should have done. Our <sup>B - PROTECTION OF IDENTITY</sup> [redacted] regarded him as unscrupulous and unpleasant and Waterfield, chief of Establishments at the NIO, believed that WALLACE had acted "wrongly" rather than "mistakenly" (Rucker, para 51 on page 45). Rucker's comments are on pages 75-78 of his report.

9. In the material I have examined, up to August 1975, I have found no references at all to Kincora, homosexuality, "Clockwork Orange", nor to the smearing of politicians. The nearest to the latter was on the <sup>B - SOURCE PROTECTION</sup> [redacted] <sup>B - SOURCE PROTECTION</sup> [redacted] February 1975, <sup>B - SOURCE PROTECTION</sup> [redacted]

E - FILE REFERENCE

[Large redacted block]

E - SIGNATURE [redacted]

MI5 OFFICER 2

E - STAFF DESIGNATION

E - TEL EXT

29 November 1990



54/2  
 Received: 15.3.91

DG/DDG Private Office:

PA: [REDACTED] E - FILE REFERENCE

[REDACTED] E - ADMIN ANNOTATION

MINISTRY OF DEFENCE  
 WHITEHALL LONDON SW1A 2HB  
 Telephone 071-21 82111/3

E - ADMIN ANNOTATION

SECRETARY OF STATE

D/S of S/PS/20/230

LA  
 19 iii

11<sup>th</sup> March 1991

Seperate Copies to:

[REDACTED] E - FILE REFERENCE

POUS DIST:

PS/SIR ROBIN BUTLER  
 PS/SIR CLIVE WHITMORE  
 PS/SIR PATRICK WRIGHT  
 PS/MR CHILCOT  
 PS/SIR PATRICK WALKER

Dear David,

Thank you for your letter of 13th February following up points in connection with the Defence Committee's inquiry into the case of Colin Wallace.

It may assist the Committee if I explain that one of the two documents to which reference is made in Mr Heyhoe's report was an extract from the other, which is a wide-ranging report of highly-sensitive purpose and content. The extract included a single, short passage referring to "Clockwork Orange". The full document included a second short passage referring to Mr Wallace's duties.

The passage referring to "Clockwork Orange" makes it clear that:

- a. this was the title given to a proposal to issue an account of the activities and organisation of PIRA purporting to come from a deserter from PIRA;
- b. Mr Wallace was involved in this proposal because of his extensive knowledge of the Northern Ireland scene;
- c. the proposal was not cleared.

The passage referring to Mr Wallace's duties records that the formally-established responsibilities of the Senior Information Officer post were described in an official job description which made clear that the title of the post was to be Head of Production Section. The post-holder was to be responsible for supervising Photographic, Printing and Editorial PR units; and would be required to do a full share of in-depth briefing of knowledgeable visiting journalists on both the background to, and the current situation in, Northern Ireland. The passage also shows:

David Natzler Esq  
 Clerk to the Defence Committee

E - ADMIN ANNOTATION





## SECRETARY OF STATE

- a. that by early 1974 Mr Wallace had become involved in the preparation and conduct of unattributable briefings of the media, designed to take the initiative against terrorists and terrorist organisations;
- b. that it had been proposed that a supplementary job description be prepared - as an element in demonstrating the case for the establishment of the post at this level - to reflect Mr Wallace's responsibility for giving unattributable briefings which could involve on-the-spot decisions on matters of national security;
- c. that Mr Wallace may have been aware of this proposal.

As you will recognise, the substance of this information was given to the House by the Minister for the Armed Forces in his statement on 30th January 1990 (Official Record, 30th January 1990, columns 110-113) which set out as fully as possible the key facts and the related circumstances insofar as they can now be confirmed from available records more than fifteen years after the relevant events.

The passages contain nothing to indicate that there was any reference to "Clockwork Orange" in the case made for the establishment of the Senior Information Officer post (to which Mr Wallace was appointed), or that the supplementary job description was ever issued formally to Mr Wallace.

*Jan 1990* *Sue*

(S J AMBLER-EDWARDS) (Miss)  
Private Secretary





## NORTHERN IRELAND OFFICE

Whitehall London SW1A 2AZ

Telephone Direct Dialling 071-210 .....  
Exchange 071-210 3000

W P Cassell Esq  
Head of GS Sec  
MoD  
Main Building  
Whitehall  
SW1 (by hand)

May 1991

3ii  
Received: 30.5.91  
Legal Adviser's Office  
PA1

E - FILE REFERENCE

Dear Paul,

## WALLACE: CORRESPONDENCE

I enclose a letter from Jack Straw MP covering one from a constituent, Mr Brian Todd, together with what is I trust a self-explanatory draft reply. Could any comments on this reach me no later than 31 May? (To Mr Walsh here in my absence on Thursday and Friday please.)

Copies go, with enclosure, to David Gowan, Cabinet Office; D - M15 LEGAL ADVISOR Adrian Cory, F6, Home Office; and Timothy Middleton, Attorney-General's chambers; Jim Kearney, DHSS(NI) (Fax); D/Supt Caskey, RUC Castlereagh (fax).

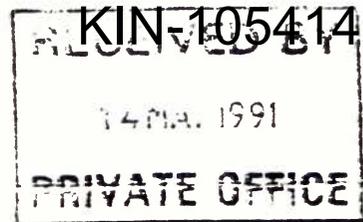
Yours,  
Mogher

S L RICKARD  
SECURITY AND INTERNATIONAL DIVISION

CH/SIL/17476



HOUSE OF COMMONS  
LONDON SW1A 0AA



PLEASE QUOTE  
OUR REF JS/AH/91.4  
Tel 0254 52317

May 9, 1991

The Right Hon Peter Brooke MP  
The Secretary of State  
Northern Ireland Office  
Whitehall  
LONDON SW1A 2AZ

Dear Peter

I am enclosing a letter I have received from Mr Brian Todd of 37 Dukes Brow, Blackburn BB2 6EX, which I think is self explanatory.

I would be most grateful for your comments on the points raised in Mr Todd's letter.

I look forward to hearing from you.

Yours sincerely



Jack Straw MP

KIN-105415

37 Dukes Brow

BLACKBURN

BB2 6EX

4th May 1991

Dear Mr Straw,

The Kincora Cover Up

I am writing to you, as my Member of Parliament to ask what can be done about the reported instructions by government to the Director of Public Prosecutions and from him to Scotland Yard to stop any further investigation into the allegations by Colin Wallace of a cover up in Northern Ireland.

Having been interested in these allegations and the way in which Social Workers were 'blamed' for something which I believe was known to the government for years but was not notified by the Ministry of Defence to the Social Services Authorities I am concerned if these reports (Guardian April 3) are true.

Is there any way in which an M.P. can get to the bottom of this. Have the Police actually been told to stop any investigations before they find something?

All my colleagues in Northern Ireland who were there at the time of the Kincora Affair feel that something 'odd' was happening. The police (the R.U.C.) did investigate Kincora but the papers were 'mis-laid' Rumours still abound that the Army knew quite well what was happening but it suited the Security Services to let it happen rather than notify the Health and Social Services Board. The Magazine 'Fortnight' has published stories about this affair which also support this suggestion and now the Sir Allen Green appears to have told Scotland Yard not to investigate the Ministry of Defence involvement.

I hope you will be sufficiently interested to consider this note.

Yours sincerely



Brian Todd

## DRAFT LETTER

Jack Straw Esq, MP  
House of Commons  
London  
SW1A 0AA

Your ref: JS/AH/91.4 - enclosure original letter

FOR SIGNATURE BY SECRETARY OF STATE.

Thank you for your letter of 9 May enclosing one from Mr Brian Todd of 37 Dukes Brow, Blackburn, BB2 6EX.

On a preliminary point; the investigation referred to by Mr Todd was, as I understand it (and it did not touch directly upon my Northern Ireland responsibilities) into allegations by Mr Wallace of criminal malpractice by others in relation to his appeal to the Civil Service Appeal Board in 1985. On that subject, it goes without saying (but should nonetheless be said) that no instruction has been given by the government to the prosecuting authorities, nor has any block or obstacle been placed in their path; the decisions of the Director of Public Prosecutions are his own.

As you know, events at Kincora have been the subject of successive enquiries by the RUC, by Sir George Terry, the former Chief Constable of Sussex, and by a Judicial inquiry headed by the late Judge Hughes. As Sir George Terry's report confirmed, rumours about the homosexual tendencies of one member of the staff at Kincora reached the police in Northern Ireland during the 1970's, but did not amount to substantive evidence of homosexual abuse of boys at the hostel. A full account of those rumours, which are known to have come to the attention of Social Services, is contained in the Hughes report.

Mr Wallace did not, of course, co-operate fully with the police's enquiries, or with Judge Hughes'. If he or anyone else believed that they have substantive new evidence which is relevant, then they should give it to the police. But I am not aware of anything which might justify a further inquiry.

CH/SIL/17476

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## THE SECURITY SERVICE

E - TEL EXT

TEL: 0171-828 8688 Ext

GTN: 3033

FAX: 0171-630 1428

E - FILE REFERENCE

Ms Katie Rushmore  
Crown Prosecution Service  
50 Ludgate Hill  
London EC4H 7EX

Our Ref:

Your Ref:

Date: 1 July 1996

Dear Katie

**R v WALLACE Appeal**

Subsequent to our conference with Counsel on 20 June, the following has emerged from our files:

- (a) there was no correspondence on paper between 5 August 1980 and 20 March 1981 between the Security Service and the police investigating the death of Jonathan Lewis. However, on 22 August 1980, the Legal Adviser at the time had a telephone conversation with Det Chief Supt Johnstone, Head of CID, who had contacted the Service to see if we had any information about WALLACE which might assist them in their investigation. The Legal Adviser told Det Chief Supt Johnstone that WALLACE had been a member of the UDR and a member of the Army Parachute Association;
- (b) there was no physical surveillance of WALLACE by the Security Service between December 1975 and 10 August 1980. However, he was [REDACTED] B - SOURCE PROTECTION  
[REDACTED] B - SOURCE PROTECTION  
[REDACTED] B - SOURCE PROTECTION and had previously been [REDACTED] B - SOURCE PROTECTION  
[REDACTED] B - SOURCE PROTECTION. The purpose of [REDACTED] B - SOURCE PROTECTION  
[REDACTED] B - SOURCE PROTECTION contact with journalists and any attempt he might make to leak classified information in the wake of his enforced resignation from the army. The concerns were heightened by the fact that his wife was a [REDACTED] B - PROTECTION OF IDENTITY  
[REDACTED] B - PROTECTION OF IDENTITY with knowledge of the [REDACTED] E - NAMED SECTION operating in Northern Ireland. The Service also engaged in lengthy correspondence with the [REDACTED] B - PROTECTION OF IDENTITY  
[REDACTED] B - PROTECTION OF IDENTITY to prevent WALLACE obtaining any further employment with access to classified information.

[REDACTED] B - SOURCE PROTECTION

Yours sincerely

E - SIGNATURE

D - MI5 OFFICER

E -  
SIGNATURE

Envelopes for return correspondence should be addressed to  
The Secretary [or other title] PO BOX 5656, LONDON EC1A 1AH  
and not to The Security Service or an individual by name

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CABINET

JOINT INTELLIGENCE COMMITTEE (A)

THE NORTHERN IRELAND SITUATION

B - SOURCE PROTECTION

The attached Special Assessment was approved by the Joint Intelligence Committee (A) at their meeting on THURSDAY 13 JANUARY 1972.

Signed G H BURLEIGH

for Secretary  
Joint Intelligence Committees

Cabinet Office

13 January 1972

855

DISTRIBUTION

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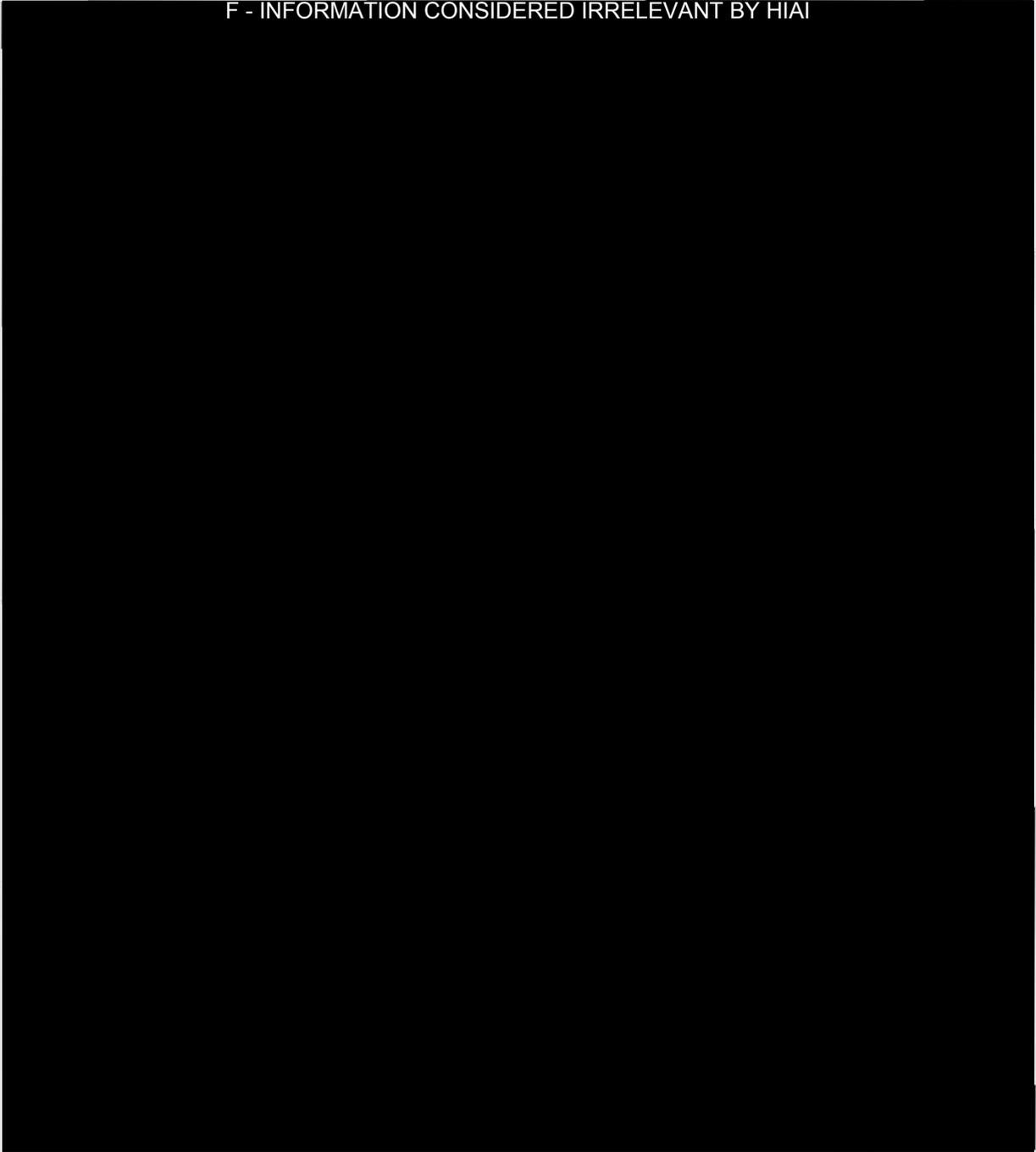
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NORTHERN IRELAND SITUATION

B - SOURCE PROTECTION

F - INFORMATION CONSIDERED IRRELEVANT BY HIAI



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F - INFORMATION CONSIDERED IRRELEVANT BY HIA

6. There are reports of the emergence in Belfast of a Protestant organisation known as the Tara Brigade. Not much is known about the organisation. It appears to be composed of hard-liners, and may have been concerned in an abortive attempt to acquire arms in Belfast last December.

2

E - CLASSIFICATION

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Copied to E - STAFF  
DESIGNATIONNOTE FOR FILE

1. On <sup>B</sup> February DCI drew my attention to <sup>B - SOURCE PROTECTION</sup> material suggesting that WALLACE had arranged to leave Government documents for FISK <sup>B - SOURCE PROTECTION</sup>. On the previous day DCI had drawn my <sup>B - SOURCE PROTECTION</sup> attention to <sup>B - SOURCE PROTECTION</sup> suggesting that FISK intended to write a story, which would be covered by the Official Secrets Acts in the near future. DCI and I both understood that WALLACE's duties at HQNI had come to an end on 31 January. In these circumstances the previous objections to taking police action no longer appeared to apply - that is to say WALLACE ought not to be able to maintain that he had any implied authority to let FISK have Government documents. DCI said that in principle the NIO would like to bring matters to a head. I agreed with this view and consulted Mr Hetherington, Legal Secretary to the Attorney General, who was of a similar opinion. As the Attorney General had agreed to the institution of the Leak Procedure in this case he required to be kept informed of developments suggesting that a criminal offence had been committed. In these circumstances his consent would have been necessary if normal police action was not to be taken. As this was not the proposal Mr Hetherington did not feel it necessary to inform the Attorney of these developments until the position had clarified.
2. Later that day <sup>D - MI5 OFFICER</sup> <sup>MI5 OFFICER 6</sup> and I attended a meeting with Sir Michael Cary at the Ministry of Defence. Sir Peter Hunt, CGS, Maj-Gen Woodrow, Director Army Security and Michael Bell, Private Secretary were also present. We agreed that the RUC should be informed of these developments and invited to try to intercept WALLACE if he <sup>B - SOURCE PROTECTION</sup>. Depending on what documents were found on him and what admissions he made, the police might thereafter interrogate FISK or even apply for a search warrant. For reasons <sup>B - SOURCE PROTECTION</sup> (quite apart from the inadvisability of tangling with the Press on inadequate grounds) it was not thought sensible for the police to move directly against FISK.
3. These proposals were then put to the Secretary of State for Defence, Mr Mason, at a meeting at which Sir Michael Cary, Sir Peter Hunt, <sup>D - MI5 OFFICER</sup> and I were present. They were accepted by him. I subsequently spoke to Mr Hetherington who agreed with this course of action.
4. When we returned to the office DCI telephoned me to say that the RUC had already jumped the gun. They had apparently missed WALLACE's <sup>B - SOURCE PROTECTION</sup> an

/unidentified .....

- 2 -

unidentified person had been seen [REDACTED] B - SOURCE PROTECTION  
 [REDACTED] B - SOURCE PROTECTION to put something through FISK's letterbox at  
 about 13.30. [REDACTED] B - SOURCE PROTECTION the RUC  
 had recovered a RESTRICTED document mentioning the IRA  
 from FISK's house. This document had been lying openly  
 on the doormat inside the front door. DCI asked for my  
 advice on further action. He said that the RUC were now  
 contemplating applying for a search warrant. I said that  
 this development was unfortunate as we were now confronting  
 FISK without having first obtained evidence from WALLACE.  
 DCI said that the two alternatives had been examined and  
 rejected:-

- a. that the document should be retained and no further action taken. RUC were unwilling to agree to this as the caretaker was the wife of an RUC officer and they thought this would compromise her position;
- b. that the document should be returned and no further action taken. Although the document was not very sensitive this was unacceptable to the NIO.

Against this background I advised DCI that it would be unwise for the RUC to obtain a search warrant on the evidence available for the following reasons. Firstly, FISK would maintain that the document had been delivered to his house during his absence and that there was nothing clandestine about the delivery. He would say that this sort of thing was likely to happen with journalists from time to time and that on this evidence he had every cause to complain about the police obtaining a search warrant. Secondly, there was a real danger that he and his newspaper might suggest that the document had been put through his door to provide a clumsy excuse for searching the house of a troublesome journalist. In these circumstances DCI and I agreed that the best course of action would be for the RUC to see FISK and the house owner about the document and seek their help in discovering the circumstances in which it had got into FISK's house and the identity of the person responsible. They could also ask whether other classified documents were in the house.

5. The following day DCI informed me that FISK had been interviewed by CID officers from the RUC. As anticipated he had said that he did not know how the document had got there. He had denied having other classified documents in his possession but when asked to make a statement said that he would have to consult a solicitor. DCI also said that markings on the document linked it with WALLACE and that RUC officers were proceeding to Preston that evening to interrogate WALLACE with the Lancashire Police (Wallace had taken up duties on the staff of the GOC, North Western Command on

/the ....

- 3 -

the previous evening).

6. At about 17.55 on Thursday 6 February DCI telephoned to tell me that FISK had spoken to Mr Gilliland, the Chief Information Officer at Stormont, in Dublin that day. Gilliland was visiting Dublin with Mr Orme, the Minister of State from the NIO. In this conversation, which took place at FISK's own request, FISK had referred to this meeting with RUC on the previous day and had admitted that he had lying told them that he had not had access to a certain classified document when in truth he had seen it. He had also told them that he had no other classified documents in his possession. This was also untrue - he had put them into the boot of his car and now had them with him in Dublin. Gilliland had reported this conversation and had asked for advice. After consultation with Sir Frank Cooper he had given Gilliland the following guidance:-

- a. he should advise FISK to return to Northern Ireland and tell the truth;
- b. he should advise FISK to return the documents;
- c. he should say he would do anything he could to help FISK.

I told DCI that although I agreed in principle with 'b' I thought 'a' and 'b' would be unwelcome to the Attorney General as they would be represented as amounting to an inducement to confess. I said I would now consult and would go back to him within about 10 minutes. In the meantime he should tell Gilliland to take no action.

7. I telephoned Mr Hetherington but was unable to get any reply from him or from the Attorney General on his direct line. I explained this to the DCI on the telephone and gave him the following advice:-

- a. Gilliland should call on FISK and should formally require him to surrender the documents in his possession. If he declined to do so, he could point out that the refusal amounted to the commission of an offence (Section 2 of the Official Secrets Act 1920).
- b. He should avoid giving any advice about confessing to the RUC, nor should he offer his services. If FISK pressed him for advice Gilliland should explain that he had no authority over the case and was merely offering advice in a purely personal capacity. He could then say that in similar circumstances he would think it wise to tell the truth to the police. He could also undertake to make a faithful report of what had been said to him by FISK.

/8. ....

- 4 -

8. DCI said that unfortunately Gilliland had already taken action on his previous message. He understood that he had done this on the telephone in a personal capacity. He had advised (but not instructed) FISK to return the documents but had found him in an unreceptive mood. This change was apparently due from advice which FISK had received from his newspaper. FISK had also indicated that one of the documents was the subject of an article which was due to appear in The Times on the following day. His newspaper had told him that they would stand by him. DCI added that Gilliland was very reluctant to become further involved or to call upon FISK to instruct him to return the documents. He thought this would prejudice his position as Chief Information Officer as it would become widely known in Press circles. Mr Orme had supported Gilliland in this and had decided that Gilliland should take no action until the matter had been considered by the Secretary of State for Northern Ireland. DCI told me that the Secretary of State was in London and that the Attorney General and Mr Hetherington were joining him at the NIO. After consultation with Sir Frank Cooper, PUS NIO, he suggested that I should make contact with the Secretary of State's private office.

9. I then spoke to the Principal Private Secretary to the Secretary of State who arranged for Mr Hetherington to phone me on his arrival. On Mr Hetherington's invitation I went to the NIO where I arrived at about 20.30. At about 21.00 I saw the Secretary of State, Mr Merlyn Rees and the Attorney General, Mr Silkin. Mr Hetherington, Legal Secretary, Mr Janes, DUS NIO and Mr Jordan, PPS were also present. I explained the happenings of that day in detail and the attitude taken by Mr Orme. I said that I had feared that the Crown might look ridiculous (particularly at a trial) if formal instructions had not been given to FISK to surrender the documents which he had admitted to a Crown Servant to be in his possession. The Secretary of State and the Attorney General agreed with this view and thought that the instructions ought to be given by an official of the British Embassy in Dublin. They also thought that the Editor of the Times should be informed. The Secretary of State telephoned Sir Frank Cooper in Belfast and asked him to make the necessary arrangements with the Embassy. After discussion between Cooper and Janes it was decided that the latter should speak to the Times.

10. After several unsuccessful attempts to get in touch with Mr Rees-Mogg, Janes spoke to the Executive Editor at about 10.45 in the presence of Mr Hetherington and myself. He told the Editor of FISK's conversation with Gilliland whom he named. He said that it had been decided that an Embassy official should instruct FISK to surrender the documents and, if necessary, to point out that a failure would amount to an offence. He suggested that the Times might wish to advise FISK.

/11. ....

- 5 -

11. I was also able to give the Secretary of State and the Attorney General a brief account of messages received from **MI5 OFFICER 6** indicating that the police thought they had got a fairly useful statement from WALLACE. In the course of interrogation he had apparently admitted visiting FISK's home to let him have some photographs. He had claimed that when he had found no one there he had returned the photographs to his filing cabinet. He had denied putting the classified document through FISK's door but had admitted that it had been in his possession. He had suggested that someone else had borrowed it from him. He had also given several likely names. He had given no explanation of why he was giving Government photographs to FISK after he had ceased to have any duties in HQNI, nor had he explained why he had continued to have access to a filing cabinet.

E - ADMIN  
ANNOTATION

E - SIGNATURE

Bernard Sheldon

IA

7 February 1975

## LANCASHIRE CONSTABULARY

## STATEMENT FORM

Name of Person ..... Colin WALLACE  
 Address ..... North West District Army Headquarters.....  
 Date .... 12th February, 1975.....

## CAUTION

I, Colin Wallace, wish to make a statement. I want someone to write down what I saw. I have been told that I need not say anything unless I wish to do so and that whatever I say may be given in evidence.

Signature of person making statement ..... Colin Wallace.....

.15am..... I wish to clear up one or two points following your interview with me last Thursday. I was not at liberty to give you the full facts of the matter because of security implications. I have since visited the Ministry of Defence and I am now in a position to supply the additional information. At Headquarters in Northern Ireland I was employed on information policy activities as part of the Army Information services. About October, 1974, I was identified by certain journalists as being involved in black propaganda activities against the para military organisations. It was believed that continued press interest in my activities would expose the Army's information policy campaign. For reasons of personal safety I was posted to Headquarters North West District. When news of the posting leaked to the press there was widespread speculation about the reason for my move. Army Headquarters at Lisburn held a farewell party for me on the 30th January to which the press were invited. In addition to introducing my successor, it was designed to demonstrate that I was leaving Headquarters Northern Ireland on the best possible terms. Robert Fisk could not attend this function but invited me to have a drink with him before my departure. I duly visited him at his home near Hillsborough on Saturday 1st

Continued Statement of ..... Colin WALLACE ..... Sheet No. .... 2 .....

of his forthcoming book on the U.W.C. strike and he showed me a selection of photographs he proposed to use in his book. On Sunday 2nd February, 1975, I had lunch with David Blundy from the Sunday Times at the Wellington Park Hotel in Belfast. In the course of our discussions he warned me off the record, that there was considerable interest amongst journalists to discover the reason for my departure. He said that it was widely believed that I was being removed from Northern Ireland because of official embarrassment at certain black propaganda and warned me that his own newspaper was interested in the subject. I duly reported this information to the Chief Information Officer at Headquarters Northern Ireland. I considered that the publication of any such story would not only cause considerable embarrassment to me personally but also to the Army, and the Government. I believed that the main threat of such a story lay with Robert Fisk of the Times or Derek Brown of the Guardian. There had already been several press rumours that Robert Fisk was investigating a story on information activities. I decided that I would visit Robert Fisk again and try to raise the subject of public relations with him. As an excuse for my visit I collected a number of Army photographs on the U.W.C. strike which showed the Army in the best possible light and could possibly be used in his book. I also took with me a copy of the script which had been prepared for a Study Day on Army public relations activities, held at Headquarters Northern Ireland the previous Friday 31st January, 1975. This document demonstrated quite clearly that the Army was not involved in black propaganda activities. I intended to show this script to Fisk if a suitable opportunity arose. I had not warned Fisk of my visit as I assumed he would be at home. When I arrived at his house I discovered he was not there and because I was leaving Northern Ireland that afternoon I decided that I would leave the document and ring him from England. I did try to ring him on Wednesday morning but received no reply. Last Friday or Saturday 7th/8th February, 1975, Fisk rang me at Headquarters North West District saying the R.U.C. had questioned

him about a document bearing the letters S.I.O. which had been found in the hallway of his home. Fisk asked me if I was in trouble regarding this. I replied that I did not think so as I had no idea how the document had come to be there. I believed that if I said anything else Fisk might believe that the document was 'planted', to frame him. I did not leave the photographs because the envelope was too large for the letterbox.

My handling of this incident may seem irregular, however, in the course of my job I frequently had to adopt unconventional methods to influence the press or plant stories in support of Security Forces activities. I have never given classified information or documents to any journalist except with prior clearance.

I have read the above statement and I have been told that I can correct, alter or add anything I wish. This statement is true. I have made it of my own free will. 12.45 pm.

Colin Wallace.

F. Taylor, Det. Superintendent.

NOTES TAKEN DURING INTERVIEW WITH JOHN COLIN WALLACE AT LANCASHIRE COUNTY POLICE HEADQUARTERS, PRESTON, ON 12th February, 1975, by **SB 13** and **SB 11**, after caution. Interview commenced 2.30 p.m.

- Q. From whom did you obtain the copy of script for Commander Land Forces Study Day?
- A. From the Chief Clerk of my branch - W.O.2 Pace.
- Q. In your statement of 12th February, 1975, you say that in the course of your job you frequently had to adopt unconventional methods to influence the press or plant stories in support of Security Forces activities. What were these methods?
- A. First of all I would like to explain why I did not tell you all about this when I last saw you. In view of the nature of my work I wasn't sure how much I could disclose so I wanted to get clearance from London. I better put you in the picture about what I actually did in Lisburn. I had two jobs - my official one as Head of Productions for Public Relations, HQ., Northern Ireland, was my white or front job. My second job was unattributable briefing and psychological warfare known as PSYOPS. This was my black job.

My official job as head of Production in the P.R. Dept., gave me access to the Press. As justification for this position I was supposed to produce Visor but in actual fact this was done by other people and I took no part. This was merely my cover.

1 PSYOPS is a most sensitive operation and was approved by the Ministry of Defence. Peter Broderick who was then the Chief Information Officer at HQ., Northern Ireland, and now Deputy Director of Public Relations at Ministry of Defence prepared a brief on the Workings of PSYOPS for the Inspector of Establishment meeting in July 1974. As far as I can recollect my terms of reference are under ten different headings in this Brief, and it was approved by M.O.D.

2 This brief is in a file marked 'Secret' - Job Justification Brief for S.I.O. Post at HQ., Northern Ireland, and a copy of it is held at Lisburn.

1 Basically speaking unattributable briefing of the press, etc., was in fact the planting of information either in print or by rumour with them to cause dissension among extremists groups. For example, the I.R.A. embezzlement story - we planted a letter which we found in Long Kesh with a journalist and as a result of him investigating, the involvement of I.R.A. Officers in embezzling I.R.A. funds was unearthed. Chris. Rider of the Sunday Times was the journalist involved. Subsequently a chap called Horner, an ex-Irish Ranger was murdered. He was an I.R.A. intelligent agent. He was suspected of speaking to Rider and after the story was published the I.R.A. picked up Horner and shot him.

2 We produced leaflets and pamphlets for distribution mainly for the same purpose. This was on the printing press. Just to give you an idea, we would often get an Republican paper or leaflet and we would then produce a doctored version which we then distributed in republican areas and also in overseas areas especially in Communist countries and America.

③ Also we would plant with the Press background information about organisation, personalities, such as the U.D.A., I.R.A., U.V.F. leaders, etc., in an effort to discredit them or to make these organisations believe that there was an informer within their ranks. Ivor Bell was picked up along with Brendan Hughes. Five others were also picked up in a short space of time. We then planted a story that we had an informer within the I.R.A., and as a result the number of knee cappings stepped up.

④ To try and show another aspect of my work, Chris. Rider, Bob Fisk and other reporters who had good sources and were dangerous - my job was to stay close to them and find out what they knew. If we found out that they were going to do a particular story I would leak the true version to a rival paper which would publish it first and so kill their story - same story but better informed. Perhaps another time I would try to influence a journalist without letting him know.

⑤ Another one was the nitro benzene story. Some time ago the Provos were using this. We were worried about the amount of home-made explosives the Provos could produce and its effectiveness. I noticed that they were using nitro benzene as a constituent with Co.-op. I knew that nitro benzene could produce leukaemia if the handler was exposed to it over a prolonged period. A provisional in Belfast was admitted to Hospital with a medical complaint which had symptoms similar to nitro benzene poisoning. I passed the rumour round the press that nitro benzene was causing leukaemia and citing this man as a possible victim. The story made all the National papers and ever since that the Provos have either stopped using nitro benzene in Co.op mix or used rubber gloves and resperators when using it. We have a complete file at Lisburn on that.

⑥ Hundreds of other incidents I could cite. Another one was about Black Magic. This was an endeavour to separate the I.R.A. from the Catholic community and the Catholic Church and cut off their support. We produced a scare that the young Provos were dappling in black magic. We started them off in the main Provos areas, Ardoyne, Clonard and Newry, i.e., Magic covins. That was given every wide coverage in all the papers. We started it off as a rumour and planted black candles in a few placed and rumour and the press did the rest for us. We had undercover persons to do this for us.

⑦ Another good one was about Sean McStephan. We did a character assassination campaign on him. We did a study of his background, a very detailed study indeed. We then planted this mostly with the Press and they continually ran stories about him. He was eventually dismissed from the Chief of Staff Post.

⑧ I think that the other ones that are easy to check up on are the Arms stories - countless arms, smuggling cases (Sunday Telegraph).

⑨ Another one was the Bill Fuller story, Fuller is a millionaire, he is an American citizen with a pub outside Dublin, he has Maffia connections in the States. He channels funds to the I.R.A., from the States and also goes bail for I.R.A. men in the South. For political reasons we could not do this officially. I did a brief on his background and his connection with the I.R.A. and also his associates. I then leaked sections of that file to selected journalists. Bob Fisk was one of these. There were mainly journalists who had

access to the Dublin area. This was originally a classified document.

10 Another one was the shooting of Jim Bryson. I did an expose of him in the News of the World. Bryson was shot by the Army from an OP. I wrote letters alleged to have come from eye witnesses or people in the immediate vicinity of the shooting identifying the officials at the scene. These letters were accidentally 'lost' so that our own Units found them and handed them to our Intelligent Unit who in turn gave them to our branch. The purpose here was to make them look authentic. We then showed them to the Press to substantiate the claim that the officials done the shooting. When Marie Drumm spoke at Bryson's funeral she confirmed that the officials were responsible so this plant worked. The object was to cause dissension between the two wings of the I.R.A.

11 Another example - a series of articles - again in the News of the World showing Soviet involvement in the troubles in Ireland. This was a very big story. It carried photos of subs. and a tanker off Portrush. The story was true, as far as the sub was observed off Portrush, but for political reasons we could not get involved in this story ourselves so I leaked it to the Press.

12 Another was the B.B.C. one hour documentary on Internment and Detention. That programme was compiled from unattributable briefings about terrorists re involvement after release. It was accidentally anti-government. It started out at first by the Association for Legal Justice and the Northern Ireland Civil Rights Association briefing the B.B.C. I was detailed to get involved to counter their influence in it. The Secretary of State, your Chief Constable and the Chief Information Officer agreed to this. Col. Railton did the background and I was the fixer. David McDine actually directed this operation. The complete context of my brief is still at HQ., N.I. It is headed David Mills, B.B.C. Background Brief on Internment.

Our Research Section will have Press cuttings on all these cases.

Some of the files will now have been destroyed for Security reasons but the following will still be there:-

- 9 (1) Bill Fuller File
- 3 (2) Nitro Benzene File
- 12 (3) David Mills B.B.C. File

13 I was also engaged in writing letters to the Press, e.g., a letter from "Worried Ballymurphy" about the conduct of the officials in that area. When this was published I would then write further letters either supporting or attacking it. These letters were usually in support of major themes being exploited elsewhere in the Press, e.g., after the Soviet Involvement story several letters were published asking the Church to do something about it. Depending on the type of story I worked on a suitable newspaper for the particular theme. I used just about every newspaper including foreign newspapers. To get round libel action, e.g., in the Fuller case I would use a foreign newspaper and after it was published I did a translation from it and then briefed local journalists from stories which were then already published.

MOD OFFICER B

- 9 Bill Fuller one was a sensitive case. G2 Liaison Int. at HQ., N.I., actually gave me the file and asked me to get into as many papers as possible.
- 10 The Bryson case was directed by the Deputy Commander, 39 Brigade and Col. Cubbis. Col. Pack actually gave me the go ahead with this one.
- 11 The Soviet one was again authorised by Col. Pack with the consent of the Foreign Office.

I never at any time got permission to release these stories in writing. It was always verbal. In practice a Brigade or a Branch may want assistance with some particular theme and they would ask me to do a project on some particular thing for them.

I have never given Bob Fisk any other classified documents. I very rarely gave any journalist any paper at all except in the instances quoted. In the Fuller case extracts were taken from the classified file by the Intelligence Branch and typed on plain paper. I in turn produced a further six extracts which were in fact six separate stories and I gave these to different journalists which included Bob Fisk.

The details I have given you are not the darkest side of my work but we need not discuss them now as they have no connection with this case.

Except for major projects I had complete discretion. In major projects or something involving another agency, e.g., R.U.C. or Intelligence. I would usually consult Col. Railton. In the past whenever I would plant a good story I would be complimented by the C.I.O., also the Chief of Staff and Ministry of Defence.

Last year's confidential on me was classed 'outstanding'. This was on my work with the PSYOPS and unattributable briefings.

Peter Broderick, Deputy Director, Army Public Relations, at M.O.D. will be able to verify all that I have told you. I have discussed this with him and he is prepared to give you a statement to this effect.

Interview terminated 4.10 p.m.

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DESIGNATIONNOTE FOR FILE

1. **MI5 OFFICER 1** telephoned on Tuesday 18 February to report that the DCI had held a meeting to discuss the FISK/WALLACE case on the previous day at which David Johnston, Head of Special Branch, **MI5 OFFICER 1** and Cameron had been present.
2. It had been decided that David Johnston should see Meharg, Head of the RUC CID, and give him some background to the investigation. He would say that the Army had had some suspicions of WALLACE for sometime and had asked Special Branch to keep an eye on him. This had led to the recovery of the document from FISK's house and the subsequent CID investigation. Johnston would also tell Meharg that Ian Cameron would arrange for CID to take an appropriate statement from the member of HQNI most able to give it.
3. **MI5 OFFICER 1** said that David Johnston had been reluctant to permit him to have any direct dealings with CID and DCI was clearly of the opinion that the maintenance of his good relations with SB required this. It was in these circumstances that it was decided that Johnston should speak to Meharg. The relationships between the two were unfortunately bad and the meeting had not, apparently, gone very well. Meharg was seeing the DPP and it was possible that he would still seek his support in obtaining information about previous investigations.
4. **MI5 OFFICER 1** said that the discussions with DCI had not directly covered the separate problems of:
  - a. ensuring that the CID understood the significance of information which they acquired (and in particular excuses offered by WALLACE) and thereafter asked the appropriate questions in the appropriate quarters; and
  - b. ensuring that Army officers and others giving statements to the CID had directed their minds to the points involved and gave statements which covered the relevant points.

Ian Cameron, who would be mostly involved, would no doubt be able to help on this but we agreed that it would be necessary for him to keep in touch with the case officer and with me. I undertook to telephone him. I told **MI5 OFFICER 1** that I would be having a meeting with the DPP, Northern Ireland on the morning of Wednesday 19 February at the Attorney General's chambers. I said that I would try to ensure that he understood the complexities of this sort of

/case ....

case and that he did not give directions to the CID which would lead to conflicts with the Army. I said that in some circumstances we might be able to help on particular issues with the DPP.

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Bernard Sheldon

LA

19 February 1975

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NOTE FOR FILE

1. I discussed the FISK case with Barry Shaw, DPP Northern Ireland and with Mr Hetherington at the Law Courts at 11.30 on Wednesday 19 February.

2. After consultation with DCI, MI5 OFFICER 3 I told Shaw that the Security Service had carried out an investigation which had identified WALLACE as being almost certainly FISK's source. This investigation had produced no admissible evidence and it was also apparent that even if it had been possible to prosecute WALLACE he would have been likely to succeed with a defence that, in his particular appointment, he had implied authority to communicate information to journalists. (Hetherington pointed out that this was the defence which had been successfully made by Cairns in the Sunday Telegraph case). I said that the correctness of this appreciation had been confirmed by the two statements which WALLACE had so far given to the Police.

3. I said that a new situation arose once WALLACE had ceased to work for HQNI prior to his posting to Preston as he could no longer reasonably claim that he had any implied authority to disclose any information belonging to HQNI. I said that we had some reason to suppose that WALLACE might seek to pass further information to FISK prior to his departure. Special Branch had been warned and were therefore in a position to react quickly when the RESTRICTED document was recovered from FISK's house. It was at this stage that the CID were asked to investigate.

4. I said that I was conscious that Meharg thought that CID were being obstructed in their investigation and were not being afforded the co-operation which they were entitled to expect. I said I was also aware that there was friction between CID and Special Branch and that this did not help matters. I explained that we did not normally become involved in leakage investigations but there were a number of ways in which we might help:-

- a. by guiding CID on the significance of points which came out in the investigation;
- b. by identifying appropriate Army and Civil Service witnesses and by obtaining agreement that they should give statements;
- c. by ensuring that the witnesses had directed their minds to the significant points in advance and that their statements were therefore as helpful as possible.

/5. ....

- 2 -

5. I said that although we wanted to help we were inhibited by the special circumstances of our position in Northern Ireland and by the fact that we were not in contact with CID. I said that we felt we could really only help at the request of David Johnston, Head of Special Branch. I said that, accordingly, DCI had held a meeting with Johnston and **MI5 OFFICER 1** our representative in Special Branch and Cameron, our representative at HQNI on Monday 17 February. As a result of this meeting Johnston had now spoken to Meharg and told him that the Army had had suspicions of WALLACE and had asked Special Branch to keep an eye on him and that in these circumstances they had been able to react quickly when the document had been discovered in FISK's house. He had also been instructed to tell Meharg that if he got in touch with Cameron he would assist him to obtain Army witnesses. I said that I understood that although Johnston had not been entirely frank with Meharg, he had gone as far as could be permitted. There was no prospect of Meharg obtaining access to secret investigations and, as I had already said, they had not produced any admissible evidence. I told Shaw that the information I was giving him was for him alone and that Johnston would not be aware that I had spoken to him. If he should have occasion to discuss the case with Johnston I hoped he would understand that any apparent lack of frankness arose from the fact that Johnston was not free to talk about other investigations and not from a wish to deceive. Shaw said that he entirely understood.

6. I said that I believed that the meeting between Johnston and Meharg had not been a roaring success and that it was probably important that Meharg should be persuaded to take the offer of Cameron's assistance seriously and not to regard setbacks as representing deliberate obstruction. Shaw said that he would speak to Meharg and encourage him to see the contact in this light. Both he and Hetherington suggested that it would be useful for the DCI to speak to the Chief Constable or the Deputy Chief Constable so that they could speak to Meharg in a similar sense. I also encouraged Shaw to let me know, through Tony Hetherington, if things still appeared to be going badly.

7. Shaw was able to confirm my general impressions. He said that he had had no meeting with Meharg on 18 February, nor had any such meeting been arranged. However, Meharg had spoken to him on the telephone and he had encouraged him to get on with the investigation. He understood from Meharg that they were taking a lot of statements of little value and that they were meeting a great deal of obstruction which they were duly recording.

8. Before leaving I again stressed that the information I had given Shaw was for him alone. He understood and accepted this position.

/9. ....

- 3 -

9. After my return to the office Mr Hetherington phoned to say that Shaw had now spoken to Meharg who had told him that they had already been in touch with Cameron who put them in touch with witnesses who had nothing of value to say. Meharg had given the impression that the investigation had almost come to a close. Hetherington said that he thought further efforts would have to be made to secure a change in Meharg's attitude. He thought it was a pity that I could not speak to him direct but agreed that this was impossible.

10. I spoke to DCI <sup>on 21.2.75</sup> who said he would consider what further action might be taken.

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Bernard Sheldon

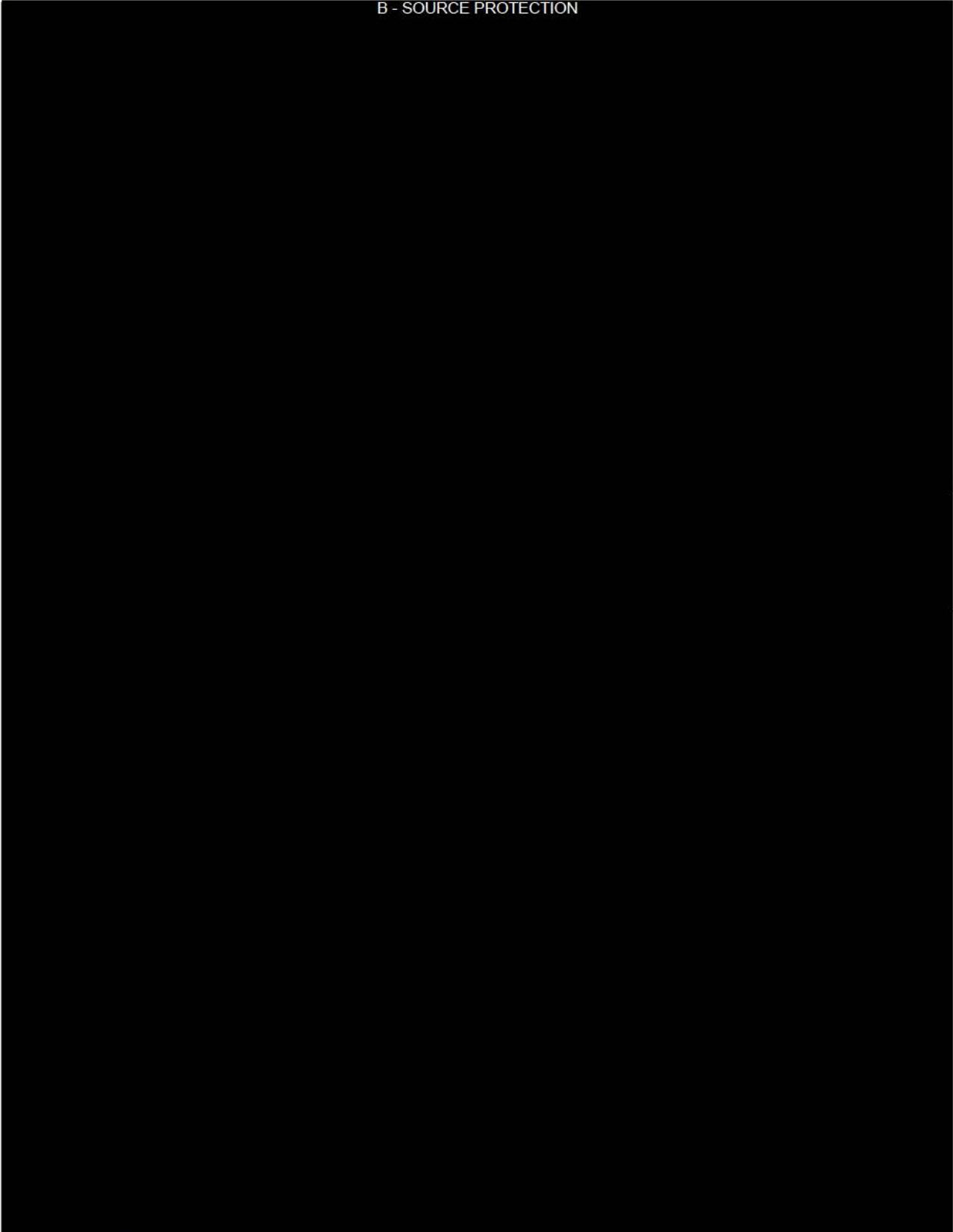
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20 February 1975

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Summary of [REDACTED] B - PROTECTION OF IDENTITY March 1975 referring to  
WALLACE's interview with RUC [REDACTED] B - SOURCE PROTECTION

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14 March 1975

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MSVB/75/219  
54/34THE CASE OF COLIN WALLACE - RECORD OF A MEETING HELD ON FRIDAY  
21st MARCH 1975

25 MAR 1975

## Present:

Sir Michael Cary - in the chair  
 Lt General Sir David Fraser  
 Lt General Sir Frank King  
 Mr R C Kent  
 Major General A J Woodrow  
 J P Waterfield  
 Mr J Groves  
 Mr B Sheldon  
 Mr M J V Bell

25 MAR 1975  
 1 2 3 4 5 6 7 8 9 10 11 12  
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PUS said that he had called the meeting to consider current developments in the police investigation of the case of Mr Colin Wallace, formerly SIO HQ N Ireland.

2. Major General Woodrow said that Wallace, currently under suspension at HQ North West District, had been found to be communicating with journalists from his office. He had been seen by the GOC North West District who had formally reminded him that he was under suspension and had instructed him to desist.
3. Mr Sheldon outlined the course of the police investigation of Mr Wallace. It appeared that Wallace would be adopting the defence that his action was covered by the wide degree of discretion afforded to him by his superiors, and he had given a number of examples of cases where he had carried out his information policy duties using that discretion in matters which, if made public, could be embarrassing to HMG. He further claimed that he was continuing to act under that discretion when he delivered the document to Robert Fisk which was the subject of the current police investigation.
4. In discussion, the following points were made:
  - a. There was a good deal of truth in the examples of information policy work adduced by Wallace, though there were also some inaccuracies. The most damaging related to an era in 1972/73 when there was general support in Whitehall for positive steps to counter IRA propaganda; information policy was now very much more closely controlled. The extent of the damage that might be caused to the national interest if the stories came out was arguable. While, on the one hand, the general public might accept that information policy work was a legitimate weapon in the war against the IRA, on the other,

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publication might serve to damage the credibility of the Government's public relations organisations. Nevertheless, there was general agreement that the stories were almost bound to come out in some form or other in any event and the question was more one of damage limitation than of prevention. This would be so even in the context of a successful prosecution held in camera although there was seen to be advantage if the stories were linked to a man seen to be a convicted criminal.

b. Ministers, especially the Secretary of State for Northern Ireland, were likely to be concerned at the publication of stories of this kind and would wish to know that effective steps to place information policy under firm Ministerial control had been taken.

c. It was unacceptable to the Ministry of Defence to continue to employ Wallace, not only because of his activities in Ulster, but also because his actions since he had arrived in Preston demonstrated convincingly that his conduct could not be relied on. If he were dismissed without being prosecuted, he would come under severe pressure from the Press to tell his story, even if he did not make it public voluntarily. There was some prospect, perhaps, of keeping him under control by pointing out that while the Attorney General had decided that the severity of his defence did not merit the invoking of the Criminal Law against him, this view might change if he continued to commit breaches of the Official Secrets Act. Nevertheless, the Department's preference lay in the direction of a decision by the Attorney General in favour of a prosecution, provided only that it was successful. But of course a successful prosecution under Section 2 of the Official Secrets Act could not be guaranteed in present circumstances.

d. If a prosecution were brought, it would be likely to be held in Ulster. Nevertheless, there was provision in the Official Secrets Act for the trial to be held where the man had been arrested, and the meeting agreed that the balance of advantage lay in having a trial outside Ulster, especially in the run-up to the Convention when there might well be considerable feeling in the Province about prosecution of an Ulster Protestant.

e. As to timing, it was unlikely to take less than another month to complete the RUC's investigation of Wallace and Fisk.

5. Summing up, PUS said that:

a. The meeting took note that the police investigation was continuing.

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b. Mr Sheldon should liaise with General Sir Frank King's staff with the aim of establishing as firmly as possible the precise details of information policy work which Wallace might make public should he choose to do so. Mr Sheldon would then report the position with the Attorney General.

c. There was no alternative to leaving Wallace where he was while investigations continued and General Woodrow would so inform the GOC North West District. General Woodrow would also remind the GOC North West District to ensure that records were kept of the warnings he had given to Wallace.

d. The present position would be reported to the Secretary of State for Defence and the Secretary of State for Northern Ireland.

Distribution:

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DAMAGE ASSESSMENT ON DISCLOSURES OF INFORMATION POLICY MADE BY  
MR COLIN WALLACE FOLLOWING HIS SUSPENSION FROM DUTY IN DECEMBER  
OF 1974

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PART I

INTRODUCTION

1. Mr Colin WALLACE held the post of Senior Information Officer on the staff of the Army Information Service at HQNI Lisburn until December 1974. Following the discovery that he had provided Robert Fisk, Times Correspondent in Northern Ireland with a copy of a classified document he was suspended from duty pending the outcome of legal proceedings. From two statements WALLACE has made to the Police it seems probable that he will base his defence on the following -
  - a. That, although overtly a straightforward government Information Officer he was in fact engaged in particularly delicate Information Planning (PSYOPS) activities involving unorthodox procedures and a special relationship with the Media.
  - b. That in carrying out his covert (PSYOPS) duties he was encouraged to exercise his own discretion; the nature of these duties called for such an approach. Thus in passing the document in question to Fisk he was doing no more than exercising this discretion - as he had always done - and did so on this occasion in good faith believing, at the time, that what he was doing was best calculated to restrain Fisk from taking a line about the Army's Information Policy which would be damaging to HMG.
2. The aim of the assessments made in this paper is to determine -
  - a. What degree of discretion WALLACE was in fact permitted to exercise in the course of his duties?
  - b. What information he had access to which if divulged in the course of legal proceedings or otherwise would be damaging or embarrassing to HMG?
3. The subject matter of the paper is arranged in six parts -
  - PART I - Introduction
  - PART II - The Army Information Services
  - PART III - Mr WALLACE's role within the Army Information Services
  - PART IV - Assessment of the extent of Mr WALLACE's discretion
  - PART V - Catalogue of activities involving potential embarrassment
  - PART VI - Assessment of Potential Embarrassment

PART IITHE ARMY INFORMATION SERVICESGeneral

4. The validity of WALLACE's claim to some kind of special status within the Army Information Services at HQNI can only be judged against what, regrettably, has to be a fairly detailed account of the organisation of the Branch and the duties of the officers serving in it. It is also necessary at the outset at least to make the attempt to define certain of the terms used in connection with PR work in the Army.

Definitions

5. Information Policy. It seems that over the years 'Information Policy' has come to mean different things to different people. At one time it tended to have certain propaganda if not PSYOPS connotations but it is now defined by the Army as "the overall policy laid down by Government for the direction and coordination of information activities".

6. Information Planning (IP). Information Planning has been defined for me as "...a staff function which is concerned with influencing public attitudes and behaviour in such a way as to favour the achievement of Government policies and to facilitate the Security Forces' tasks in support of these policies". It is obvious that this definition can cover the whole of the spectrum from overt pleading and advertising to covert persuasion and deception; and it follows that the Information Planning Section's role can include covert as well as overt activities. Although the abbreviation IP can be applied to both Information Policy and Information Planning, for the purposes of this paper it should be taken to denote only the latter title.

7. Production. The term 'production' is frequently used in at least two senses. It is used in a creative and editorial sense in connection with the conception, planning and writing of material for publication and it is also used in a more mundane sense as a composite term to describe such processes as printing, photography etc. WALLACE was involved in both of these aspects of production. He was a 'creator' of written material and also had managerial responsibility for the means of production.

8. Unattributable Briefing. Unattributable briefing, depending upon the particular requirement, is undertaken by the CIO, the SOI PR or the SIO. These unattributable briefings are designed essentially as a back-up to and explanation of the straightforward and factual reporting undertaken by the Press Desk from the Information Log and in Press statements. Thus, for instance, a high level enquiry directed at the GOC or the CLF would be dealt with by the CIO; enquiries concerning background information on purely military matters would be dealt with by the SOI PR; briefings concerning the activities of subversive organisations and the history of the 'troubles' in Northern Ireland would be undertaken by the SIO.

9. Propaganda. Propaganda is defined by the Army as any information, ideas, doctrines, or special appeals disseminated to influence the opinion, emotion, attitudes or behaviour of any specified group in order to benefit the sponsor either directly

or indirectly. Propaganda is further divided into three categories in relation to the identification of its source of origin -

- a. Black Propaganda. Any propaganda, the origin of which is completely concealed from the target audience;
- b. Grey Propaganda. Any propaganda, the origin of which is left in doubt. This category also covers propaganda the origin of which may be initially concealed but which may subsequently become known to the target audience.
- c. White Propaganda. Any propaganda the origin of which is readily apparent.

#### Historical

10. I have been informed that a PR section was in operation at HQNI certainly as from 1969 under a Command Public Relations Officer (CPRO) but that Information Planning (by whatever title) was not formally undertaken until about October 1970. The personalities who are likely to have been involved (with WALLACE) are -

Lt Col Johnstone (GSO 1 IP)	Oct 70 - Jan 72
Mr Mooney (IRD FCO)	Mid 71 - Dec 73
Col Tugwell (Col GS IP)	Sep 71 - Dec 72
Col Hutton (Col GS IP)	Dec 72 - July 73
Lt Col Peck (GSO 1 IP)	June 72 - May 74
Mr Broderick (CIO)	
Mr McDine	Sep 74
Lt Col Railton (GSO 1 IP)	June 74

11. It is not necessary in the present context to describe what was the overall organisation of the Army Information Services prior to the changes which took place under the direction of Mr Broderick at the beginning of 1974. The changes did not materially alter WALLACE's functions in relation to PR and IP activities.

#### Present Organisation

12. The Army Information Services were formally established as a Branch at HQNI on the 1st January 1974 under the direction of a Chief Information Officer (CIO), Mr Peter Broderick. The Branch comprises three sections -

- a. The Press Section. Headed by the SOI PR (Staff Officer Grade 1 Public Relations) - at present Lt Col Peter Hicks.
- b. Editorial. Headed by the SIO (Senior Information Officer). The present incumbent, Mr Donald Winterford, succeeded WALLACE in December 1974.
- c. Information Planning. Headed by the GSO 1 IP (General Staff Officer Grade 1 Information Planning) - at present Lt Col Jeremy Railton.

See para 26

The functions of these three sections are outlined below.

### The Press Section

13. The principal task of the Press Section is to provide factual information to the Media. What happens in practice is that information about incidents involving the Army's operations is fed from the Operations Room in the form of an Operations Log to the Press Section where it is transferred selectively as numbered incidents to the Press Log. The SOI PR is responsible for deciding what should and what should not be included in the Press Log for immediate issue to the Media through the Press Desk although, on routine matters this responsibility is delegated to the duty watchkeeper. In deciding upon the content of the Press Log the SOI PR has three options open to him. He may decide against issuing an item because it is not newsworthy or because in the interests of security, publicity should, if possible, be avoided; he may decide that the matter is of sufficient importance to merit its inclusion in the Press Log as a simple factual statement; or if the matter is likely to arouse special interest he may decide that a formal statement is required. In the latter case he himself normally undertakes the drafting under the guidance of the CIO and, where appropriate in consultation with his colleagues at the NIO and the RUC. The Press Section also has to field questions from the Press about incidents not included in the Press Log.

14. In addition to the provision of purely factual information about individual incidents the Press are also provided with general background information - in the form of unattributable briefings. (See para 8 above).

### The Editorial Section (Earlier known as Production Section)

15. The Editorial Section has three functions. Editorial responsibility for the production of VISOR (a service periodical for issue to all ranks in Northern Ireland), the preparation of feature material mainly for the mainland and provincial Press and the management of the means of production i.e. printing, graphics and photography. Because it is so closely concerned with all forms of 'production' the section is still popularly known as the Production Section (rather than the Editorial Section). -

### The Information Planning Section

16. The Information Planning Section has two functions.

- a. To advise the GOC and the CLF on Information Policy and on the best overall means of achieving that policy. (It should be noted, that the formulation of overall Information Policy remains a Government function).
- b. The long term planning and control of all information activities in accordance with the government's information policy. This function includes the selection and execution of appropriate information themes and projects (including PSYOPS).

17. In practice the second Information Planning function is conducted in the following two areas.

Day to Day Handling of the News

18. In this area Information Planning is concerned with ensuring that the Public Relations handling of everyday news and incidents is in accordance with the longer term themes and projects selected as vehicles for the implementation of overall Information Policy. This function is achieved by closely monitoring the wording of all statements issued to the Press and Media in order to preempt and counter hostile propaganda and to ensure that all information favourable to Government objectives is given appropriate publicity. Unattributable briefings are extensively used to support this function.

19. What happens in practice is that: having scanned the morning Press and any pertinent TV and Radio material the GSO I IP and SIO meet to discuss what, if any, Information Planning aspects are susceptible to immediate exploitation or merit further study. At a subsequent meeting with the C.I.O. themes for immediate exploitation are agreed and passed on to the officer responsible for unattributable briefing or the Press Desk as appropriate. At these meetings initial discussion also takes place on themes selected as the basis for longer term projects.

The Selection and Execution of Appropriate I.P. Projects

20. The overall scope of information projects is wide: at one end of the scale projects involve the dissemination of entirely unattributable printed material (e.g. black propaganda). At the other end of the scale projects may be executed by entirely overt means (e.g. including White Propaganda). In between these two extremes there is a wide variety of more or less overt techniques available.

21. The planning and production of specific I.P. projects is more closely controlled than the exploitation of themes in the course of unattributable briefings. Unless they are of no more than trifling importance they are discussed formally in a committee meeting presided over by the GSO I IP and attended by the GSO III IP and the SIO; the latter being present to advise on production and dissemination. When a draft outline plan has been agreed and approved by the CIO clearance is sought from the appropriate authority; the initiation of major schemes or those which could have serious repercussions have to be referred to the CLF; those with a political content have to be cleared in consultation with the NIO. The GSO I IP has discretion to carry out low level projects provided their aims are within the scope of already laid down policy.

22. Execution is undertaken only when the appropriate clearances have been obtained. Dissemination of printed material is normally facilitated through units on the ground or through the post.

PART IIIMR WALLACE'S ROLE WITHIN THE ARMY INFORMATION SERVICES AT HQNIBackground

23. As an Ulsterman whose service with the Branch virtually began with the campaign WALLACE's experience, knowledge and advice was invaluable to the AIS in maintaining good relations with the Press and in projecting the Army's interests through the Media. Having been involved from the outset - at a vantage point in HQNI - he had an encyclopaedic knowledge of "the troubles" as such and of subversive organisations on both sides of the sectarian divide. He had extensive contacts in Press circles. It is not therefore surprising that he came, in his own right, to occupy an influential position within the AIS. As a trusted civil servant he had access to classified and other delicate information. Equally, if not more important, in the present context is the fact that it was he who, in his capacity as SIO, undertook almost all unattributable briefings, including those with an IP content.

24. Records of what is actually said at unattributable briefings are not maintained. As there may be as many as 40 - 50 requests for information in the course of a working day the maintenance of detailed records is impracticable. Moreover the necessity for the maintenance of records is open to question in that any departure on the part of the briefing officer from the agreed line would in all probability be reflected in the Press or on the Media.

Appointment

25. In his statement to the Police WALLACE claims that his post was created in support of the Army's "PSYOPS" effort (Information Planning). This claim is substantially correct.

26. Up until Oct 1970 when a military IP unit was established with FCO assistance the Army had been served by a straightforward conventional PR branch. In July 1973 Mr Broderick - the then CIO - recommended that the IP effort should be undertaken by MOD personnel and that WALLACE's position should be regularised. He accordingly made proposals for the reorganisation of the Branch in early 1974 on the lines described at para 12. In doing so he proposed an under-cover appointment for WALLACE in the following terms.

"The management aspect and the need for a differential remain important, but the title "Head of Production" is also cover for his full and true function which is as unattributable briefer for top journalists, the person who feeds selected psychological warfare lines to the ears of the press. He is required to prepare his own material after liaison with Intelligence, to meet top journalists face to face and to make individual and on-the-spot decisions on matters of national security during such interviews. He is also required to develop relationships with the press whereby they will be forthcoming with information which, time and time again, is of substantial intelligence interest".

- 7 -

27. Overtly WALLACE's duties were described in the official job specification as

"The Head of Production Section is the supervisory manager of Photographic, Printing and Editorial PR units which produce, amongst a wide variety of items, a weekly troops publication, Visor. The successful candidate is also required to do a full share of indepth briefing of visiting knowledgeable journalists on both the background to, and the current situation in, Northern Ireland. Essential qualifications are the professional expertise to manage Photographic, Printing and Editorial sections and a very real indepth knowledge about political and security matters affecting Northern Ireland. It would be desirable for the successful candidate to have experience of the Army and Defence matters generally".

28. The description of WALLACE's covert duties shown above has been taken from a submission made by Mr Broderick to G. SD at HQNI. In view of the delicacy attaching to the post Mr Broderick put his proposal orally to the I of E Committee. What is important in this context is that WALLACE is aware of the existence of the submission and it is undoubtedly what he was referring to in his statement to the Police.

PART IVASSESSMENT OF THE EXTENT OF WALLACE'S DISCRETION

29. It cannot be disputed that WALLACE's position within the AIS was unique; he was very much more than the head of a section. His Ulster background and his experience were called upon to bolster both the Press and the Information Planning Sections' efforts - particularly the latter. His unattributable briefings provided the AIS with what was probably its best and certainly most frequently used vehicle for launching Information Planning themes on the public. WALLACE was undoubtedly permitted considerable latitude in regard to the manner in which he presented these themes in the course of his briefings and he also participated in the dissemination of printed IP material. His views on IP policy were listened to and respected. As a senior member of the AIS staff (Grade I equivalent) he had access to classified papers about information policy and the organisation of the AIS including the IP section. He was the AIS "Ulster" expert.

30. All that having been said there was however, no question of his discretion coming anywhere near to being absolute and he must have been well aware of the constraints on his freedom of action. He was for instance well aware that in putting an Information Planning project across to the Press or in launching it by other means, what he did had to comply with the accepted ground rules and had to remain within the scope of what had been agreed with the CIO and the GSO I IP. As an experienced Press official he was also well aware of the policy that written material should not be handed to the Press except in very special circumstances - which would invariably occasion consultation with the appropriate authority.

31. In the case of the material he passed to Fisk on the 4th Feb 1975 he must have known that the document irrespective of security grading was sensitive in a Press context even although the information it contained might have been in general terms already known in informed journalist circles. He had been long enough in a government department to appreciate security requirements and had only a short time before signed the Official Secrets Act; he was well aware that classified documents are not (certainly without special authority) handed to the Press. When he passed the document in question to Fisk he had already handed over his duties as SIO in the sense that although there was no direct takeover by his successor, Mr Winterford, he (WALLACE) had formally handed over his files, office equipment etc to Col Railton in the presence of Major Puttock the GSO III IP. Although we now know that the document later found in Fisk's house was made available to WALLACE on the 28th Feb, by the Chief Clerk of the AIS, it was not amongst the papers handed over.

32. There can be no doubt that, whatever his motive for doing so, WALLACE in passing a classified document to Fisk without prior authority, must have been aware that he was exceeding his discretion, was breaching a departmental ground rule, and was in contravention of the security regulations. Moreover, what he passed was not the kind of document which would in any circumstances be released to the media.

33. There are nevertheless what could be difficulties in the way of bringing WALLACE to book.

34. In March 1973 Fisk published an article in the Times which left little doubt that he had had access to the 'Yellow Card' - a restricted document issued to all officers, NCOs and ORs setting out the conditions under which troops are entitled to open fire. Later on, in October of the same year, he published another article about the 'Blue Card' - a restricted document issued on a slightly more limited distribution, setting out the conditions under which suspects may be arrested. It is more than likely that WALLACE gave copies of both of these documents to Fisk.

35. Although, at the time, enquiries were made about the circumstances in which Fisk could have got possession of these documents, having regard to the wide distribution the cards were given it was not considered that a full scale investigation would have any real chance of identifying the source of the leak.

36. It is also just possible that WALLACE gave Fisk the documents with the authority of one or other of his superiors or, having passed the documents subsequently said or admitted that he had done so.

37. Whatever may or may not have happened at the time WALLACE is now in a position to plead at least that the official action which followed the leakage is evidence of the minimal security grading which the RESTRICTED classification denotes. And he is likely to claim that having regard to his status and - in the context of discretion - the special position he held within the AIS, what he did on the 4th Feb was not unreasonable, was intended to be in the best interest of HMG and was certainly not motivated by any feelings of disloyalty.

PART V

CATALOGUE OF WALLACE'S IP ACTIVITIES

Introductory

38. In his defence WALLACE appears to be relying on the fact that public knowledge of government involvement in PSYOPS activity as such would embarrass HMG and that disclosure of the Army's involvement in Northern Ireland would be particularly damaging. Grounds for embarrassment are certainly present but their significance and the extent of the potential damage involved will very much depend upon the nature and scope of what was in fact undertaken with WALLACE's knowledge and what, in his particular circumstances, he would wish to disclose.

WALLACE's Own Statement

39. In his statement to the Police WALLACE has described a number of such projects and incidents and others have been examined in the course of discussions with HQNI staff who were in one way or another connected with WALLACE.

The IRA Embezzlement Story

F - RELEVANCE GROUNDS



Doctored Versions of Republic Papers and Leaflets

F - RELEVANCE GROUNDS



F - RELEVANCE GROUNDS

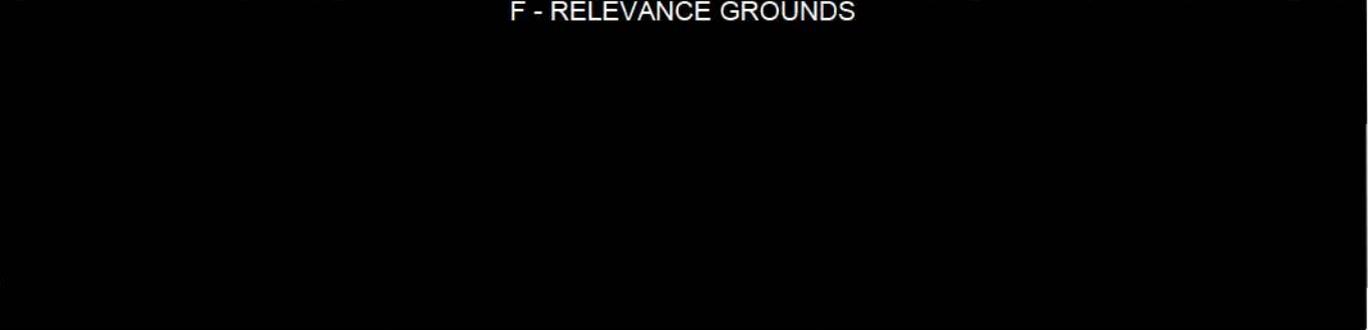


Supply of Funds/Arms to the IRA

F - RELEVANCE GROUNDS

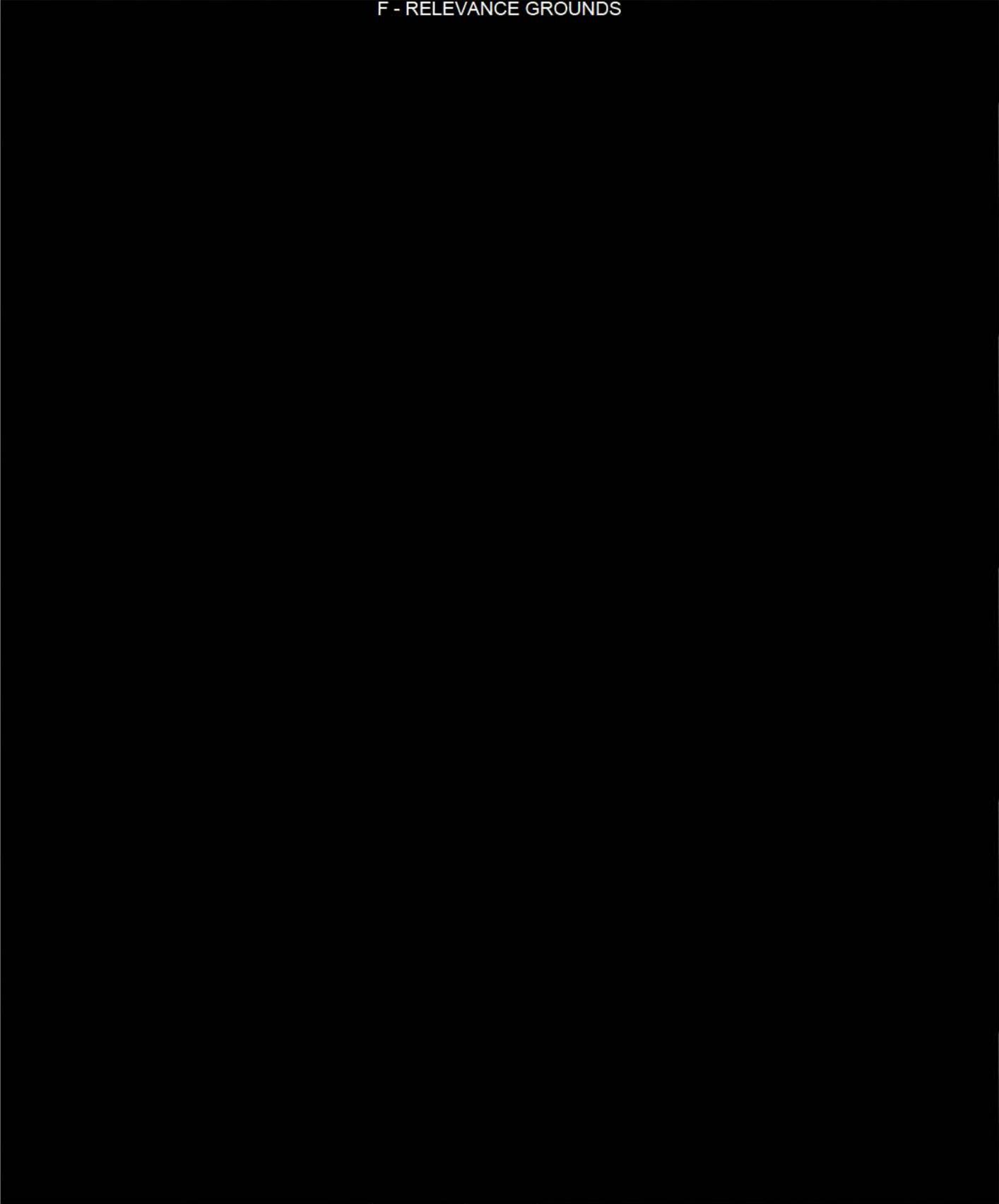


F - RELEVANCE GROUNDS



Stories Planted about UDA, UVF, IRA Leaders

F - RELEVANCE GROUNDS



Informers

F - RELEVANCE GROUNDS



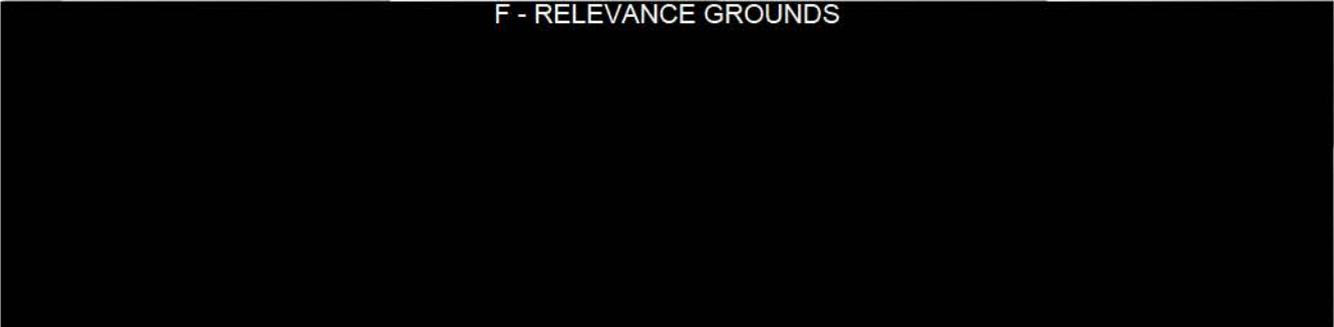
Countering Adverse Publicity by Leakages

F - RELEVANCE GROUNDS



The Nitro-Benzine Story

F - RELEVANCE GROUNDS



The Black Magic Story

F - RELEVANCE GROUNDS



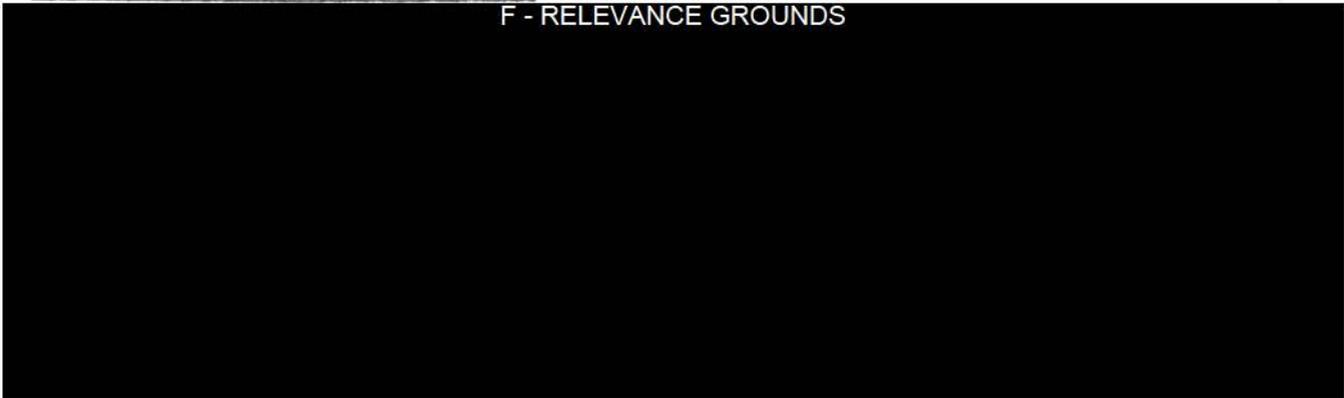
Unattributable Letters

F - RELEVANCE GROUNDS



The Shooting of Jim Bryson

F - RELEVANCE GROUNDS



Soviet Involvement in Irish Troubles

F - RELEVANCE GROUNDS



The Price Sisters Handkerchiefs

F - RELEVANCE GROUNDS



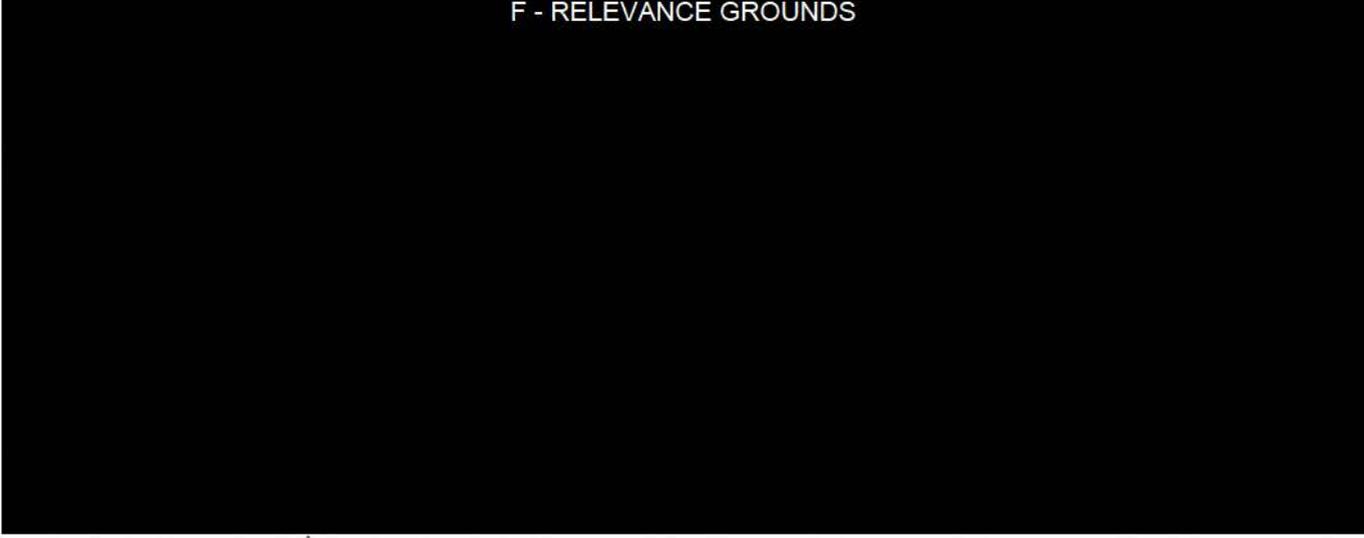
F - RELEVANCE GROUNDS

The Clockwork Orange

56. This was the title of a project involving the "planting" of an account of the organisation and activities of the PIRA purporting to have been written by a PIRA deserter. It was not in fact issued but it is of interest in at least two respects. It is a fair measure of WALLACE's competence in the IP field and his encyclopaedic knowledge of the subversive scene in Northern Ireland. It also demonstrates WALLACE's determination - with whatever intention - to take an independent line even to the point of disobeying instructions. Although, in this instance, he had been instructed not to proceed he nevertheless addressed a catchment letter in the form of a forgery to Gerald Kemp of the Daily Telegraph whose response entailed the CIO attending a meeting with Kemp in the Europa Hotel. Despite the embargo on premature action WALLACE nevertheless - in advance of clearance - again acted independently by offering the story to another correspondent and in doing so enlisted the services of an NCO in the AIS. For a variety of reasons the project has not been cleared.

F - RELEVANCE GROUNDS

F - RELEVANCE GROUNDS



PART VIASSESSMENT OF POTENTIAL EMBARRASSMENT

61. It would be unrealistic to assess the potential embarrassment involved in what WALLACE might disclose simply in terms of what was and what was not Black Propaganda in the sense of in the Army's definition at para 9). What will matter in practice is whether what was disseminated was or was not misleading; whether it was substantially true and can be proved to be true, and whether allegations of forgery can be rebuffed. Moreover account has to be taken, not only of the facts but also of what the Press will make of them; the subtler the propaganda the greater the damage on disclosure. It is difficult to assess what effect open admission of the fact that the Government as such, and in particular the Army - engages in IP would have on the general public; reactions would no doubt depend very much on the political situation at the time and on what was happening in Northern Ireland. In this context it has to be accepted that WALLACE has, in all probability already given Fisk at least one document concerned with HMG IP policy in Northern Ireland.

62. The assessment which follows could be incomplete in the sense that it is not necessarily based on all the facts; it is possible that some of the ground has not been covered. This is because the AIS does not - for a number of reasons - maintain comprehensive records of their projects because the nature of WALLACE's duties gave him considerable latitude in his verbal briefings to the Press and also because, in the time available, all the officers who worked with WALLACE could not be contacted. From scrutiny of the material now available and from what officers who were interviewed have said it does not seem probable that the majority of the activities undertaken by the AIS would, individually attract very much interest at least sustained interest - from the general public. On the other hand, taken together, they might make an impact. Perhaps more significant is the likely hostile reaction from the Media - having regard to WALLACE's close contacts with the Press and their particular interest.

63. There is however something to be put on the other side in that WALLACE, on his part, knows he has to be careful about his personal involvement. There are activities to which he will not wish to draw attention. As an Ulsterman with Protestant antecedents he is unlikely to refer to projects directed against the Loyalist community which could show him in a bad light to his kith and kin; in his statement to the Police he has been much more specific and has gone into much more detail about IP projects against Republican targets than those against the Loyalists. It is also reasonable to assume that he will avoid reference to projects - Republican or Loyalist - in which he was involved in such a way that disclosure could affect him personally.

64. The cases most likely to attract attention if brought up by WALLACE are:-

F - RELEVANCE GROUNDS

## F - RELEVANCE GROUNDS

The foregoing and possibly some of the projects listed earlier would, if disclosed, almost certainly be likely to invite adverse Press criticism and some degree of public interest. But having regard to the possibility that WALLACE may in any case elect for disclosure in one form or another. They do not of themselves appear to make a compelling case for not proceeding. The more difficult problem would appear to be the strength of WALLACE's defence on the question of discretion.

231/12 IP

CLF

BRIEFING NOTES ON IP PROJECTS

F - RELEVANCE GROUNDS



6. Clockwork Orange.

in abeyance

F - RELEVANCE GROUNDS



E - SIGNATURE

J D RAILTON  
Lt Col

E - FILE REFERENCE

E - FILE REFERENCE

9 April, 1975

Rec'd 11-4-75.

Bernard Sheldon, Esq.,  
Security Service

E - SIGNATURE

15/4

Dear Bernard,

JOHN COLLIN WALLACE

Reference your [E - FILE REFERENCE] of 24 March 1975 (signed  
by [D - MI5 OFFICER]).

2. [B - PROTECTION OF IDENTITY] has looked carefully into this list of operations and his opinion is that the only one that this Service was involved in was the "Bill FULLER Story". The background information on FULLER was produced by this Service and given to [MOD OFFICER J] for passing on to WALLACE. [MOD OFFICER J] made it clear to WALLACE that the information was compiled by G INT HQNI and there was no mention of MI5/MI6 involvement. On this latter point [E - STAFF DESIGNATION] to whom [B - PROTECTION OF IDENTITY] spoke on the [E - CODEWORD] is convinced that not only [MOD OFFICER J] but also [MOD OFFICER E] [MOD OFFICER J] (successor) and [MOD OFFICER P] [OFFICER J] [E - STAFF DESIGNATION] who also discussed the operation with WALLACE, would not have hinted at civilian intelligence involvement. [E - STAFF DESIGNATION] himself never spoke to WALLACE about this or any other intelligence matter.

3. We are clear that an operation we were planning against [B - PROTECTION OF IDENTITY] but which was never launched, was not in fact the one which is mentioned in the attachment to your letter. But we will know further details from [DCI] when he returns from leave on 10th April.

Yours luv,

E - SIGNATURE

B - PROTECTION OF IDENTITY

KIN-10.



HEADQUARTERS NORTHERN IRELAND  
British Forces Post Office 825

Army Network Lisburn Military } ext  
Post Office Lisburn 5111 E - TEL EXT

Rec'd 18-4-75.

B Sheldon Esq  
Box 500

Your reference

Our reference E - FILE  
REFERENCE

Date 16 April 1975

Copied to main file

Dear Bernard,

1. You may by now have had your copy of the report I made to the GOC about the WALLACE/FISK saga.
2. The GOC has already written to Sir Michael Cary forwarding a copy of the report under Secret and Personal cover.
3. The following extract from the GOC's letter gives a gist of his views -

"My original view on the issues involved remains unchanged, that is, on purely moral grounds there is a strong case for prosecution. Moreover I feel that in general terms we could probably absorb the political and press criticisms which disclosures in the course of legal proceedings might entail. The real crux of the matter however turns on the question of discretion. It is outside my terms of reference to attempt a legal appraisal of the evidence on this point but it is nevertheless apparent that this is a question in which Wallace's probable reactions must also be taken into account. Thus, although a successful prosecution would no doubt go some way towards discrediting him, an acquittal might undoubtedly encourage him to exploit the situation. In this context paragraph 37 of the report is an important and relevant summary."

4. I think it might be as well if, for your information, I added to what I have already said in the report about FISK's article in the "Times" of 25 March 1975.
5. I can not help thinking that FISK's article was written with two objectives in mind. First: he was acting in WALLACE's defence warning us that we should keep our heads down. Second: the article may well be an opening salvo in a final campaign in his vendetta with Cudlipp. If FISK is aware that Cudlipp is leaving the NIO (as he probably is) it could well be that his aim is to demonstrate that Cudlipp was the main instigator of black propaganda and that the Government now realises that it has been misled by him and has sacked him. A subsequent article might cover the sacking and include a backward reference to 25 March.

6. FISK's reference to soldiers with the permission of their superiors having been leaking information about United States and Irish businessmen is clearly a reference to the Fuller story covered in paragraph 42 of my report.

7. There is an element of truth in WALLACE's allegation that six new posts have been created in Northern Ireland in connection with IP activities; half of these posts are military and half civilian; three of the posts have already been filled. Only two of the posts concerned are in fact for IP Officers, the others are in the technical grade for personnel who would nevertheless be employed in support of IP projects.

8. The position in regard to the files on journalists at HQNI is as follows. The PR department hold files on certain journalists but these contain nothing more than cuttings from Press articles. The SIB probably holds a file on FISK in connection with the incident when he acquired possession of a telegram issued to units saying that they should not entertain him. We in the **E - SECTION REFERENCE** hold files on certain journalists (but not on FISK). These files were opened when WALLACE was asked by the G3 Int to provide personal details of the journalists who were providing him with intelligence. WALLACE did this and included details of some of the sub sources used by the journalists. No further action has been taken on these files.

9. As far as I am aware the Army has never attempted to tap the telephone of any journalist.

B - SOURCE PROTECTION

B - SOURCE PROTECTION

12. I hope the foregoing may be of some use to you. I know that the MOD are going through FISK's article with a fine tooth-comb with the double objective of preparing some kind of brief for the VCGS and also preparing to answer possible Parliamentary questions on the allegations of telephone tapping, the maintenance of files on journalists and the Fuller dossier.

E - SIGNATURE

I D Cameron  
(in his absence)

Copied to:

MI5 OFFICER 3

Stormont Castle

E - CLASSIFICATION

Rec'd 5-5-75.

E - FILE REFERENCE

KIN-1054

E - ADMIN  
ANNOTATION

E - CLASSIFICATION

Copied to Main file

Reference... PUB/75/199

E - CLASSIFICATION

54/34

Secretary of State

Copy to:  
CGS  
DUS(Army)  
DUS(CM)  
CPR  
D Sy(Army)  
Mr J P Waterfield  
Mr B Sheldon ✓

THE CASE OF COLIN WALLACE

The purpose of this minute is to outline the action we propose to take in the case of Colin Wallace. You will remember that he is currently under suspension at North West District during a police investigation of the circumstances in which a classified document was passed to Mr Robert Fisk of The Times.

The Attorney General's View

2. The police investigation has now been completed and the Northern Ireland Director of Public Prosecutions has reported to the Attorney General. The Attorney General's initial view is that, in view of the low classification of the document passed to Fisk (graded Restricted), legal action would be inappropriate (and in any case unlikely to succeed) and that the appropriate course would be for Departmental disciplinary action to be taken against Wallace. I am under a remit to report to the Attorney General on the action we should take if he decides not to prosecute, following which he will take his final decision.

Action to be Taken

3. I have discussed the action we should take with our addressees of this minute in the light of the Attorney General's views. We are clear that Wallace must be dismissed. The Department no longer has any confidence in him, and in any case his actions have been such as to make it necessary to deprive him of his NV clearance, which makes him virtually unemployable.

4. But, because of our inability to use covert information, because the NV process is itself covert, because Wallace can argue about the degree of discretion afforded him in his job in Northern Ireland and because of the damaging revelations he can make about the Army's information policy activities in Northern Ireland should he have a mind to do so, this will be by no means straightforward.

E - CLASSIFICATION

E - CLASSIFICATION

Reference... FUS/75/199 (Contd)  
54/34

5. We must follow the formal procedures for disciplinary charges against civilian staff as set out in Civil Staff Regulations (MOD Manual 11) attached at Annex A. I would propose to present Wallace with the following charges:

- a. Having been ordered to hand over his documents in HQNI on posting to NW District Wallace failed to comply with this order in that he retained one classified document.
- b. He subsequently improperly passed this classified document, communicated to him in confidence, to a journalist.
- c. When challenged, he lied to the police in saying that he had not passed over the document.
- d. On his arrival at NW District, he was explicitly instructed by the Army Commander that he was not to deal with press enquiries about Northern Ireland affairs, since these were no longer his concern. Nevertheless he continued to do so.

6. We are agreed that the above constitute the basis of an adequate and defensible case.

7. We have considered whether, as an alternative to straight dismissal, we might offer Wallace the opportunity to resign. We are inclined to think that the advantages are likely to be minimal, while any such action might enable Wallace to claim publicly that we were trying to blackmail him into going quietly.

#### Possibility of Appeal

8. As Annex A indicates, Wallace has the right of appeal to the Civil Service Appeals Board. Nevertheless, either the Chairman or Deputy Chairman of the Civil Service Appeals Board always sit as Chairman of the panel hearing the case and is entitled to overrule his fellow assessors. It is therefore open to us to brief the Chairman in confidence on relevant aspects of the case. In any event the final decision rests with me and, even if the CSAB recommendation went the wrong way, I would be entitled to reject its recommendation. It is true that such a rejection might leave us open to an award of damages against the Department, but in our view this would be acceptable.

9. Wallace can also appeal to an Industrial Tribunal. The safeguards set out above are not open to us in this case, but at the end of the day the Industrial Tribunal cannot insist on reinstatement.

E - CLASSIFICATION

E - CLASSIFICATION

E - CLASSIFICATION

PUS/75/199 (Contd)

54/34

Damage Limitation

10. In parallel with the police investigation into this case, HQNI have now completed a full review of the Army Information Service's 'Psyops' or 'Information Policy' activities which Wallace might reveal if he were so minded. The resulting report shows that the AIS was engaged in activities which, if publicised, would undoubtedly be damaging. These activities involved not only the dissemination of true, if discreditable, information about IRA members etc on an unattributable basis, but also the dissemination on an unattributable basis of information which was known to be false. Some examples are at Annex B. They include episodes which Wallace has already mentioned to the police. The view of all concerned, including the Army and NIO, is that even if all this is publicised we can live with it.

11. I think this is right. At the same time, I believe that you would want to be assured that such activities have ceased and, to the best of our knowledge and belief, we can give you that assurance. We find it the easier to do so because of a forthcoming change in arrangements for information services in Northern Ireland. It has now been announced that Mr J H G Leahy CMC will be appointed on secondment from the Diplomatic Service as an Under-Secretary in the Northern Ireland Office with responsibility for overall direction and control for Information Services. This change in organisation will give the Army the political direction for its information policy for which it has pressed for some time. In the context of Mr Leahy's appointment CGS is writing to the GOC to direct him to ensure that the Army Information Services in Northern Ireland are not to carry out "disinformation" activities, and that if any such activities are undertaken, they are only to be carried out with the specific approval of the Northern Ireland Office through Mr Leahy. In addition, we are making such arrangements within the Ministry of Defence, it is clearly understood that the PR organisation is in no way to be associated with the organisation and planning of "Psyops", "Information Policy" or "dirty tricks", call it what you will.

12. If I have your general approval for the action set out above, I will make arrangements to see the Attorney General as soon as possible and report to him the disciplinary action which we plan to take in this case.

MC

30 April 19753  
E - CLASSIFICATION

## PROCEDURE IN DISCIPLINARY CASES

1510. Whilst undue formality is undesirable, and no one standardized practice would be applicable in all cases, the procedure set out below is to be followed as closely as practicable when an officer is alleged to have committed a disciplinary offence.

- a. He is to be given a written statement defining the charge made against him, and setting out particulars of the facts relied upon to support it.
- b. He is to be told that he may consult a friend, a colleague or a representative of a recognized staff association before making his reply, and is to be given facilities for so doing. He is always to be required to submit a written reply to the charge, and is to be given at least seven clear working days in which to submit it.
- c. If, in his written reply, he disputes any of the allegations made against him, or if he wishes to plead extenuating circumstances, he is to be given the opportunity of representing his case orally before the head of establishment, *etc*, or an officer (other than his immediate superior) deputed for the purpose. The officer so deputed is to be normally at least two grades senior to the person charged.
- d. In representing his case orally he is to be allowed, if he so desires, to be assisted by a friend, a colleague or a representative of a recognized staff association. A statement of his oral representation is to be taken at the time of the hearing, and is to be seen and signed by the person charged.

1511. The head of establishment, *etc*, may dismiss a charge or dispose of it where the appropriate punishment lies within his delegated powers. If he is in any doubt at all about the appropriate procedure or punishment, he should consult the next higher authority or MOD (CM(GC)1).

1512. When two or more members of the staff are jointly involved in irregularities which result in disciplinary action, the cases of all concerned are to be considered and disposed of together. For example, if two persons are jointly involved in a disciplinary matter but the head of establishment, *etc*, considers that the penalty to be awarded to one of them is outside his delegated powers, both cases are to be submitted to the next higher authority or the Ministry of Defence as appropriate. Similarly if an industrial and a non-industrial are jointly involved, both cases are to be dealt with together and if one lies outside delegated powers both are to be submitted to the next higher authority or the Ministry of Defence, and also to the appropriate industrial management authority.

**Punishments**

1513. Disciplinary offences may be punished by one or more of the penalties set out in Annex 15A. When a reprimand or a more severe punishment is awarded, the offender is to be notified in writing of it, and required to acknowledge the letter by signing and retaining a copy of it. Copies of letters issued by heads of establishments, *etc*, awarding a formal punishment are to be sent to the appropriate civilian management division for insertion in the record of the individual concerned.

1514. Dismissal. Where dismissal has been the punishment, the officer may have the right of appeal to the Civil Service Appeals Board (*see* Chapter 8), usually within 21 days, and he must be informed of this right in the letter notifying him of his dismissal. The decision to dismiss must not therefore be implemented until:

- a. The expiry of the 21-day period, or
- b. Any earlier date on which the officer indicates in writing that he does not intend to appeal, or
- c. If he appeals, the date on which the outcome is known;

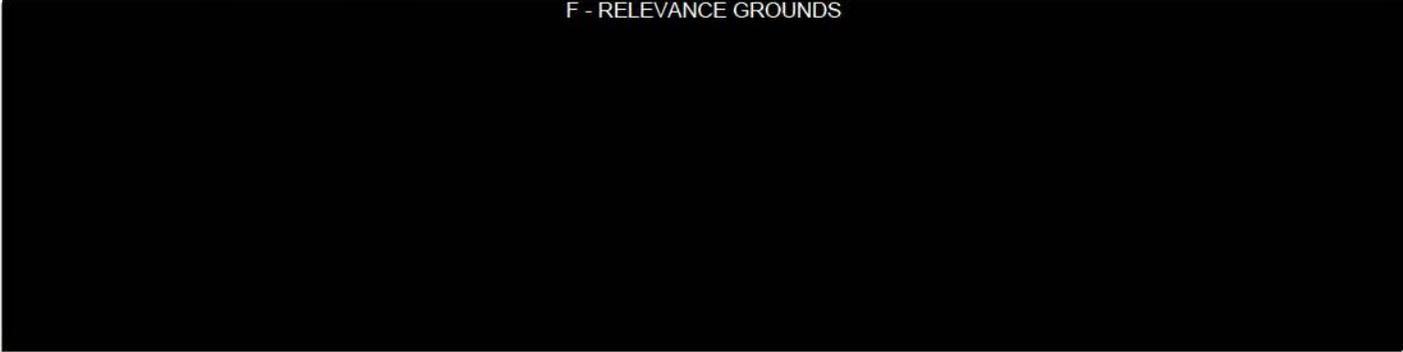
but the officer is to be suspended from duty without pay from the date of the letter informing him of his dismissal.

**Appeals**

1515. An officer may appeal against a punishment, other than dismissal, under the grievance procedures laid down in Chapter 10. He may therefore make representations to the Permanent Under Secretary through normal official channels or through his staff association.

EXAMPLES OF INFORMATION POLICY ACTIVITIES OF THE ARMY INFORMATION SERVICE KNOWN TO COLIN WALLACE

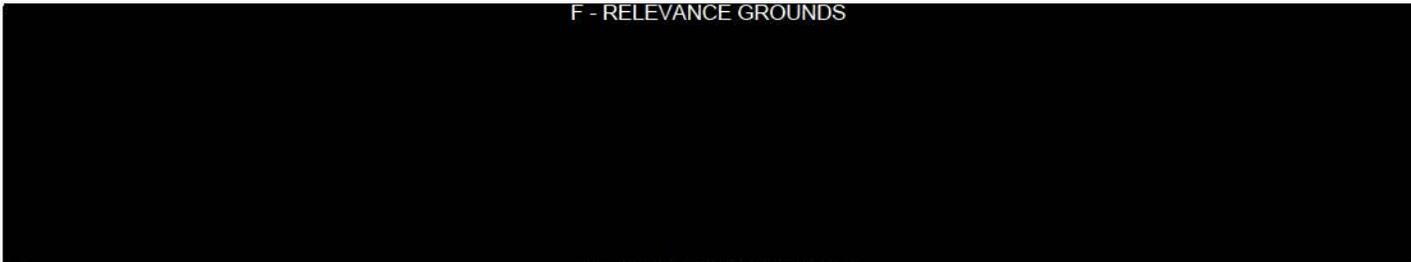
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F - RELEVANCE GROUNDS



F - RELEVANCE GROUNDS



1-B

The Clockwork Orange

6. This was the title of a project involving the "planting" of an account of the organisation and activities of the PIRA purporting to have been written by a PIRA deserter. It was not in fact issued but it is of interest in at least two respects. It is a fair measure of Wallace's competence in the IP field and his encyclopaedic knowledge of the subversive scene in Northern Ireland. It also demonstrates Wallace's determination - with whatever intention - to take an independent line even to the point of disobeying instructions. Although, in this instance, he had been instructed not to proceed he nevertheless addressed a catchment letter in the form of a forgery to Gerald Kemp of the Daily Telegraph whose response entailed the CIO attending a meeting with Kemp in the Europa Hotel. Despite the embargo on premature action Wallace nevertheless - in advance of clearance - again acted independently by offering the story to another correspondent and in doing so enlisted the services of an NCO in the AIS. For a variety of reasons the project has not been cleared.

NOTE FOR FILE

1. At 11.00 on the morning of Wednesday 23 April, Mr Hetherington and I discussed the WALLACE case with the Attorney General. I gave him an outline of the damage assessment produced by Mr Cameron E - FILE  
REFERENCE and suggested that if he should be minded to prosecute he might wish a formal statement of the public interest points to be obtained from the MOD and the NIO. I also pointed out the implications of this report having regard to a successful prosecution of the discretion which had been given to WALLACE. I explained the organisation of the Army Information Services (paragraph 12), the responsibilities of the Editorial Section (paragraph 15), WALLACE's involvement in unattributable briefings (paragraph 23) and his special duties (paragraph 26).
2. Mr Hetherington reminded the Attorney General of the contents of the interim report from the DPP and in particular of the statements made by WALLACE and the nature of the document graded RESTRICTED which he had left at FISK's house (pages 1 - 30 of the Exhibits). The Attorney General recognised that he could reach no official decision on the strength of the case until he had received a final report of all the available evidence from the DPP. Nevertheless, on the evidence so far available he thought it highly doubtful whether a prosecution against WALLACE would succeed. He thought there was no sufficient case against FISK.
3. He then went on to consider whether he would be prepared to grant a fiat to prosecute on the basis of the disclosure of this one RESTRICTED document. He was clearly of the opinion that this was not a case where the criminal law need be invoked - particularly if the Ministry of Defence were proposing to take disciplinary action. He said that before reaching a final decision he would like Sir Michael Cary, PUS, MOD to explain their intentions to him. He asked me to deal with the Ministry of Defence on his behalf.
4. The Attorney General asked whether I thought a decision not to prosecute would have adverse consequences within the RUC. He reminded me that the RUC frequently tried to persuade him not to prosecute their own officers. I said that if he decided not to prosecute on "public interest" grounds I thought the impact would be at its maximum and his decision would be quoted back at him by the RUC. If, on the other hand, he decided not to prosecute on "Franks" grounds and to permit the MOD to take disciplinary action, I thought the RUC would be hard pressed to use this in argument with him.

E - SIGNATURE

Bernard Sheldon

14 May 1975

054

MO 23/1

Copy to:  
CGS  
DUS (Army)  
DUS (CM)  
CPR  
D Sy (Army)  
Mr J P Waterfield  
Mr B Sheldon

PUSTHE CASE OF COLIN WALLACE

It has proved impossible for us to meet this week to discuss this case, and in view of the need to take action soon I am replying to your minute of 30th April.

2. In the circumstances I agree that dismissal is the right course, on the grounds set out in paragraphs 3 and 5 of your minute. I agree also that we should not offer Wallace the opportunity to resign.
3. I have noted the points you have made in paragraphs 10 and 11 of your minute about damage limitation. Given the probability that Wallace will reveal some of the Army Information Service's "Psyops" and "Information Policy" activities in the past, I would like to be very fully assured that all these activities, such as those described in Annex B of your minute, have ceased. I note that the appointment of Mr Leahy in the Northern Ireland Office will in future give the Army appropriate political direction for its information policy. But I am not entirely happy that we can leave the matter entirely to the Northern Ireland Office, because, if any disinformation activity is carried out in the future, I shall be answerable for at least some of the consequences in Parliament. Moreover, if Wallace does reveal the fact that such activities have occurred in the past, I may personally have to give assurances in Parliament that they will not occur in future. I therefore suggest that a close liaison should be set up between the Ministry of Defence and Mr Leahy so that I can be informed, and my approval sought, if any plans are made to undertake further activities of this sort.
4. I note that, within the Ministry of Defence, the PR organisation will in no way be associated with the organisation of any such activities; and I attach importance to this position's being maintained.
5. I agree, therefore, that you should see the Attorney General as soon as possible to report to him the disciplinary action to be taken in this case.

R.M.

9th May 1975

E - FILE REFERENCE

Copy to: E - FILE REFERENCE

NOTE FOR FILE

1. Mr Howe, Private Secretary to Sir Michael Cary, called to see me at 16.00 on 28 July to discuss the draft of the "Statement by Ministry of Defence" for the Civil Service Appeal Board. D - MI5 OFFICER joined us. In the course of discussions we made the following points:-

- a. The job specification which appeared in quotation marks in paragraph 3 was not entirely as described in paragraph 27 of Mr Cameron's damage assessment E - DOC REF and overlooked the description of the covert role which appeared in paragraph 26. It would not be prudent to assume that WALLACE was unaware of the precise position and Mr Broderick, who had framed the job specification, had offered to appear as a witness for WALLACE E - DOC REF. The Ministry of Defence reference to the job specification might be taken as an admission of its relevance and might in consequence open the door for WALLACE to discuss the nature of his duties.
- b. Paragraph 5 did not make it clear that WALLACE had handed over the whole of his duties to Winterford and Railton. Furthermore, the duties handed over to Railton were not amongst those described in the job specification in paragraph 3.
- c. The "Events Leading to the Disciplinary Charges and Notice of Dismissal" did not include a reference to WALLACE's lunch with Blundy of the Sunday Times on Sunday 2 February and to his subsequent discussions that evening with McDine. These events were crucial to the Ministry of Defence case as WALLACE relied upon them to excuse his subsequent delivery to FISK of the document described in paragraph 6. Although WALLACE warned McDine of the danger he did not consult him on the action which he subsequently took.
- d. Although paragraph 10 referred to "successors" it did not set out WALLACE's duty to consult his superiors nor did it mention his significant discussions with McDine on Sunday 2 February.
- e. The Ministry of Defence case was founded upon the fact that WALLACE had handed over his duties when the significant events complained of took place.

/If ...

- 2 -

If discussion of his former duties was to be avoided the Ministry of Defence statement should emphasise this point. The third sentence in paragraph 10 if anything weakened their case.

2. We made it plain to Howe that there was no direct Security Service interest in the disciplinary proceedings. He said that he understood this but nevertheless valued our advice.

3. I subsequently telephoned Mr Waterfield at the Northern Ireland Office and gave him a brief description of our discussions with Howe. He had previously spoken to me about this draft statement.

E - SIGNATURE



Bernard Sheldon

LA  
29 July 1975

E - CLASSIFICATION

MR J C WALLACE, SENIOR INFORMATION OFFICER, MINISTRY OF DEFENCE  
APPEAL TO THE CIVIL SERVICE APPEAL BOARD AGAINST DISMISSAL ON  
DISCIPLINARY GROUNDS

STATEMENT BY MINISTRY OF DEFENCE

Introduction

1. This statement is in reply to a notice of intention to appeal to the CSAB by Mr John Colin Wallace, aged 32, who is currently suspended without pay from his post as Senior Information Officer at Headquarters, Northwest District, Preston, and who has been informed that he is to be dismissed on disciplinary grounds.

Civil Service Career

2. Mr Wallace joined the Ministry of Defence (Army Department) as an unestablished Assistant Information Officer on 1 May 1968 for duty in HQ Northern Ireland. He was selected for an Information Officer post in that Headquarters and took up post as an acting unestablished Information Officer on 2 March 1970. Following success at a Civil Service Commission Open Competition he was established on 14 December 1971.

3. On 8 July 1974 Mr Wallace was granted temporary and geographical promotion to Senior Information Officer to fill a new post in HQ Northern Ireland pending the outcome of a trawl to fill it permanently. He subsequently applied under the trawl and on the recommendation of a Departmental interview board he was confirmed in the appointment as a substantive Senior Information Officer on 27 September 1974. The job specification was:

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E - CLASSIFICATION

'As Head of Production Section to be the manager of Photographic printing and Editorial PR units which produce, amongst a wide variety of items, a weekly troops publication "Visor". He will also be required to do a full share of in-depth briefing of visiting journalists on both the background to, and the current situation in Northern Ireland.'

4. Throughout his service in the Ministry of Defence Mr Wallace has earned favourable reports from his superiors in Northern Ireland.

Events Leading to the Disciplinary Charges and Notice of Dismissal

5. Towards the end of 1974 it was decided, both for management reasons and in the interests of Mr Wallace's career, that he should leave Northern Ireland, where he had then served for over six years, to take up a vacant Senior Information Officer post in Headquarters, North West District, Preston. He was informed of this decision by the Deputy Chief of Public Relations, MOD, at an interview on 24 December 1974. At a further interview with the Command Public Relations Officer, HQNI, on 7 January 1975, it was arranged that Mr. Wallace should travel to England on 4 February to take up his new appointment. Meanwhile he was to take leave, returning on Monday, 27 January. He was instructed to hand over part of his duties to his successor, Mr D A Winterford, and part to a military officer on the HQ staff, Lt Colonel J D Railton. The handover to Mr Winterford was completed on Thursday 30 January and to Colonel Railton on Friday 31 January on which day the Colonel instructed Mr Wallace to hand over all classified documents in his possession.

6. On Tuesday 4 February, Mr Wallace delivered a copy of a draft of an Army Information Services presentation for the Commander, Land Forces, which was classified "Restricted", to the home of a newspaper correspondent. This action, which Mr Wallace has admitted, led to police inquiries but no charges were preferred.

E - CLASSIFICATION

**E - CLASSIFICATION**

7. On receiving advice that no prosecution was intended, the Ministry of Defence commenced disciplinary action under normal Civil Service procedures. Mr Wallace was seen on 19 May by Major General K J McQueen, GOC North West District, in the presence of Mr F Pomfret the District Secretary, and charged with four offences. A copy of the charges is attached as Annex A. Mr Wallace elected to make oral representations in his defence and he was interviewed for this purpose by Mr J D Groves, Chief of Public Relations, in the presence of Mr R T Fairbairn of the Civilian Management division on 30 May. A written record of the representations was made and, with certain amendments, was agreed by Mr Wallace. Copies of the statement with the amendments incorporated, and of an additional written statement dated 5 June, are attached as Annexes B and C.

8. Mr Wallace was informed on 25 June that his representations had been considered. The first two charges had been held to be proved but it had been decided to take no further action on the third and fourth charges. He was told that he would be dismissed. A copy of this memorandum is at Annex D.

Department's Reply to the Appeal

9. Mr Wallace does not dispute the fact that, without authority, he retained a Restricted document which he should have handed over, and later passed it to a journalist; but he claims that this was done with the intention of safeguarding the interests of the Department, and that it was in accordance with "his terms of reference" and the nature of his duties.

**E -  
CLASSIFICATION**

**E - CLASSIFICATION**

10. The Department cannot accept such an explanation. The MOD Civilian Staff Regulations require all staff to make themselves fully aware of the requirements of the security regulations which apply to them (Manual 11 para 1103). MOD Security Regulations define the Restricted category as information and material the unauthorised disclosure of which would be undesirable in the interests of the nation. Mr Wallace's experience in Northern Ireland should have taught him that in that situation discretion and scrupulous observance of security were vital. Quite apart from this, Mr Wallace committed these offences after he had relinquished his post in Northern Ireland when, whatever his conception of the duties of that post, he was well aware that they were no longer his to discharge. If Mr Wallace had believed that disclosure of certain material would benefit the public service, his right course would have been to suggest this to his successors. Had this been done the actions which Mr Wallace in fact took would certainly not have been authorised.

11. In concluding that Mr Wallace should be dismissed the Department took full account of what he had said in his defence, but considered that it only confirmed that the offence was a premeditated and wilful misuse of the special knowledge he had derived from his late appointment.

**E - CLASSIFICATION**

PAPERS PASSED TO MR CALCUTT

1. Abridged Rucker Report, with Annexes.\*
2. Records of the meetings with Lords Carrington, Whitelaw and Mason, Mr Merlyn Rees and Judge Hughes.\*
3. Letter of 30 January from Hd Gs Sec to Mr Wallace.\*
4. Papers sent to the Chairman of the Treasury and Civil Service Committee in March 1986. (Ref DCM 8/10/1 dated 6 March 1990).
5. Mr Calcutt saw, but did not keep, various documents referred to in the Rucker Report at footnotes 148 - 151 (Letter from Calcutt dated 10 May 1990 et al). *These are pp. 148-151 of the Rucker Report (all words)*
6. Heyhoe Report. (Ref DCM 8/10/1 dated 21 May 1990).
7. Documents directly referring to the disciplinary charges and to the CSAB hearing. (Letter from Calcutt of 24 May 1990 suggests that copies be passed to Wallace's solicitors).
8. Statement by Staughton to CSAB and Wallace's ACR markings.
9. Statements made by Wallace to the Lancashire police on 6 and 12 February 1975 (forwarded to Calcutt under cover of letter from Hd GS Sec on 2 June 1990 ref D/GS Sec/66/13/1).
10. Rucker Supplementary Report (forwarded under cover of Hd GS Sec letter of 21 June 1990).
11. Mansard extracts of all relevant PQs, and copies of all relevant letters between MPs and Ministers (other than constituency cases).

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\* All as set out in DUS(CM)'s minute of 31 Jan 90. (Ref DCM 8/10/1).

B Sheldon Esq m.  
LA Box 500  
LISBURN 5111

E - SECTION  
REFERENCE

Operation

E - CODEWORD

Rec'd 9-10-75



E - FILE REFERENCE

PA.

*With the Compliments  
of Headquarters  
Northern Ireland*

From: I D Cameron

Apologies for bad copy - its  
the best we can provide.

BFPO 825

E - FILE REFERENCE

6 October 1975

E - CLASSIFICATION

From: I. F. King Sy (Army)

To: Colonel

B - PROTECTION OF IDENTITY

Subject: Wallace.

Herewith the IPCS submission  
about which I spoke to you. &  
Para 2. of the covering letter is  
relevant.

2. Grateful for your  
early comment.

I. F. King

17.9.75.

CODE 10-78

E - ADMIN ANNOTATION

G (Intelligence)

17 SEP 1975

# The Institution of Professional Civil Servants

NORTHUMBERLAND STREET · LONDON · WC2N 6GS - Telephone: 01-830 9755

CC/IS/Wallace/Pern

28 August 1975

The Secretary of the Civil Service Appeal Board  
Standard House  
27 Northumberland Avenue  
London WC2N 5BK

Dear Mrs Stewart,

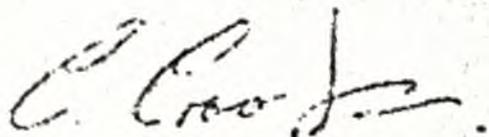
Please find enclosed our statement on the appeal against the dismissal of Mr J C Wallace. You will note that we quote two documents in the statement which we have not previously requested to be made available. They are, the job specification covering Mr Wallace's special activities, and the AIS (Army Information Service) handbook.

With regard to the former we would be content with the Department's acknowledgment of its existence, and we have quoted, from memory, the second document. Clearly the accuracy of our quotations should be confirmed. If there is any disagreement we would request a copy of the document.

With regard to the date of the hearing, I would request that from 19 September until the end of the month be avoided, also the 11 and 12 of September.

We will be calling our witness, Mr Broderick, to the hearing.

Yours sincerely



C. CROOK  
Assistant Secretary

PRIVATE AND CONFIDENTIAL

E1091

# The Institution of Professional Civil Servants

NORTHAMPTON STREET · LONDON · WC2N 5DS · Telephone: 01-830 8755

STATEMENT by the Institution of Professional Civil Servants on behalf of Mr J C Wallace.

## INTRODUCTION

1. This statement is in reply to a statement made by the Ministry of Defence to a notice of intention to appeal to the CSAB by Mr John Colin Wallace, who is currently suspended without pay from his post as Senior Information Officer at HQ, Northwest District, Preston, and who has been informed that he is to be dismissed on disciplinary grounds. Because of the peculiarities of this case it was decided that the normal order of admission of cases would be reversed.

## CIVIL SERVICE CAREER

2. The details of Mr Wallace's career record contained in paragraphs 2 and 3 of the Ministry's statement are correct. We do however wish to amplify the section dealing with the Job Specification, in order to establish that Mr Wallace was engaged on special work for the Department which has been called by a number of names, psychological operations, information policy, but to the layman is perhaps best described by the term 'Black Propaganda'. Since our case is based on the premise that within the context of this kind of activity Mr Wallace's actions are understandable.

3. The job specification quoted deals only with the straightforward IR duties, which were subsequently handed over to Mr Waterford. The psychological operation duties, and unattributable briefing duties, were handed over to Bailton. The job specification dealing with the latter duties is 'classified secret' and the Department ought at least to have referred to its existence.

4. The Ministry state in their document that Mr Wallace earned favourable reports from his superiors in Northern Ireland, we have reason to believe that this is an understatement.

## EVENTS LEADING TO THE DISCIPLINARY CHARGES AND NOTICE OF DISMISSAL

5. The activities of Mr Wallace as an Information Officer in Northern Ireland, involved him in work which required decisions and action relating to the Department's relationship with the Press, in a situation which was unique for a civilian Civil Servant to find himself in. He was in short engaged in the Black propaganda war which accompanied terrorist activities such as we see in Northern Ireland. For a number of reasons we do not wish to give a detailed account of specific instances, not the least of which are the security aspect of such activities, and the danger such revelations might encounter for Mr Wallace and other Civil Servants working in Northern Ireland. We would therefore hope that the Department would accept that Mr Wallace's duties included the following activities:-

Unattributable briefing of journalists which included the revelation of 'privileged and sensitive information'.

Operations to discredit individuals and cause dissention within organisations which very often had serious consequences for the

DIRECTORATE OF SECURITY  
SECRETARY  
10 SEP 1955

/PEOPLE

people so acted against

operations designed to result in a 'favourable press' for the Department and Government, by countering hostile propaganda. (It was an operation of this type, countering hostile propaganda, from which the incidents in this case arose).

6. We would submit that these kind of activities carried out with varying degrees of supervision called for decisions to be taken based on Mr Wallace's 6 years' experience of the Northern Ireland situation. In other words he was expected in the normal course of his duties, to give information to the press which was of a classified nature, and in so doing often had to exercise his judgement as to how much of such information he could reveal. We also submit that Mr Wallace was expected to make authoritative judgements about the effect any information he conveyed would have on the interests of the Department.

7. We agree with the contents of para 5 of the HOD Statement up to and including the penultimate sentence, but the events described therein are worthy of further explanation. Between the interviews of 24 December and 7 Jan, Mr Wallace saw McDiarmid, and pointed out the construction which might be placed upon his sudden departure from Northern Ireland. Since he had been accused of engaging in 'black propaganda operations' by a terrorist group some two weeks earlier. Representations were subsequently made by HQ Northern Ireland to HOD, with a view to delaying the posting. At the 7 January meeting he was informed that the transfer would be delayed by a month and that there was no reason why he should not take his previously arranged leave during that period.

8. Coming to the last sentence, the events of the nine days prior to Mr Wallace's departure, did not go according to plan. The contents of that sentence describes the proposed programme for the handover, in actual practice Colonel Railton was not available on Friday, 31 January, since he was fully committed to the Commander of Land Forces Study Period (note the presentation to which the document in question refers), and Mr Wallace took leave that day in order to complete his domestic arrangements prior to departure. The actual handover was a more hurried if not chaotic operation, and occurred during the course of the next few days, whilst the normal operations of the office continued. Indeed the events of 4 February prevented the hand-over being completed, and Wallace arranged to see Railton about outstanding points on 14 February. With regard to the document in question its classification was low, and it was not accountable, it fell in the PR side of the job, but required no further action by Wallace's successor.

9. Mr Wallace agreed that he delivered the document in question to the home of a newspaper correspondent, but maintains that this action was taken in connection with the duties of the post he had occupied, and was in effect a last attempt to clear up an operation which he had been carrying out since his return from leave on 27 January, and was part of the measures employed by the Department to convince the press that his transfer had no connection with the accusation of black propaganda activities. Railton and McDiarmid were involved in this operation.

10. During the last few days of Mr Wallace's duties, it became obvious to him that one journalist did not accept the innocence of his departure, and was determined to pin the Black propaganda story on the Army Information Service, and

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- 3 -

Mr Wallace in particular. Mr Wallace thought that following his verbal claims, by showing him the document in question, he would convince him that the Army did not indulge in such activities, and that the proof lay in the revelation of the policy as described in the document.

11. Although it might not be immediately obvious to a reader of the document how it could prove the Army's innocence, what is abundantly clear is that it does not contain any evidence, which could be used against the interests of the Department. The idea was to show what the current official policy was, as presented to the Senior Staff concerned on the Government side as recently as 4 days earlier.

12. These actions can be justified by the policy laid down in the AIS handbook annex B, 'Countering Hostile Propaganda':

Para 3

"The prime objective of all commanders shall be to pre-empt hostile propaganda by

(a) explaining policies, operations and techniques to be used in advance, to those affected, so that motives cannot be misinterpreted. . ."

Para 7

"Among the means which can be used to pre-empt or counter hostile propaganda are - . . .

(h) operations to demonstrate that accusations are obviously not true."

13. In claiming that his actions were in accordance with the above instructions we would draw the Board's attention to the contents of the document in question and the following points it makes:-

- 1) It calls for a more effective PR campaign,
- 2) It stresses that 'truth' is a constraint on any PR operation as are also legal, and political considerations;
- 3) It contrasts these constraints, with the comparative freedom from them enjoyed by the IRA;
- 4) It then goes on to suggest practical ways a more effective campaign can be carried out, with illustrations, etc.;
- 5) It also calls for the use of 'white propaganda' in a more positive way;

If Mr Wallace had been concerned to show that the journalists' suspicions were true, we would admit that this document would not have been used.

14. As stated previously the handover period was a 'tragedy' operation, and Mr Wallace took the view that he was still concerned and responsible to see that an operation, which was designed to clear his name of an accusation by a terrorist group, was successfully completed.

15. In practice the operation went wrong, but the causing article (annex A)

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- 4 -

was not as damaging as it might have been, but still contained some embarrassing material.

#### CONCLUSIONS

16. We have attempted above to explain the actions of Mr Wallace, against the background of a situation which is unique to the experience of the vast majority of Civil Servants in peacetime. The details are a mesh of clandestine activities, by which people attempted to use the news media in order to either 'get across their message', or counter the enemy's propaganda.

17. The question to be answered is whether Mr Wallace's actions were those of a loyal servant of the Department, taking action in a situation in which he saw great danger to the interests of the State, or those of a traitor deliberately betraying his employer by passing on information which would be helpful to those who sought to oppose the interests of the State?

18. Throughout this case it has never been suggested by the Department that Mr Wallace's actions were of a criminal nature. Indeed, it can be supposed that since these actions were the subject of policy investigations from which criminal proceedings did not ensue, that such proceedings were unjustified. At worst he can be criticised for an error of judgement either in deciding to reveal the document or in having it in a place where other people might find it. The Board will hear from Mr Wallace's former superior officer a testimony as to his character and loyalty, and we would submit that in all the circumstances of this case, and given the admitted previous outstanding reports on his performance as an Information Officer, the Department are being unduly harsh in dismissing him.

D.S. Form 6



ENCL 2

19 DEC 1975

TO  
RE  
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*With the Compliments of the  
Chief of Public Relations*

MINISTRY OF DEFENCE  
Main Building, Whitehall  
London, S.W.1A 2HB  
01-218

PS/PUS

Copy to:  
DUS(CM)

D/Sy(Army)

→ Mr Sheldon

Mr Waterfield

COLIN WALLACE

I rather hope that this will be the last minute on the Wallace file. I thought PUS and copy addressees would be interested to see a note I have received from Colin Wallace.

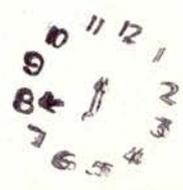
E - SIGNATURE

17 December 1975  
MB Ext 7900

J D GROVES  
CPR



75  
22 DEC 1975



5 ARNE WALK,  
BLACKHEATH  
LONDON SE3

18<sup>th</sup> December 75

Dear Mr Groves,

My very sincere thanks for all your kindness and understanding during my recent problems. My apologies for all the embarrassment caused to you and your staff, I hope the matter now dies.

Naturally I feel very bitter at the whole episode but I realise that to contest the outcome any further would not be in anyone's interest.

Please give my regards and belated congratulations to

David McDune. I hope he has  
now recovered from his illness and  
has taken over the "hot seat".

I hope to meet you again at  
some date in the future, but in  
the meantime, may I wish you  
a very happy Christmas and  
a less hectic 1976!

Yours Sincerely,  
Cecil Waller

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# RUC team probe missing children files

THE R.U.C. team reviewing aspects of the Kincora sex scandal are understood to have examined the files relating to children reported missing in the Belfast area.

The team, led by Assistant Chief Constable John Whiteside, has been investigating a number of outstanding crimes with a possible sex motive, particularly those involving young boys.

It is understood that the files on missing children, going back to the early Seventies, have been examined by detectives trying to establish any link between the alleged Kincora homosexual prostitution ring and sexual offences against young boys.

One of the cases under examination is that of Brian McDermott, the young East Belfast boy whose mutilated and burned body was found in a sack in the River Lagan eight days after he disappeared in 1973.

Meanwhile, a special report on the Burnside Hostel in Craigavon will be discussed at a meeting of the Southern Health Board this week. The hostel has been at the centre of a separate series of allegations concerning boys in care.

## Complaint

It has been revealed that the RUC had been called in by social workers after a complaint in March, 1980, concerning a 12-year-old boy at the home.

Medical examination proved the boy had been sexually assaulted.

The police inquiries have been concluded and any further action now rests with the Director of Public Prosecutions.

The board is expected to discuss the confidential report by social workers in a bid "to clear the air".

IRISH PRAS

8/3/82

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ANNOTATION

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I attended a meeting with Sir Philip WOODFIELD at 15.30 on Thursday 3 February to discuss the KINCORA case. Sir George TERRY Chief Constable Sussex, Sir Jack HERMON Chief Constable RUC, Mr NURSAW Legal Secretary to the Attorney General, MI5 OFFICER 5 DCI and WOODFIELD's Private Secretary were also present.

2. WOODFIELD invited me to give the background to the difficulties which had arisen from the KINCORA enquiry. I made the following points:-

- a. Because of the nature of our work our officers required authority before making statements about their duties. If they were approached independently they would still refuse to make any comment without referring back to the Service.
- b. When we learnt of Supt CASKEY's wish to interview Ian CAMERON last September we were informed that the request arose from a statement made by Capt GEMMEL that a contact had alleged that McGRATH was a homosexual and that when he had reported this to Ian CAMERON he had been told to take no further action. We did not think that this provided a substantial basis for believing that CAMERON had any evidence to contribute relevant to the investigation of a criminal offence. It was also apparent that we could exercise no control over who would see any statement given by him and that in due course there was a risk that such statements would have to be made available to any judicial enquiry which might be established. We also thought that on the same logical basis CASKEY might wish to interview any other individuals who might have become aware of the same report from Capt GEMMEL and that this would lead to the identification of further intelligence officers and to the organisation of the intelligence effort. We had therefore interviewed CAMERON who had accepted that although he did not remember the details, he had received a report of this sort from GEMMEL and that he would have told him to take no further action. He had also agreed that he had made no report to the RUC as he regarded the information as mere gossip.

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- c. Although we had not authorised CAMERON to make a statement we had passed his comments to the RUC. We had thought it right to do so as CAMERON has agreed that no information had been passed to them and there had been allegations that they had not carried out their investigations properly.
- d. We had no wish to be obstructive and I had accordingly informed the Attorney General and the Director of Prosecutions Northern Ireland of the action which we had taken on the request for an interview with CAMERON. I had made it plain that if there were factors of which we were unaware we would wish to take part in discussions to reconcile our requirement to protect intelligence interests with the police requirement to investigate. We had subsequently taken steps to make the position clear to the Deputy Chief Constable RUC, the Chief Constable RUC and to the Permanent Under Secretary.
- e. I said that we regarded the question of a judicial enquiry as a separate issue from that of police investigations into crime. If such an enquiry was established we would sort out any problems which might arise with those responsible for preparing the evidence for it. At present we had no reason to suppose that we had any contribution to make to the investigation of crime or to any judicial enquiry.
3. In response to an invitation from WOODFIELD, NURSAW said that he was there to represent the Attorney General. He did not understand why any statements from CAMERON were necessary or what it would contribute to the enquiry. He had merely been a recipient of an allegation which an army Captain had received as an allegation from another person. The position might have been different if CAMERON had been a police officer but in this respect in the same position as any other private citizen.
4. Sir George TERRY spoke briefly about enquiries which were being undertaken on his behalf. He said that in his report he would conclude that there was no evidence of any cover up although there was some evidence of short comings apparently in those responsible for social welfare. His officer had interviewed members of the press who had been responsible for the original allegation and they had been unable or unwilling to produce any evidence to support their allegations. He said that although he understood why, given the background of the case, Supt CASKEY wished to interview CAMERON, he did not think this was vital for the enquiries for which he was responsible.
5. HERMON said that he had been interested to receive WOODFIELD's letter as he thought the whole matter had already been thrashed out between himself and BORN the Deputy Secretary in the Northern Ireland Office. He had spoken to WHITESIDE

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and to CASKEY that morning. They only wished to have a statement from CAMERON confirming that he had received a report from GEMMEL and had taken no action on it. Such a statement would conclude their investigations. I said I found this difficult to understand. CAMERON was the recipient of mere gossip and in logic if they wished to take a statement from him they would also wish to take a statement from anyone else who may have heard the same gossip. The list of written questions for CAMERON which CASKEY had submitted to us in October showed that these fears were justified. These showed he had wished to interview CAMERON about the nature of his duties, whether notes of the conversation with GEMMEL were available and to whom the information had been passed and about the identity of his secretary. I said that we had recently had reports that CASKEY had conducted interviews of an Army Intelligence Officer and of an army officer in Germany in which he had referred to the Security Service cover up and had sought information about the identities of other staff. HERMON said that he thought this must have happened before his agreement with BORN but when I said that our information was that these interviews had taken place on 11 and 12 January he agreed that this was not so.

6. HERMON did not attempt to reconcile CASKEY's list of questions for CAMERON or his subsequent interviews with army personnel with his statement that they merely wanted a short statement from CAMERON. He did say that they would need to tell the DPP that they had been unable to interview CAMERON and asked whether this was acceptable to us. I said that it was and assured him that I had already told the DPP that this was the position. He then agreed that they would proceed upon this basis and that their enquiry was now closed.

7. WOODFIELD reverted to the general problem of reconciling police enquiries with the need to protect HMG's intelligence interests. He asked that in future any problems which might arise should be elevated to a more senior level. He thought this was preferable to, for example, CASKEY pursuing his enquiries by other means. We all agreed that this was an acceptable way to behave.

8. There was some talk about the HOLROYD case and HERMON said that he thought similar problems would arise there. He said that they had serious allegations of crime to investigate and that they would do so. I said that we all accepted that the HOLROYD case was quite different to the KINCORA enquiry and that the police had a duty in relation to it. I said that we had now received requests to interview members of the service one of whom, [REDACTED] D - MI5 OFFICER, had at all material times been a serving army officer. We did not know the background to the requests to interview [REDACTED] MI5 OFFICER 4. I said that I hoped that the issues and the requirements would be explained to us. We had no reason to suppose that we had no contribution to make to the HOLROYD investigations but we had no desire to be obstructive and without giving serious consideration to any proper request arising from it. HERMON said that he

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thought that the best way of allaying the HOLROYD allegations would be to investigate them thoroughly once and for all. He revealed that amongst them was an allegation of murder apparently his senior army officer was said to have arranged for two Protestants (or two soldiers) to murder someone in the Republic. He indicated that this had been at a time when HOLROYD had been operating in the Border region. I said that I did not remember having heard this allegation before and explained that an allegation of major interest to the Security Service had nothing to do with alleged criminal activities but was concerned with agents known to HOLROYD. This sort of matter was of course of concern to us. It was for this reason that we had been surprised that Supt CASKEY had asked the Essex police not to send us a copy of a report which inter alia was said to relate to HOLROYD's intention to persuade the NCCL to take up his case. I said that I understood that he had subsequently said something to the Essex police to the effect that the NCCL had turned him away and that he would now go to the SWP. All of this was naturally of interest to us but we had not taken the matter further in view of the fact that the meeting with HERMON had been already arranged for that day. We certainly did not want to add to any misunderstanding which might have occurred.

E - SIGNATURE

Bernard Sheldon  
IA

10 February 1983

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NOTE FOR FILE  
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On Tuesday 22 March I attended a meeting with the Attorney General and Mr Steel, his Legal Secretary, to discuss the implications of a letter which Barry Shaw, the DPP, had received from Philip Woodfield, the PUS NIO. Steel showed me a copy of the letter which I had not previously seen and it substantially repeated the proposals contained in the letter of 23 February 1983 from Clive Whitmore to Woodfield about the HOLROYD case and the procedures which MOD wished to apply to future RUC interviews <sup>E - FILE REFERENCE</sup>. I gathered from the Attorney General that Barry Shaw was nervous that he might be dragged into matters which were not his responsibility and that this might affect the integrity of his office. All were agreed that given the history of Northern Ireland, it was important that the office of DPP should not be exposed to suggestions of lack of impartiality.

2. The Attorney General asked me to remind him of the problems which had arisen in connexion with the Kincora and HOLROYD investigations. I made the following points:-

- a. That both the Ministry of Defence and the intelligence services had a duty to protect classified information (which also included the organisation of intelligence and intelligence operations) and that the intelligence services had the additional problem of protecting the identities of their officers. The latter point produced procedural problems about the form of statements (eg the use of Mr A etc to conceal identities) and the manner in which they were transmitted to the DPP to ensure that they did not needlessly fall into other hands.
- b. In the case of these investigations there was the additional problem that they were being carried out by CID officers of the RUC. Knowledge of most aspects of intelligence operations - particularly where they were directed against Protestant activity - was strictly confined to selected officers of the RCU Special Branch and to the Chief Constable. There was also material classified UK Eyes A where the classification meant that it should not be given to members of the RUC or the Northern Ireland civil servants.

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- c. It appeared that in the course of the Kincora and HOLROYD investigations RUC officers had been given free access to members of the Army and that no guidance had been given to those interviewed or any procedure established by which the Army knew what had happened. This meant that no attempt had been made to balance the needs of the investigation with the equally important need to protect classified information. As a result three members of the Security Service (Cameron, MI5 OFFICER 4 and D - MI5 OFFICER) had been identified as such to the RUC. There was also evidence that RUC officers had had access to classified information including some classified UK Eyes A.
- d. The procedure which had been suggested as a result of meetings between Woodfield, Whitmore, MI5 OFFICER 5, the DCI and myself were designed to allow proper consideration to be given to all the relevant factors. It was envisaged that problems should in the first instance be elevated to a more senior level within the police but that in some cases the DPP's advice might be needed on questions of the relevance of information which the RUC were seeking.

3. The Attorney General understood the problem and remarked that there might well be cases in which the public interest would preclude a prosecution. He acknowledged that it was for the Ministry of Defence or the Security Service as the case might be, to decide whether officers should give statements and that even if the DPP attached importance to acquiring certain information they might decide that they could not help. He said he would like to be assured that if the DPP was consulted and said that the evidence was of importance, serious consideration would always be given to his request. I assured him that this would always be the position of the Security Service and that I had made this clear when I had discussed the Kincora case with him and Barry Shaw on 1 October 1982. E - FILE REFERENCE. I said that I had little doubt that the Ministry of Defence would take the same attitude.

4. We also briefly discussed the distinction between the Kincora and the HOLROYD investigations. In the former there was no substantial suggestion that any member of the Security Service had been involved in any impropriety whereas in the latter HOLROYD had made allegations that the Army had been involved in criminal activities. It was much easier to refuse to give a statement in the first type of case as there could be no credible suggestion of cover-up than in the second type when we could be made to appear to be obstructing necessary and proper police enquiries. We recognised that in the Kincora

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investigation there was the additional problem of a subsequent judicial enquiry. I said that we would want to keep these two issues quite separate. We would deal with the police and the DPP as one matter. If an enquiry took place we would expect to cooperate with the Treasury Solicitor if he was charged with the preparation of papers for it.

5. Philip Woodfield, Clive Whitmore, MI5 OFFICER 5, Barry Shaw and I attended a conference with the Attorney General at the House of Commons at 1530 on Tuesday 29 March. Henry Steel was also present. The Attorney General obtained an assurance from Whitmore that if the DPP requested information, they would give serious consideration to his request at a high level. He again emphasised that the final decision on whether a statement should be given rested with the Ministry of Defence or the Security Service as the case might be. He also said that cases of difficulty could be discussed with him as was already a frequent occurrence with the Security Service. He implied that I might have a role to play on behalf of the Ministry of Defence.

6. Barry Shaw confirmed that these arrangements were acceptable to him. He made it clear that he wished to keep to his statutory responsibilities. He also emphasised that he could not give directions to the RUC about the conduct of their investigations but believed that the RUC would not persist in attempts to obtain information which he advised was unnecessary for the purposes of a prosecution under consideration by him. It was agreed that Henry Steel would draft a record of the meeting which would be circulated to Shaw, Woodfield, Whitmore and myself.

7. At the conclusion of the meeting I told Shaw that the RUC had been reluctant to explain their requirements with sufficient clarity and that persistence in this attitude made it difficult for us to assist. I expressed the hope that in cases referred to him at least the requirement would be fully explained. The Attorney General separately told me that he would ask Barry to report all such cases so that he could ensure that the position was fully explained to me.

8. There was a brief discussion between Woodfield and the Attorney about the judicial enquiry into Kincora. The Attorney thought that a firm commitment had already been given but Woodfield appeared to suggest that no enquiry might be necessary once the Terry report had been received. He also said that the Northern Ireland Chief Justice had refused to co-operate unless the enquiry was set up under the 1921 Act and the Secretary of State doubted whether he would get approval for such an enquiry from the House of Commons. I was told that the arrangements for such an enquiry would probably be in the hands of the Northern Ireland Crown Solicitor with the support of the Treasury Solicitor.

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I said that we would wish to treat requirements on that enquiry as a separate matter from the RUC investigation. We would of course seek to cooperate if it came about.

E - SIGNATURE

Bernard Sheldon

LA  
30 March 1983



W.XXBXKXKX.XCB  
LEGAL SECRETARY

H. Steel CMG OBE

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

11 April 1983

Received: 12.4.83

Legal Adviser's Office

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Sir Philip Woodfield KCB CBE  
Northern Ireland Office  
Great George Street  
LONDON S W 1

*Sir Philip,*

I am writing, as agreed, to record the outcome of the meeting in the Attorney General's room in the House of Commons on 29 March at which the Attorney General discussed with you, Clive Whitmore, Barry Shaw, Bernard Sheldon and MI5 OFFICER 5 the problem on which you yourself had written to Barry Shaw (in connection with the Holroyd case) on 4 March. Though that letter had focused on the particular question of the RUC interviewing Army personnel, the discussion addressed itself to the problem in wider terms, ie as it related to the RUC's desire to interview any servicemen or officials about matters arising out of their involvement in, or likely to take the questioning into the area of, past or current intelligence operations.

There appeared to be no problem about the procedures for consultation suggested in your letter: the only point on which clarification seemed to be needed was what was to be the role and responsibility of the Director of Public Prosecutions in the situation envisaged in paragraph 2(d) of your letter, that is to say, where the matter had been referred to him after HQNI, having carried out consultations with the RUC at an appropriately high level, maintained their own doubts about the desirability of allowing an interview to take place on the lines indicated by the RUC and had failed to persuade the RUC to drop or modify that line of questioning. After a thorough discussion of this matter, the Attorney General suggested, and you and the others accepted, the following understanding. Where the Director of Public Prosecutions decides that it is not necessary for the RUC to press for an interview or to pursue a particular line of questioning, this must be understood as carrying no implication other than that he has judged that the information is not needed for prosecution purposes. That is his sole concern and his sole responsibility. Where, on the contrary, he judges that the information is essential (or highly desirable) for prosecution purposes, the matter will be considered thoroughly and afresh by the Service authorities at the highest level. Clive Whitmore was good enough to say that he will ensure that he himself is consulted in such cases.

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

H. Steel CMG · OBE

The Attorney General suggested that it might help in some cases if, before a final decision was taken, he himself were brought into the picture, and he undertook to make himself readily available for that purpose. He acknowledged that in the last analysis the decision must be taken by the Service or Security authorities and he said that, if the decision were that the information could not safely be made available, he and the Director of Public Prosecutions must accept this.

As I have said, though the discussion - arising as it did out of the particular problem to which your letter related - was primarily concerned with the arrangements which would operate as between the Army on the one hand and the RUC and the Director of Public Prosecutions on the other, the matter was canvassed in rather wider terms and it was understood that similar arrangements would apply to comparable situations involving non-military personnel.

I have shown this letter in draft to the Attorney General and to Barry Shaw who are both content with it. I am copying it to Clive Whitmore, Barry Shaw and Bernard Sheldon.

*Yours sincerely,*

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V  
 FOLLOWING RECEIVED IN DEPARTMENTAL CYPHER  
 FROM STORMONT  
 DATED AND RECD 14.04.83

IMMEDIATE

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NUMBER E-DOCUMENT  
REFERENCEFOR LA  
 CC: D - MI5  
 DIRECTOR

BT

FOR LA (COPIED TO D - MI5 DIRECTOR) FROM DCI  
 REF YOUR TEL NO 016 OF 31 MARCH E - ADMIN ANNOTATION  
 RUC INTERVIEWS WITH STAFF WHO HAVE SERVED IN NORTHERN IRELAND

1. I HAVE WAITED TO REPLY TO YOUR TELEGRAM UNTIL I HAVE  
 TALKED TO D - MI5 DIRECTOR WHO IS HERE ON A VISIT. HE AND I ARE  
 GENERALLY IN AGREEMENT.

2. THE CONSIDERATIONS SET OUT IN PARAGRAPH 2 ARE ALL ACCEPTED.  
 HOWEVER, IN ONE POINT OF DETAIL (2D) I AM NOT SURE THAT THE  
 FACT THAT THERE WILL PROBABLY BE A JUDICIAL ENQUIRY NEED  
 INFLUENCE US ONE WAY OR ANOTHER IN DECIDING WHETHER TO PERMIT  
 CAMERON TO SUBMIT A STATEMENT TO THE RUC. CAMERON HAS ALREADY  
 BEEN NAMED IN THE POLICE INVESTIGATION AND THEREFORE HIS NAME  
 WILL PRESUMABLY APPEAR IN PAPERS MADE AVAILABLE TO ANY ENQUIRY.  
 PREVENTING HIM MAKING A STATEMENT NOW WILL THEREFORE NOT HELP  
 US IN RELATION TO THE POSSIBLE ENQUIRY. HAD HIS IDENTITY BEEN  
 CONCEALED MATTERS WOULD OBVIOUSLY BE DIFFERENT.

3. IT FOLLOWS THEREFORE THAT, FOR THE REASONS I HAVE EXPRESSED  
 EARLIER, I AM IN FAVOUR OF CAMERON SIGNING A STATEMENT OF THE  
 TYPE PROPOSED - PROVIDED THAT THIS ACTION DOES NOT ADVERSELY  
 AFFECT THE HANDLING OF THE OTHER TWO CASES, D - MI5 OFFICER AND MI5 OFFICER 4  
 MI5 OFFICER 4

4. IN FACT, AS MATTERS HAVE DEVELOPED, I DO NOT THINK THAT WE  
 NEED BE TOO CONCERNED IN EITHER CASE. WHILE D - MI5 OFFICER ACCORDING  
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PAGE TWO

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TO [D - MI5 DIRECTOR] UNDERSTANDING UNDERTOOK AT LEAST ONE OPERATION, [E - SECTION REFERENCE] BEHALF,, I SEE [F - RELEVANCE GROUNDS] [F - RELEVANCE GROUNDS] [F - RELEVANCE GROUNDS] [E - SECTION REFERENCE] NO REASON TO BELIEVE THAT HOLROYD KNEW OF THIS OR ANY OTHER ACTIVITIES ON BEHALF OF [E - SECTION REFERENCE] AND THEREFORE HAVE NO REASON TO SUPPOSE THAT THE SECURITY SERVICE'S INTERESTS WOULD BE PUT AT RISK IF [D - MI5 OFFICER] WERE INTERVIEWED, AFTER BRIEFING FROM THE ARMY AND THE SECURITY SERVICE. (THERE MAY BE OTHER NORTHERN IRELAND INTELLIGENCE REASONS WHY AN INTERVIEW WITH [D - MI5 OFFICER] MIGHT PRODUCE PROBLEMS - BUT I AM IN THIS TELEGRAM CONSIDERING ONLY THE [E - NAMED SECTION] ASPECTS.)

5. [DCI REP KNOCK] SIMILARLY, ON THE BASIS OF WHAT WHITESIDE REPORTED TO [DCI REP KNOCK] WHICH THE LATTER RECORDED IN HIS LOOSE MINUTE OF 15 MARCH. I WOULD HAVE THOUGHT THAT A STATEMENT TO THE RUC FROM [MI5 OFFICER 4] WOULD NOT HAVE RAISED SERIOUS PROBLEMS FOR THE OFFICE.

6. MY ADVICE, THEREFORE, WOULD BE THAT THE RISKS APPARENT AT PRESENT TO THE SECURITY SERVICE IN ALLOWING [D - MI5 OFFICER] AND [MI5 OFFICER 4] [MI5 OFFICER 4] TO MAKE STATEMENTS IN THE HOLROYD AFFAIR AND THE PROBABILITY OF A JUDICIAL ENQUIRY INTO THE KINCORA AFFAIR DO NOT RULE AGAINST CAMERON SIGNING A STATEMENT.

7. IF YOU AGREE WITH THIS I SHOULD BE GRATEFUL IF A STATEMENT COULD BE SIGNED AS SOON AS POSSIBLE. I SAY THIS BECAUSE THE PUS, WHO, AS YOU KNOW, HAS BEEN SUPPORTIVE OF OUR INTERESTS THROUGHOUT, IS NOW CONCERNED ABOUT THE PRESSURE TO WHICH THE /SOS...

PAGE THREE

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SOS IS SUBJECT ON ACCOUNT OF THE CONTINUED DELAY IN THE PRODUCTION OF THE TERRY REPORT. THIS, IN TURN, AWAITS THE FINAL COMPLETION OF THE RUC REPORT. WHILE YOU AND I KNOW THAT CAMERON'S STATEMENT IS NOT NECESSARY FOR THE RUC TO COMPLETE THEIR REPORT, THE PUS IS ANXIOUS TO REMOVE EVERY POSSIBLE EXCUSE FOR FURTHER RUC DELAYS. I HAVE LEAD HIM TO BELIEVE THAT WE MIGHT BE ABLE TO LET HIM HAVE A DECISION THIS WEEK. IF THIS IS NOT POSSIBLE, I NEED TO GIVE HIM A SITREP.

8. SINCE DRAFTING THIS WE HAVE TALKED TO DES BROWNE (DHSB) ABOUT **D - MI5 OFFICER** HE READ US OUT THE PRECISE WORDING OF THE RELEVANT PORTION OF THE HOLROYD STATEMENT AND HAS UNDERTAKEN TO AGREE WITH CASKEY THE QUESTIONS WHICH THE LATTER WOULD LIKE TO PUT TO **D - MI5 OFFICER** THESE WILL BE SENT TO HQNI, AND WE CAN BE CONFIDENT WILL THEN FIND THEIR WAY VIA MOD TO YOU AND ME. WE (AND MOD) CAN THEN DECIDE HOW BEST **D - MI5 OFFICER** SHOULD BE BRIEFED. WE SEE NO DIFFICULTY IN PURSUING A SIMILAR COURSE IN RELATION TO **MI5 OFFICER 4**

9. IN THE LIGHT OF THESE ARRANGEMENTS MY BELIEF THAT CAMERON'S STATEMENT (VIDE PARAGRAPH 7) SHOULD ISSUE IS REINFORCED.

10. PERHAPS THE THREE OF US COULD TALK ABOUT THIS TOMORROW.

BT

SENT AT 141610Z

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E.R.

NOTE OF A MEETING ABOUT THE KINCORA INQUIRY AT STORMONT HOUSE ON  
28 APRIL 1983

Present:

Copy to Rep  
LA

Mr Brennan  
Mr Bourn  
Mr Dugdale  
Mr Buxton  
Mr Angel  
Mr Merifield  
Mr Boys Smith  
Mr McClelland  
Mr McMillan  
Mr Hopkins

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- 4 MAY 1983

Mr Brennan opened the meeting by outlining the background against which the discussion would take place. It was not known when the DPP (NI)'s conclusions or the Terry report would be available or consequently whether there would be any prosecutions. If the DPP did decide to prosecute, this process would almost certainly have to be completed before a public enquiry could be launched. However it was necessary for the ground to be prepared as fully as possible so that an announcement about an inquiry could be made as soon as the way was clear to proceed. The Assembly had pressed for early action and the Secretary of State had undertaken to establish a public inquiry under a High Court Judge as soon as practicable.

2. Mr Brennan suggested that the two principal questions to be examined were (a) the scope of the inquiry; and (b) its form. On (a) it was for consideration whether the review should be confined to the management of all or just a selection of homes and hostels, and at what levels of management/administration and over what period; or whether the inquiry would have to extend to the allegations of a cover-up by inter alia the RUC, the NIO, and NI politicians. If there were to be an examination of the latter, it would be necessary to resolve the relationship of such an inquiry to the criminal allegations to be dealt with in the RUC's report to the DPP (NI) as well as the Terry report. As for (b), the general view seemed to be that only an inquiry under the Tribunals of Inquiry (Evidence) Act 1921 would have the right powers but there would clearly be difficulties in persuading the senior Ministers who would have an interest, as well as both Houses, that this was a matter of "urgent public importance", the criterion in the Act. It would perhaps be prudent to examine more closely an option which

appeared legally feasible - the establishment of a 1921 Act tribunal by the Secretary of State without a resolution of both Houses, although such a step would be politically controversial and it seemed that witnesses in Great Britain could not then be subpoenaed. Whichever course seemed preferable, the Secretary of State would in due course be obliged to consult colleagues like the Prime Minister, the Home Secretary, the Lord Chancellor, the Attorney General, and possibly the Secretary of State for Defence, as well as the Lord Chief Justice.

3. Finally, Mr Brennan suggested that the meeting should subsequently consider the administrative points which would flow from a decision to establish a 1921 Act inquiry, such as the tribunal's composition, its staffing implications and cost.

4. There was then a wide-ranging discussion of these issues, and the following points arose:

Scope of the inquiry

- (i) Although there had been a review in 1982 by DHSS officials from London into the way in which the DHSS(NI) was carrying out its role in relation to the supervision and management of children's homes and hostels, this had been a general look at current practices and procedures in the public sector and in voluntary homes and there had been no attempt to examine the apparent failure of the child-care system to deal effectively with allegations of child abuse made throughout the 1960's and 1970's. Such an inquiry did seem essential to restore public confidence in the system and in morale among the staff. The Residential Care Association and the British Association of Social Workers were pressing for a full inquiry in the hope that there would be a general vindication (since it was so easy for ill-founded and even malicious complaints to be made by children in care).
- (ii) It would be desirable for this 'management' inquiry to concentrate on the homes where allegations of malpractices had been proved rather than on all children's homes and hostels. This would mean an examination of conduct in

relation to three - it could eventually be four - homes. There could probably not be a limit on the period to be examined although the former Belfast City Corporation and staff of the Ministry of Home Affairs would be involved in an inquiry which went back 20 years .

- (iii) Consequently the terms of reference for this aspect of the inquiry could perhaps be along the following lines: "To look into the conduct of those persons in positions of authority in relation to children's and young persons' homes and hostels in Northern Ireland where malpractices have been substantiated; and to consider whether there were breaches of public duty and report on the implications for the child-care system".
- (iv) The non-DHSS aspects of the affair would be harder to deal with. It was for consideration whether the terms of reference should be confined to those suggested at (iii) above or should be extended to specifically deal with what seemed to be the primary area of concern among politicians and the public generally - the allegations of a deliberate cover-up of criminal behaviour. Those rumoured to have been either involved in a cover-up or in the homosexual practices themselves included leading politicians and party-workers, RUC officers, intelligence officers and senior NIO officials. It could of course be argued that anyone with serious allegations (as opposed to tittle-tattle) should have reported it to the RUC and that, with the completion of the RUC/DPP(NI) investigation and the Terry report, there would be no justification in providing for a tribunal to invite evidence on such matters. However, that ignored the reality of the situation. The rumours had spread widely and a simple decision by the DPP(NI) not to prosecute would not put public concern to rest. It was impossible to say how far the Terry report would go to restore public confidence but the published conclusions, whatever they were, were unlikely to do more than show that the RUC did (or did not) investigate allegations put to them as fully as possible. It would therefore be necessary to consult lawyers - and the Attorney General in particular - about possible

approaches to allegations of criminal misconduct. It was for consideration whether the public should be reminded of the need to report allegations to the RUC both before the tribunal met and during its hearings, making it clear that this was not the forum for such matters; or whether, as was more likely, the tribunal should take the RUC/DPP (NI) and Terry reports into account but be prepared to listen to any serious allegations which could or could not be of a criminal nature, immunity from prosecution having been granted by the Attorney General. (Complaints involving members of the Security Service could probably be taken in private and this part of the report not be published). It was not known what precedents there were for such situations and the meeting agreed that it was important for this issue to be examined carefully with lawyers.

Type of inquiry

- (i) Although the general view was that a 1921 Act inquiry could probably not be avoided, Ministers would wish to consider all the options before them.
- (ii) A non-statutory inquiry seemed a non-starter because of a lack of powers to subpoena and call for papers.
- (iii) An inquiry under Article 54 of the Health and Social Services Order 1972 could probably look effectively at the DHSS aspects dealt with a 4(i) - (iii) above, but the committee could not subpoena anyone from outside Northern Ireland or, more to the point, examine the cover-up allegations. This could only be a starter if the present investigations - and the Terry report in particular - allayed public fears more than was anticipated.
- (iv) There could perhaps be a new Order-in-Council to provide for a wide-ranging inquiry: this would have to be debated in both Houses but the "urgent public importance" criterion could be dropped and it could either be tailored for the Kincora affair or be of general application. Any recognised defects in the 1921 Act could be remedied. There could be

difficulties about immunity but the major flaw would seem to be that the committee could only subpoena people in the Province. This proposal was perhaps worthy of further consideration with lawyers however.

- (v) Finally there was the 1921 Act inquiry, with or without a resolution of both Houses. This would be a lengthy and costly exercise and one which would not strictly meet the terms of the Act (although it could perhaps be argued that there had been impediments to its establishment at an earlier stage). It was likely that the extent of concern in the Province would mean that only the institution of such a wide-ranging and powerful inquiry would represent a sufficient response by Government.

#### Cost, Composition and Administrative Arrangements

- (i) The Scarman Tribunal cost the equivalent of nearly £2 million today and, while it was clearly impossible to predict the cost of the proposed 1921 Act inquiry into Kincora at this stage, it was likely to be in the region of £2-3 million, a large part of this being spent on legal fees. Although we would have to provide for this expenditure in a Winter Supplementary Estimate, there would be no difficulty about drawing from the Contingency Fund in the meantime.
- (ii) Early thought should be given to candidates for the Chairmanship. It would be preferable for this to be an Northern Ireland High Court Judge - perhaps one who was about to retire and could be replaced earlier than would otherwise have been the case. Alternatively an English judge in this category could perhaps be identified. Officials would need to consider the field and suggest an approach to the Lord Chief Justice and/or the Lord Chancellor at the appropriate time.
- (iii) The other two members would ideally be a prominent layman from Northern Ireland and a senior social work administrator from Great Britain. Senior officials in Northern Ireland would give this further thought (perhaps informally consulting the DHSS in London and the SHHD about possible candidates for the latter post).

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- (iv) It would be necessary to consult the Attorney General about the appointment of Counsel, perhaps from the English Bar as well as the Irish Bar, and to consult the Treasury Solicitor about the provision of lawyers. (It seemed that the Crown Solicitor would be able to provide only one).
- (v) The Secretary to the Inquiry should perhaps be from Great Britain and in any event he and other supporting staff should certainly not have a DHSS(NI) background for presentational reasons. This needed further thought, as did the question of accommodation.

5. The meeting agreed that there were a number of aspects which could be pursued informally - with representatives of other Departments where necessary - while the results of the current enquiries were awaited. Once the DPP(NI)'s and Sir George Terry's views were known, there would have to be a further meeting - to which lawyers would be invited - so that recommendations to Ministers could be formulated and the Secretary of State could write to colleagues.

E - SIGNATURE

M W HOPKINS  
SIL DIVISION  
29 April 1983

Copied to:

PS/SoS (L&B)  
PS/PUS (L&B)  
PS/Sir Ewart Bell  
Mr Brennan  
Mr Bourn  
Mr Dugdale  
Mr Erskine  
Mr Angel  
Mr Buxton  
Miss Davies

MI5 OFFICER 5

Mr Gilliland  
Mr Norris

Mr Merifield  
Mr Coulson  
Mr Reeve  
Mr P N Bell  
Mr Boys Smith  
Mr McMillan  
Mr McClelland (DHSS)  
Mr A H Hammond  
(Home Office)

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I spoke to Mr Hammond of the Home Office Legal Department about the Kincora minutes of 28 April and Brennan's minute of 3 May. I explained that as a result of stupid investigations by the RUC, we now had an interest in the Kincora enquiry. I gave him the background and said that Jim Nursaw was generally aware of the position.

2. In the course of a discussion we agreed:-

- a. An enquiry with the power to call witnesses could cause problems.
- b. Careful consideration should be given to all the relevant issues before deciding to allow the enquiry access to police reports to the Director of Public Prosecutions.
- c. The holding of evidence in camera would not substantially reduce the problems as the enquiry would have Northern Ireland members and lawyers would be present.
- d. It might be necessary to claim Crown privilege but this would tend to heighten any suggestion of cover-up.
- e. Matters would be easier if the judge appointed to the enquiry did not come from Northern Ireland. (Hammond said that he had already pressed this view on the Northern Ireland Office on the ground that the allegations covered most aspects of Northern Ireland society and a Northern Ireland judge might not be seen to be impartial.)
- f. Matters would also be easier if the preparation of papers for the enquiry was entrusted to the Treasury Solicitor. (Hammond said he had spoken to John Bailey and he thought that this would be the position.)

3. Hammond thanked me for getting in touch and said that it was important that we were consulted before any financial decision had been taken. He believed that this decision could not be taken until the Terry Report had been received and that it could well have to wait the outcome of a General Election. He thought that the present Secretary of State was bound to order an enquiry and that it would have

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to have powers to compel witnesses to appear and to call for papers.

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Bernard Sheldon

LA  
9 May 1983

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NORTHERN IRELAND OFFICE

GREAT GEORGE STREET,

LONDON SW1P 3AJ

01-233-4874

D - M15 LEGAL ADVISOR

c/o D - M15 OFFICER  
E - NAMED SECTION

LONDON

9 June 1983

E - ADMIN ANNOTATION

D - M15 LEGAL ADVISOR

Received: 13 6 83

Legal Adviser's Office

PA:

E - FILE REFERENCE

KINCORA

We spoke on the telephone about the need for a meeting on Kincora. Wally Hammond and I have had a number of discussions and have concluded that the time has come for a talk with Bernard Sheldon. You kindly said that you thought arrangements could be made for a meeting in the week of 20 June, when he has returned from leave. The meeting would be in Wally Hammond's room in the Home Office. On our side we would be joined by Mike Hopkins in this division. Wally Hammond, Mike Hopkins and I have been briefed by M15 OFFICER 5 and his colleagues in Belfast on their background to the affair, and how they saw their interests being raised if there were an inquiry of some kind.

The position, very briefly, is this. Mr Prior made a statement in February 1982 committing himself to an inquiry under a High Court Judge sitting in public when police enquiries were completed and any consequential prosecutions disposed of. Mr Prior is personally committed to this approach which he reiterated earlier this year when he received a delegation of Northern Ireland party leaders following a debate on Kincora which had been held in the Northern Ireland Assembly. Two factors have prevented a Ministerial decision on an inquiry. First, the possibility that following further RUC investigations there would be prosecutions: the DPP(NI) has recently announced he does not intend to institute further prosecutions. Second, Sir George Terry has been examining the RUC's handling of its investigations: he has belatedly delivered his report to the Chief Constable although we have not seen it. Thus one of the obstacles to progress has been removed and the other is about to be removed. I would naturally be happy to expand on any of this when we meet.

Against this background there will, as a minimum, need to be Ministerial exchanges about how to take things forward, bearing in mind the commitment given last year. With that in mind a number of us have undertaken some preliminary ground-work which will serve us if there is to be an inquiry, and which can inform the Ministerial exchanges in the first instance. I should make clear that at official level in the NIO we are very mindful of the problems which

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an extensive inquiry would create. But our conclusion is that, unless Ministers felt able to extricate themselves from the earlier commitment, they are likely to have no choice but an inquiry under the 1921 Act; nothing else provides the powers necessary to make the exercise effective. It will be very helpful to us to have your views on a number of the questions we have identified, and it seems to us that the moment has come when you should be put fully in the picture with our thinking.

In our meeting we might consider the way in which sensitive evidence might be given, and the restrictions which might properly be placed on the extent to which it was available to other parties. As far as the evidence of those previously engaged on secret work is concerned, there is the problem that they may make remarks bearing directly on allegations raised by or against other people. And they may wish to set their evidence in the wider scene of their experience of secret operations in Northern Ireland.

These possibilities raise such questions as the extent to which the legal representatives of other parties may be privy to this evidence, bearing in mind that it may be difficult to claim in advance that the session should be in camera. The response to any evidence of this kind, as to other allegations against those engaged in secret work, may be very sensitive. Thought will need to be given to the prior briefing of the Tribunal (and perhaps its counsel). More generally there is the question of your interest in its selection in the first place. I have no doubt that within this kind of area we will find a number of other specific matters we need to resolve.

I am sending copies of this letter to Wally Hammond (HO), Joe Pilling (HO) and [REDACTED] MI5 OFFICER 5.

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S W BOYS SMITH

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I attended a meeting at 1030 on Tuesday 21 June at the Home Office under the Chairmanship of Mr Hammond who acts as Legal Adviser to the Northern Ireland Office to discuss matters arising from the Secretary of State's undertaking to appoint a Tribunal to look into various matters arising from the Kincora scandal and the subsequent enquiries. Mr Stephen Boys Smith and Mr Mike Hopkins were present from the NIO, as was D - MIS OFFICER A/DCI.

2. Boys Smith explained that the Secretary of State did not feel that he could depart from his undertaking to appoint a Tribunal under the Chairmanship of a judge and that he did not wish to do so as there was considerable political pressure upon him in Northern Ireland. The pressure arose not only from a belief (for which there was some evidence) that the Social Welfare Department had been incompetent and that some senior officers of the RUC had failed to take timely action when rumours reached them that all was not well but also from allegations that prominent citizens and especially Mr Paisley had also failed to take any action when reports were made to them. This had led Mr Paisley in particular to demand an enquiry to clear his name. There were now suggestions that some sort of homosexual mafia existed in Northern Ireland and that members of the Northern Ireland Office had been actively involved. There were also suggestions that the intelligence services had been exploiting these events for their own purposes. All this had contributed to suggestions that some major cover-up was taking place.

3. At Hammond's invitation I made a number of points:-

- a. I confirmed that I understood the apparent political advantages of having a Tribunal look at all these matters. I thought, however, that this might lead to other political problems as great as those which had now arisen.
- b. If the terms of reference were too wide one might well find the Tribunal having to examine the conduct of intelligence operations in Northern Ireland. (The investigations carried out by Supt Caskey of the RUC were an awful warning.) The consequences of this would not be confined to the operations of the intelligence services but might well expose operations whose purpose was to obtain intelligence about the activities of prominent Protestant politicians

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- c. If the terms of reference were made very wide it would be extremely difficult for any Tribunal, even a sympathetic one, to control the conduct of the proceedings. On the assumption that a sensible Chairman was appointed, there was merit in drawing the terms of reference sufficiently tautly to enable him to control the evidence in the interests of national security. It would be very unfortunate if wide terms of reference led to a situation in which Crown privilege had to be claimed as this would inevitably be seen as a cover-up.
- d. I said that I recognised that individuals such as Colin WALLACE <sup>E-FILE REFERENCE</sup> or HOLROYD <sup>E-FILE REFERENCE</sup> might wish to give evidence and that intelligence activities would be to some limited extent exposed. I thought there were therefore strong arguments for the appointment of an English judge assisted by two other members who were not resident in Northern Ireland. If this did not happen, a Tribunal might be required to consider information which by its classification they were not entitled to have. (Boys Smith said that there were some attractions in appointing a Northern Ireland judge but he thought this might be avoided on the ground that his impartiality would certainly be called into question by many members of the community.)
- e. I said I hoped it would not automatically be decided that the members of the Tribunal should be given access to the whole of the police report to the DPP or the Terry report to the Chief Constable. I said that on the assumption that the Treasury Solicitors in conjunction with counsel to the Tribunal would select evidence for presentation by the Crown, it might be possible to confine access to the reports to them so that they could decide what was relevant.
- f. I suggested that the terms of reference and the composition of the Tribunal should not be settled until the police report to the DPP and the Terry report to the Chief Constable had been examined as these were likely to be the major initial sources of evidence. They were therefore likely to provide the best clue as to the problems which could occur.
4. I also suggested that no final decision should be taken until the various matters of concern in Northern Ireland had been identified so that unsupported rumour could be distinguished from those matters for which there was evidence justifying the public concern. Any precedent for establishing a Tribunal on the basis of unsupported rumour would be very awkward - particularly in the intelligence field.

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5. Finally I said that, in assessing the duty of public servants, a distinction should be drawn between members of the Social Welfare Department or the RUC, who might well have had a duty to act on rumour, and other public servants, including intelligence officers, who had no greater duty in relation to these matters than any other private citizen. Great disadvantages would flow if intelligence officers were held to have a duty to act in relation to crimes or alleged crimes which did not fall within their areas of responsibility.

6. At the end of the meeting Hammond and Boys Smith both said they had found it of great value. Boys Smith said that he was certain that nothing further should be done until the two reports had been seen. I said that I hoped that the Law Officers' Department would now arrange to call for the police report to the DPP.

E - SIGNATURE

Bernard Sheldon

LA  
24 June 1983

LA

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WEAT/HANDLING INSTRUCTIONS

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COVER PAGE PLUS 7 PAGES

FILE No. 59/7

DATE 21/7/83

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STATION (SECTION)

ADDRESSEE:

LA (NAME)

(TITLE)

E - SECTION REFERENCE (SECTION)

ASK BY INSTRUCTIONS:

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REMARKS:

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CC

- PS/PUS (L)
- Mr Bourn
- Mr Brennan
- Mr Dugdale, DHSS
- Mr Angel
- Mr Suxton
- Mr Merifield

MI5 OFFICER 5

E - ADMIN ANNOTATION

RO. HILL

- Mr Boys-Smith
- Mr Hopkins
- Mr Hammond

E - ADMIN ANNOTATION

SECRETARY OF STATE (L&B)

KINCOBA

I undertook in my minute of 1 July to let you have a further submission about an enquiry. There is no reason to think that the supporting reports by Sir G Terry's two superintendents will contain anything which we need to see before taking further the possible form of an enquiry.

2. The Terry Report concludes that "There is absolutely no evidence that residents of any children's home were involved in anything remotely resembling homosexual 'rings' as asserted by the media or the latter's contentions that this so-called ring involved police officers, civil servants, military personnel, Justices of the Peace or legal people"; and that "There was no cover-up or concealment of evidence or disciplinary breaches by the RUC personnel". It remains to be seen whether, when the conclusions of Sir G Terry are published, rumours will persist of a cover-up by the RUC, NIO, the Security Service, military intelligence and others in the public service as well as by Unionist politicians, prominent Orangemen and church leaders. The gossip may well continue to include stories that some of these people were also participating homosexuals.

3. We have a number of options for an inquiry. A tribunal under the 1921 Tribunals of Inquiry Act could have terms of reference which would take in all aspects of the affair

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and have powers to subpoena witnesses and call for papers anywhere in the UK. A non-statutory inquiry would be without such powers and would soon run into difficulty. One established under the Health and Social Services (NI) Order 1972 could not look into matters unrelated to the management of the homes and would not have powers outside the Province. It is a 1921 Act inquiry that party leaders in Northern Ireland have been pressing for and which you indicated in March that you would be consulting your colleagues about. Although one cannot be sure what would come out of it, it is possible that the formal proceedings of a 1921 Act inquiry, operating under High Court rules, would produce few witnesses with anything significant to say on oath. The exercise would therefore be a reasonably short and cathartic one. But it could turn into a knockabout show with wild and baseless allegations thrown around.

4. A 1921 Act inquiry would also create other problems, some of which are likely to be longer-term than any immediate advantage we might gain by showing the Assembly and the general public that we have nothing to hide. These problems can be summarised as follows:

- (i) 1921 Act inquiries are established on the basis of principles recommended by the Salmon Commission in 1966 and accepted by successive Administrations: "The Act should not be invoked for matters of local or minor importance, but confined to circumstances which occasion a nationwide crisis of confidence". Salmon also concluded that "It is not part of the duty of government to satisfy idle curiosity about scandalous gossip. It does not seem appropriate for a tribunal of any kind to inquire into such rumours. Gossip about such matters as these is hardly likely to cause a nationwide crisis of confidence and is best ignored."



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It is an entirely different matter when it is alleged that a Minister has put himself in a situation which creates a real security risk, or that colleagues have allowed a Minister to make a personal statement which they ought to have known was untrue". (Salmon had the Profumo affair in mind in expressing the latter view). There seems little doubt that we should have to ask a Kincora tribunal to look inter alia into rumours and innuendo, and your Ministerial colleagues may therefore question the propriety of doing so with some vigour. You would also almost certainly meet criticism in the House.

(ii) The case for exceptionally instituting a 1921 Act inquiry in this situation could only be based on the extent of the public concern in Northern Ireland which has been incited by lurid press stories and which has been expressed in the Assembly debate. But nobody - journalists, politicians or anyone else - has come forward with any prima facie evidence to support the allegations that homosexual offenders (in either the public or the private sector) have not been prosecuted, or that people in positions of responsibility deliberately took no action over these offences to shield associates or to blackmail offenders for information. If such evidence exists it should have been given to the police or at least to someone in authority. It seems that neither the RUC, acting on the DPP's directions, nor Sir George Terry, has been able to identify any witness who has evidence to support further action. It is highly improbable that there are unidentified witnesses who have been awaiting the limited form of protection from civil actions afforded by 1921 Act proceedings. Consequently, as you know, Sir John Hermon and Sir George Terry are strongly against a public inquiry



- 4 -

which would simply re-examine the rumours. The establishment of a judicial inquiry could also be seen as an expression of dissatisfaction with the RUC and Terry investigations.

(iii) Against this background, Ministers will question whether Parliament should be asked to sanction the establishment of an inquisitorial inquiry which could conceivably run for a year or more and cost upwards of £2M. The inquiry would no doubt prove a bonanza for the media and the legal profession but could be counter-productive in other respects. It would provide local politicians with another forum in which to attack their rivals. And it is doubtful that the eventual conclusions would convince the gossip-mongers that no-one had behaved improperly since the tribunal would be no more able to prove the innocence of those named than the witnesses would be able to prove guilt. (Two of the former NIO officials who have been ~~named~~ in scurrilous press stories are dead now anyway). We think it likely that the Home Secretary would be advised to oppose the proposition for all these reasons.

(iv) Although it is unlikely that witnesses with relevant evidence will suddenly appear, we do know of people ready to come forward with what they consider to be pertinent stories, and if the tribunal called them, they would have an opportunity to disclose information about the work of the security forces and in particular about the intelligence services. We know of at least two former public servants - one serving a prison sentence for a manslaughter charge and the other a born-again Christian who served in military intelligence - whose evidence could reveal (unless special arrangements were made) the structure and activities of the intelligence services without disclosing anything

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improper about the conduct of members. This evidence could reveal, for example, the extent to which Northern Ireland politicians were kept under surveillance.

Leaving aside the implications for us, the Security Service are likely to appeal to the Home Secretary to oppose a 1921 Act inquiry which could jeopardise their activities unnecessarily.

5. If, therefore, one accepted that any advantage from instituting a 1921 Act inquiry could be short-lived and might be outweighed by other costs (even if you could get Ministerial and Parliamentary approval), what other option is there? Your statement of February 1982 said that the convictions of 5 persons for sexual offences against those in their care "have aroused widespread disquiet in Northern Ireland and have been accompanied by allegations or suggestions that there has been a cover-up to protect other guilty people from being prosecuted. It is being urged that a public judicial inquiry should investigate these and similar rumours". You went on to explain that further investigations by the RUC would have to be completed before an inquiry could be instituted, but that you intended to appoint a Committee to sit in public under a High Court judge because the need remained "to investigate the failure to identify earlier malpractices in some (homes and hostels), and to examine and assess present policies, procedures and practices for their administration". You left open the terms of reference and powers, saying that in considering whether there was a need for a 1921 Act tribunal, you would take into account both the widespread concern about this affair, and also the views of the House of Commons and the recommendations of the Salmon Commission. In March this year you told the NI party leaders that the strong views of the Assembly about the need for a 1921 Act inquiry would be conveyed to your colleagues in Government so that a decision could be taken once the DPP's considerations and Sir George Terry's



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Report were complete. One possible way forward after the Terry conclusions are published would be to concentrate on the child-care aspects alone, on the grounds that the Terry report had rebutted the wilder allegations.

6. The House could be told that there have been thorough police investigations under the DFP and an extensive inquiry by a distinguished Chief Constable from England, and that there are no grounds for instituting an inquisitorial inquiry into rumours that have not been substantiated in any way. However the need to identify fully what went wrong in the child-care system remains, and a committee of inquiry would be established under the 1972 Order to ensure that the recommendations of the DHSS(GB) Team in 1982 went far enough to ensure that all deficiencies had been corrected. This would sit under a Northern Ireland High Court Judge and have powers of subpoena in Northern Ireland.

7. Our line with Dr Paisley, and indeed anyone else who protested that they have been slandered or libelled and could not now clear themselves before a "full public judicial inquiry", would be that it is open to them to take legal action and that such inquiries could not and should not be used as a means of rebutting slurs against private individuals. Many would protest that a limited form of inquiry would confirm that there had been a cover-up to protect public servants but our grounds for resisting this pressure would centre on the indisputable absence of evidence and the Salmon Commission's views on the use of High Court proceedings under the 1921 Act to examine gossip. In any event there have of course been many wild allegations about the activities of Ministers and officials in Northern Ireland since 1972 - including that of collusion with Dublin over a sell-out - and we have ridden those storms.

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8. I am conscious that this kind of approach relies heavily on Terry, and that there are risks in placing too much weight on a document which we all feel is disappointing. It will be some time in any case before we know how Terry will finally emerge, and what view will be taken about its publication. But I am anxious that we should at this stage give thought to the wider and longer term implications of a 1921 Act inquiry, and should look at other courses of action. We cannot reach any conclusions at this stage, but I would welcome a word if you think that would be useful before the holidays.

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P J WOODFIELD

20 July 1983

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B Sheldon Esq CB  
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of

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27 JUL 1983

cc PS/SofS (L&B)  
Mr Bourn  
Mr Brennar  
Mr Dugdale  
Mr Angel  
Mr Buxton  
Mr Merifie  
MI5 OFFICER 5  
Mr Boys Sn  
Mr Hopkins  
Mr Hammond

KINCORA

Sir Philip Woodfield discussed with the Secretary of State on progress on the Kincora affair. The Secretary of State had been informed by Sir Philip Woodfield's note of 20 July about the possibility of an enquiry.

Sir Philip Woodfield said that he understood that Sir George Terry's report was with the Chief Constable of the RUC. It was likely that he would send all the papers to the Director of Public Prosecutions (NI), who could be expected to show them to the Attorney General. There was no likelihood of any further prosecutions resulting, but it was possible that the DPP would advise that the report could not be published in its present form. It contained a number of statements which were not substantiated. It was possible that, in the light of this advice, Sir George might agree to amend his report to make it more acceptable for publication. It was unlikely, however, that this stage would be reached until the Autumn. It was then for consideration how the Government would respond. His note had set out the difficulties of instituting an inquiry under the 1921 Act. An alternative would be a committee of inquiry under the Health and Social Services (NI) Order 1972. This would not have powers over Northern Ireland, and would not be able to consider the scurrilous allegations and rumours which the affair had generated. But if the Government's reference might be relatively wide. It would be necessary for the Government to announce its position on an inquiry shortly after the Terry report was published, probably by way of a statement to the House.

/...

The Secretary of State said that he hoped it would be possible to resist establishing an inquiry under the 1921 Act. He was attracted to the alternative suggestion of an inquiry under the 1972 Order with a Northern Ireland High Court Judge. He would be grateful in due course to see the proposed terms of reference. Much would depend, however, on public reaction to publication of the Terry report. He recognised the need to make an early statement of the Government's views. There could be advantage in announcing these at the same time as the report was published. On the other hand, there might be some benefit in seeing how the report was received and gauging what form of inquiry might be acceptable. He would not want the Government to make a premature announcement which it might later have to rescind in the face of public pressure. There might be advantage in him speaking privately to Mr Molyneaux before forming a final view.

The Secretary of State would be grateful to continue to be kept in touch with progress.

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J M LYON  
Private Secretary  
26 July 1983

KIN-105528

25 OCT 1983

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cc PS/SofS (L&B) - M  
PS/Mr Patten (L&B) - M  
Mr Brennan  
Mr Bourn - M  
Mr Dugdale - M  
Mr Angel  
Mr Buxton - M  
Mr Merifield  
MI5 OFFICER 5  
Mr Boys Smith  
Mr Templeton - M  
Mr Hammond  
Mr Bickham  
Mr Buchanan - M

KINCORA

The Secretary of State has seen Sir Philip Woodfield's note of 21 October about the handling of the Kincora affair following the DPP's decision and the completion of Sir George Terry's report to the Chief Constable.

The Secretary of State agrees the course of action which Sir Philip proposes. He is content that the RUC should publish Sir George Terry's conclusions, recommendations and final statement round about 28 October. He is content also with the holding statement which Sir Philip proposes the NIO should issue at the same time.

The Secretary of State is content that we should continue to pursue the option of a further enquiry under the 1972 DHSS Order, and agrees that officials should consult informally with the Lord Chief Justice and take soundings of the Lord Chancellor's Department about the appointment of a suitable Northern Ireland Judge as Chairman. He is concerned, however, about what indemnity might attach to those giving evidence to an enquiry under the 1972 Order. On the one hand, if indemnity applies,

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those giving evidence might seek to blacken other people's character in public, even when this falls outside the terms of reference. On the other, if no indemnity applies, the Secretary of State considers there is a risk that people may refuse to give evidence to the enquiry.

The Secretary of State would be grateful for advice on how this problem might be got over.

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J M LYON

Private Secretary

24 October 1983

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B Sheldon Esq CB  
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PA:

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PS/SofS (L&amp;B)

cc: PS/Mr Butler (L&B)  
 PS/Mr Scott (L&B)  
 PS/Mr Patten (L&B)  
 PS/Sir P Woodfield (L&B)  
 PS/Sir E Bell  
 Mr Bourn  
 Mr Dugdale  
 Mr Buxton  
 Mr Angel  
 Mr Merifield  
 Mr Gilliland  
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 Mr Hammond  
 Mr Buchanan  
 Mr Reeve  
 Mr Wood  
 Mr Boys Smith  
 Mr Coulson  
 Mr Bickham

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18 NOV 1983

KINCORA

1. In your note of 9 November you reported the Secretary of State's views on a Kincora inquiry and posed a number of questions. On 10 November Cabinet endorsed the Secretary of State's recommendations that there should not be an inquiry under the 1921 Act. The Secretary of State will now wish to know where we stand over an inquiry under the 1972 Order, and to consider the terms of his parliamentary announcement.

Terms of reference

... 2. I attach proposed terms of reference at Annex A. They have been slightly adjusted since Sir Phillip Woodfield's note of 21 October but not materially.

The 1972 Order procedure

3. The 1972 Order relates expressly to the social services. The inquiry, and the powers exercisable by it, must have a direct bearing on the past or future operation of the homes and on the activities those responsible for them at various levels. It cannot therefore be the basis of an inquiry into the Kincora affair at large, in effect a 1921 Act inquiry under another guise. This will no doubt be

**E.R.**

disappointing to some, who would like an open ended examination of everything that has or might have happened in the community as a whole, either to identify the culprits or to exonerate those against whom allegations have been made.

4. The political necessities however mean that the inquiry must be thorough; must have powers to call for evidence; and must be capable of encompassing the range of factors which could have borne on the situation in the homes. We believe the terms of reference do this. They are within the boundaries set by the Order, but allow the inquiry to consider what was known to the social service authorities and so what might have been done to prevent the incidents. Allegations of malpractices unconnected in any way with the homes would be outside the terms. How far the inquiry will wish to go down the road of considering what the authorities might have known had others revealed information in their possession must depend to some extent on them. The crucial bit of the terms of reference is in (a), and in particular in the second leg which deals with what those responsible might have done to have prevented the malpractices.

Parliamentary statement

5. The draft Parliamentary statement at Annex B seeks to make the most of the investigations to date, especially as they relate on the possibility of criminal proceedings, and emphasises the need to look ahead and safeguard the position for the future notwithstanding the work of the team of experts which is already being put into effect. Although false expectations must not be aroused about the inquiry, the statement does not seek to suggest that Terry enables us to dispose finally of everything he mentioned in his report. This would be unrealistic. It is significant that in the Assembly debate people were still calling for a judicial inquiry as if it was implicit that Terry had been intended to dispose finally of the

E.R.

matter - a result we had not sought or expected. The statement's real audience will be in Northern Ireland, not the House of Commons.

Chairman

6. The Lord Chief Justice remains unwilling to offer a serving member of the Northern Ireland Bench as chairman for the sort of inquiry we have in mind. We are now told that the Lord Chancellor's suggestion to the Secretary of State on 10 November was made in the belief that Judge Higgins had retired, which he has not. The Lord Chancellor will not apparently willingly agree to the use of a serving judge. We believe it is preferable to have a High Court Judge, partly because in his statement last year the Secretary of State referred to such a person being Chairman, and partly because he would confer stature on the exercise, though we see no reason why a serving judge should be preferable to a retired one, as long as he is active. We see no special advantage in the judge coming from Northern Ireland, indeed there is some advantage in being able to point to the choice of an "outsider". The Lord Chancellor's Department has suggested Sir Hilary Talbot who recently retired from the Queen's Bench, and have offered us several alternative names from the Circuit Bench in England and Wales as well as suggesting Judge Brown, the former Recorder of Belfast. A snag about Sir Hilary Talbot is that the Lord Chancellor's Department have also suggested him to the Home Office for their proposed prisons discipline inquiry but I understand that he is not the front runner. If the Secretary of State is content we will see if we can establish first claim on him.

Members

7. The final choice of the membership must be influenced by who is appointed as Chairman, and it is right that his views should be taken into account. We are still aiming however to have a senior

senior professional from the GB social services with management experience, and a prominent member of the Northern Ireland community. We will consult the Secretary of State as soon as we know the wishes of the Chairman, but propose that the initial announcement contains only the name of the Chairman, provided that he can be identified with reasonable despatch.

Powers of the inquiry, and other forms of inquiry

8. In your note of 9 November you asked about the powers and conduct of an inquiry under the 1972 Order, alternative forms of inquiry; and the Denning inquiry into the Profumo affair. In subsequent conversation with Mr Boys Smith you asked about Parliamentary and other views on the 1921 Act procedure. These points are dealt with in Annex C.

Further action

9. In the light of Cabinet's decision on 10 November and of the fact that the 1972 Order procedure falls within his responsibility, there is no need for the Secretary of State to seek further policy clearance from his colleagues. It will however be necessary in the usual way to clear the timing and content of the Parliamentary statement with No 10, the Leader and the Chief Whip. Mr Boys Smith will submit to you separately about this. (We are checking whether any clearance is necessary of the proposed Chairman.)

Conclusion

10. I should be glad to know if the Secretary of State is content with:

- (i) the terms of reference at Annex A;
- (ii) the draft Parliamentary statement at Annex B, and with the proposal it should be made next week if we are then in a position to announce a Chairman.
- (iii) the action we propose to take over the Chairman and members.

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Annex A

"Following:

- (i) the investigations of the Royal Ulster Constabulary into possible homosexual offences related to children's homes and young persons' hostels in Northern Ireland;
- (ii) the investigation by the former Chief Constable of Sussex, Sir George Terry CBE QPM DL, and the publication and his conclusions and recommendations; and
- (iii) the report of the team of child-care experts made available by the Secretary of State for Social Services to consider the ways in which the Department of Health and Social Services (NI) carries out its role in relation to the supervision and management of homes and hostels for children and young persons,

the Department of Health and Social Services for Northern Ireland, in pursuance of the powers conferred on it by Article 54<sup>of</sup> and Schedule 8 to the Health and Personal Social Services (NI) Order 1972, hereby appoints the following persons [names of chairman and members] to:

- (a) inquire into the administration of children's homes and young persons' hostels whose residents were subjected to homosexual offences which led to convictions by the Courts or where homosexual misconduct led to disciplinary action against members of the staff, and into the extent to which those responsible for the provision of residential care for children and young persons could have prevented the commission of such acts or detected their occurrence at an earlier stage;
- (b) consider the implications for present procedures and practices within the system of residential care, including in particular the adequacy and effectiveness of arrangements for the supervision and protection of children and young persons in residential care; and

E.R.

(c) make recommendations with a view to promoting the welfare of such children and young persons and preventing any future malpractice;

and to report thereon to the Department of Health and Social Services for Northern Ireland.

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ANNEX B

DRAFT STATEMENTKINCORA

1. With permission, Mr Speaker, I should like to make a statement about further action I propose to take over the Kincora affair, about which I previously reported to the House on 18 February 1982.
2. In 1981 5 people who had held positions of responsibility in homes and hostels for children and young people in Northern Ireland were convicted of sexual offences against those in their care. Following these convictions the police continued their investigations into a number of outstanding matters. And the Chief Constable of the Royal Ulster Constabulary asked HM Chief Inspector of Constabulary to appoint a Chief Constable of another force to investigate allegations about the way in which the police had conducted their enquiries and to have a general oversight of the continuing investigations. Sir George Terry, then Chief Constable of Sussex, undertook this task.
3. The RUC have completed their investigations. Sir George Terry's inquiry has also been completed. He has concluded that the RUC were justified in not mounting a full investigation before they did, in 1980; that there had been no concealment of evidence of a homosexual ring involving residents of the homes or others or of homosexual practices or attempts to conceal information by officials or police officers; but there were certain shortcomings as regards the administration of the welfare services. Following both inquiries the Director of Public Prosecutions received and considered all the papers. He decided not to initiate further prosecutions connected with the affair.
4. The convictions in 1981 and the events surrounding them have been the subject in Northern Ireland of allegations of misconduct and of widespread disquiet. While police enquiries were continuing,

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no other inquiry could be pursued without the risk that it would have rendered further prosecutions impossible. Sir George Terry's inquiry has been thorough, and his conclusions, as they bear on some of the wider allegations, are clear.

5. I did not wait for the completion of Sir George Terry's inquiry before taking steps to improve the administration of children's homes and hostels in Northern Ireland. My rt hon Friend the Secretary of State for Social Services arranged for a team of officers from the Department of Health and Social Security to visit Northern Ireland and to provide expert advice. The team made a series of recommendations aimed at raising of standards of residential child care in the Province and action to implement them has already been put in hand.

6. The extensive investigations which have been conducted have produced no evidence that would justify my asking the House to approve an inquiry under the Tribunals of Inquiry (Evidence) Act 1921. Nevertheless the House will wish to be satisfied that every possible step has been taken to ensure that there is no repetition of these unhappy events. I propose accordingly to establish a public inquiry under the powers contained in Article 54 of the Health and Personal Social Services (NorthernIreland) Order 1972. The Chairman of the inquiry will be .... [the other members will be appointed as soon as possible] [and the other members will be ....].

7. I will circulate the full terms of reference in the official Report. They will enable the inquiry to examine the administration of children's homes and young persons' hostels whose residents were subjected to homosexual offences which led to convictions or where homosexual misconduct led to disciplinary action against members of staff, and the extent to which those responsible for residential care could have prevented the commission of such acts or detected their occurrence; to consider the implications for present procedures and practices within the system of residential care; and to make recommendations with a view to promoting the welfare of such children and young persons and preventing any future malpractices.

8. The inquiry which I propose to appoint will be able to consider what more should be done. It will be for the inquiry to determine its mode of operation and from whom it will seek evidence. It will be able to sit in public if it wishes. Those who give evidence in good faith will as a matter of law have protection from proceedings for defamation. I believe that the enquiries by the RUC and Sir George Terry, taken with the decision of the Director of Public Prosecutions, mean it is exceedingly unlikely that fresh evidence justifying prosecution will emerge. But, in the event that it might, or that people fear they could incriminate themselves, my rt hon Friend the Attorney General has undertaken to give immunity from prosecutions for evidence which would incriminate a witness in respect of offences involving homosexual relations between males and related offences such as counselling, procuring or soliciting. The inquiry will have power to subpoena evidence in Northern Ireland and its report will be published.

9. The terms of reference will allow the inquiry to look into the situation in the homes and hostels and into the availability or otherwise of information which might have allowed preventive action to have been taken. I believe that an inquiry of this kind will enable such lessons as there are to be learnt and acted upon and that it will provide the best basis on which there can be confidence in the future in the provision made in homes and hostels for children and young persons.

POWERS AND CONDUCT OF THE INQUIRY

1. The inquiry's powers are conferred on it by the 1972 Order. They are confined to Northern Ireland. It can require anybody to attend to give evidence at the time and place it specifies; to produce any papers he has bearing on the inquiry; and with reasonable notice to supply any information the inquiry thinks is needed and he is able to provide. Witnesses can be required to give evidence on oath. The same grounds for refusal to produce evidence for reasons of privilege will apply as they would if it was a court.
2. People who fail to comply with a request from the inquiry may commit an offence for which they can be fined up to £20 or sent to prison for up to 3 months. The offence of perjury applies to evidence under oath as it would in a court of law.
3. It is for the Chairman and members of the inquiry to determine how they will conduct themselves. But, though the presumption must be that they will operate in public, there is nothing to stop them holding sessions in camera if they wish

OTHER FORMS OF INQUIRY

4. There is no other form of inquiry which would meet the case. The only UK wide general provision is that in the Tribunal of Inquiry (Evidence) Act 1921, which Cabinet has now agreed is not appropriate. There is no comparable provision in Northern

E.R.

Ireland allowing an inquiry with powers into any area of business. Within the social services sphere the only powers are those in the 1972 Order under which it is proposed the inquiry should be set up.

5. The alternative approach is a non-statutory inquiry. Precedents in Northern Ireland are the Compton inquiry into alleged brutality when internment was introduced in 1971, and the Bennett inquiry into police interrogation procedures in 1979. A non-statutory inquiry would be easier to set up, but it would have no powers to take evidence on oath or to require the production of evidence or documents. Bennett and Compton found this a handicap, but were for the most part dealing with people who wanted to give evidence or were told they had to. The absence of powers would in our view mean the inquiry/would neither command confidence nor be effective. Though this option was considered when preparing advice for the Secretary of State it was ruled out at an early stage.

#### DENNING INQUIRY (1963)

6. The Denning inquiry into the Profumo affair was non-statutory. Lord Denning was appointed by the Prime Minister to conduct his inquiry on his own, and he held his hearings in private. He recorded in his report that he had not been hampered by lack of powers, but said this was because those from whom he had wanted evidence had willingly come forward. He pointed out that he was able to draw inference only when the facts were beyond dispute,

E.R.

but not if there was doubt. The Salmon Commission on Tribunals of Inquiry (1966) noted that Lord Denning's report was widely accepted by the public, but thought this was an exception to the general rule when inquiries were conducted under these conditions, which they put down to Lord Denning's reputation and personal qualities.

7. The Denning precedent does not usefully help over Kincora. Even supposing somebody of sufficient quality could be found to undertake it, the absence of powers would for the reasons mentioned above be a fundamental handicap in the particular circumstances of Kincora. And his method of working (whereby he was detective, judge and jury, and all evidence was given in private so that nobody heard what was being said about them) would undermine confidence in the outcome. It would also be an unusual and inappropriate way of handling the purely social work aspects.

#### VIEWS EXPRESSED ABOUT INQUIRIES UNDER THE 1921 ACT

The establishment of a 1921 Act inquiry requires the approval of both Houses of Parliament. An initial statement is usually made by the Prime Minister; he or the responsible Minister will then lead in the subsequent debate. On recent occasions there has not been significant opposition in the House, though apprehension has sometimes been expressed about the consequences of an open ended and predominantly public inquiry of this kind. There has however been widespread acceptance of the need for such inquiries to be used sparingly, and since the Salmon Commission in 1965 for them to follow its guidelines and those set out in the eventual

E.R.

Government response in 1973. The White Paper in 1973 said -

"The Government accepts the recommendation of the Royal Commission that the use of Tribunals of Inquiry should be limited to matters of vital public importance concerning which there is something of a nationwide crisis of confidence which renders any other method of investigation inadequate".

The Government accepted inter alia the recommendations that the Tribunal should be served by its own counsel; that there should be careful safeguards over the examination of witnesses, who should be entitled to legal representations at public expense and whose evidence should be capable of being tested in cross examination by the legal representatives of other witnesses; that there should be full civil and criminal immunity; and that the Tribunal should continue to have the full powers of contempt available to the High Court.

E - ADMIN ANNOTATION

E - FILE REFERENCE

## NOTE FOR FILE

I discussed the article from the Sunday Journal of 14 March 1982 attached to [REDACTED] with DG on 21 April. He ruled that:

- a. there was no need to send out a further letter to Robert Armstrong, etc about references to [REDACTED] in the article which in fact only added the information, undoubtedly incorrect, that [REDACTED] was said to have conducted an investigation into the Kincora affair and to have subsequently done nothing about it.
- b. there was no need to take any action at at this stage in relation to the possibility that the senior official [REDACTED]

F - RELEVANCE  
GROUNDS

[REDACTED] might be Sir Howard Smith.

E - SIGNATURE

D - MI5 OFFICER

E - STAFF DESIGNATION

21 April 1982

E - ADMIN ANNOTATION

E - CLASSIFICATION

E - CLASSIFICATION

E - ADMIN ANNOTATION

E - FILE REFERENCE

E - ADMIN ANNOTATION

E - FILE REFERENCE

Note for file

In a discussion about other matters on 22 February, [B - PROTECTION OF IDENTITY] told me that Stephen DE MOWBRAY had recently told [B - PROTECTION OF IDENTITY] that he was aware of the fact that [B - CODEWORD] was alleged to have been a homosexual. DE MOWBRAY said that he had been told by [B - PROTECTION OF IDENTITY] that the reason for [B - CODEWORD] withdrawal from Northern Ireland had been that there was evidence of his having had homosexual relations there with a number of little boys. There had apparently been no reference by [B - PROTECTION OF IDENTITY] to any activities of [B - CODEWORD] before Northern Ireland or of the investigation of him.

2. [B - PROTECTION OF IDENTITY] said that he proposed to see [B - PROTECTION OF IDENTITY] not to tackle him about this matter but to see whether he volunteered anything about [B - CODEWORD]. If what [B - PROTECTION OF IDENTITY] said was confined to Northern Ireland, [B - PROTECTION OF IDENTITY] would explain to [B - CODEWORD] that there was no way in which [B - CODEWORD] could have indulged in homosexual practices with little boys whilst at Stormont and might add that [B - CODEWORD] had never been over to Northern Ireland whilst he was 'C'. He would report to us what was said.

E - SIGNATURE

23 February 1983

E - CLASSIFICATION

E - CLASSIFICATION

E - ADMIN ANNOTATION

Part I

Section and Officer of origin [redacted] E - STAFF DESIGNATION Report No. [redacted] E - DOCUMENT REFERENCE

Action copy to [redacted] Irish Desk Information copy to [redacted] Typing Date 16.7.71

REPORT

Tara Brigade

Please refer to source report number [redacted] E - DOCUMENT REFERENCE dated [redacted] E - ADMIN ANNOTATION 16.6.71.

2. The intelligence officer who figured in the above source report on the Tara Brigade is probably Clifford SMYTH, the 27 year old Secretary of the Young Unionist Council. He was adopted on 23rd March 1971 as the official Unionist candidate for the Londonderry seat in Stormont. This seat was previously held by Commander Albert ANDERSON. Source says that Clifford SMYTH is a Protestant Unionist who lives in Belfast and is very friendly with William CRAIG.

3. There is also [redacted] B - PROTECTION OF IDENTITY SMYTH [redacted] B - PROTECTION OF IDENTITY [redacted] B - PROTECTION OF IDENTITY their names are spelt the same way.

**WARNING**  
REFER TO APPROPRIATE OFFICER BEFORE USING

Part II

COMMENTS BY SECTION OF ORIGIN

Source is reliable and will probably produce Clifford SMYTH's address in Belfast in due course.

Part III

COMMENTS BY CONSUMER SECTION

(Value, interest, probability, extent to which confirmed by other sources, etc.)

E - STAFF DESIGNATION [redacted]

Thank you. P.A.'d on [redacted] E - FILE REFERENCE and passed by [redacted] E - SECTION REFERENCE to D. of I. for information only on 21.7.71.

E - SECTION REFERENCE /21st July, 1971.

E - ADMIN ANNOTATION [redacted]

D - MIS OFFICER [redacted]

E - CLASSIFICATION [redacted]

E - ADMIN ANNOTATION [redacted]