

DELICATE SOURCE SECRETVIII THE TERRY INVESTIGATIONS ON KINCORANarrativeThe Kincora Affair<sup>233</sup>

165(U). On 24 January 1980 the Irish Independent published a story alleging that there had been an official cover-up over the recruiting of boys at a Belfast children's home for homosexual prostitution. This article led to a RUC investigation which culminated in the conviction for homosexual offences of all three members of the caring staff at the Kincora Boys' Hostel in December 1981. One of these persons (the housefather) was Mr William McGrath, the Commanding Officer of an organisation by the name of "TARA", which had been of interest both to the Military Intelligence staffs and to the Security Agencies some years earlier before it ceased to be a Protestant paramilitary organisation. During the progress of the RUC's Kincora investigations, allegations were also made about homosexual offences against residents at Williamson House and Nazareth Lodge in Belfast and at Bawnmore Boys Home in Newtownabbey: RUC investigations resulted in the conviction of four other persons in May and December 1981.

166(U). It was established that homosexual offences had been

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233. The account in these paragraphs is based on the Report of the Hughes Committee of Inquiry into Children's Homes and Hostels (HMSO Belfast 1986), Chapters 3 and 4.

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committed against residents at Kincora over a period of twenty years (February 1960- January 1980) by the Warden (Mr Mains), the Assistant Warden (Mr Semple) and the Housefather (Mr McGrath). None of the convictions was for recruiting boys at Kincora for homosexual prostitution. Mr McGrath took up employment at Kincora in August 1971 and the offences with which he was charged spanned the period from March 1973 to January 1980. The length of the period during which these serious offences went undetected naturally gave rise to serious public concern.

The McGonagle Inquiry

167(U). The 1981 convictions cleared the way for an announcement of the further public inquiry which by now was necessary. The McGonagle Inquiry was accordingly announced on 15 January 1982. Mr Prior's statement<sup>234</sup> to Parliament noted with concern allegations, in the press and elsewhere, that there had been a cover up to protect other guilty men from prosecution; that there had been a thorough police investigation, in the course of which some 700 persons had been interviewed; and that there did not seem a case for a public judicial inquiry to traverse the same ground. There was however:-

"an urgent need to draw out and apply the lessons to be drawn from those events in the field of residential child care, and in particular the adequacy of present management policies, procedures, and practices".

The Committee of Inquiry was constituted under Article 54 of the Health and Personal Social Service (NI) Order 1972. It was chaired

234. See Hansard for the full text.

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by Mr Stephen McGonagle, former NI Parliamentary Commissioner for Administration and Commissioner for Complaints. It would conduct its inquiries in private, but its report would be published.

168(U). Unfortunately, the McGonagle Inquiry collapsed<sup>235</sup>, without starting work, on 5 February 1982. The collapse appears to have arisen from a complex of factors. In the first instance, there was advice from the Committee's solicitor and Counsel that the Committee had insufficiently wide terms of reference, and insufficient powers, to conduct an enquiry which would allay public concern. A further written Opinion from senior Crown Counsel (NI) should have substantially laid these concerns to rest (it identified the main objectives of the inquiry, examined the ways in which these might be achieved, and concluded that the terms of reference and powers of the Committee were adequate). But members of the Committee soon produced new concerns. They were worried about the adequacy of their own and witnesses' protection from defamation actions.

169(U). The decisive point was reached during a discussion with police, in the course of which the Committee sought reassurances that, (despite recent allegations in the press) no further major offences arising out of the Kincora and other associated cases remained to be investigated. They were not satisfied with the answers they received, and chose to make this a resignation issue. Three members resigned and the Chairman, in the circumstances, felt

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235. Letter from members of the McGonagle Committee to Permanent Secretary DHSS (NI) dated 12 February 1982 (NIO File SpB 291/360/01A, Enclosure 10).

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unable to continue with the inquiry's work.

170(U). These developments produced a flurry of activity in the NIO. At a meeting<sup>236</sup> chaired by the then PUS on 16 February 1982 Sir John Hermon (the Chief Constable) and other RUC officers gave an account of a newly opened police investigation, based on information provided by journalists at an interview with police on 10 February. The Chief Constable also reported that he had asked Her Majesty's Inspectorate to provide a Chief Officer from another force who could be asked to look at various allegations that the results of earlier police enquiries were suppressed; and that there had been maladministration on the part of the RUC. In addition, it would be desirable for the Chief Officer concerned to take oversight of the current inquiries. Mr Woodfield recorded the Northern Ireland Secretary's view: an "administrative" inquiry could not be restarted whilst police investigations were continuing. The Northern Ireland Secretary would however wish to make an early statement to the House, making it clear that there would be an inquiry after the police investigations and any criminal proceedings were over. The meeting also noted that the Secretary of State would be unlikely to commit himself to a tribunal of inquiry under the Tribunals of Inquiry (Evidence) Act 1921.

Mr Prior's Statement of 18 February 1982

171(U). Mr Prior's statement was duly made on 18 February 1982<sup>237</sup>. Mr

236.NIO file Sp(B)291/360/OIA, Enclosure 15.

237.Hansard, 18 February 1982 Column 410-413 (NIO File Sp(B)291/360/01A, Enclosure 24).

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Prior noted that three of the members of the McGonagle Committee had felt unable to take part until all police enquiries were completed; recorded the Chief Constable's decision to appoint the Chief Constable of another force to investigate allegations about the way in which the police had conducted their enquiries and to have general oversight of the continuing investigations; and undertook to make the conclusions (but not the main body) of the final report public. The statement also contained undertakings to appoint a Committee, with a High Court Judge as Chairman, which would sit in public. Mr Prior went on to add that: "Because of its wide ranging inquisitorial powers this House has traditionally been wary of approving the appointment of a tribunal [under the 1921 Act]".

The Terry Inquiry

172(U). The only record on NIO files relating to the selection of Sir George Terry to conduct this new police inquiry is contained in a letter from the then DUS(B) to the DUS, Home Office:

"I know that from the beginning George Terry was someone he [Sir John Hermon] very much hoped would take the job on".

The Terry Inquiry's terms of reference were set out in the Northern Ireland Secretary's statement of 18 February, and in one of the same day from the Chief Constable of the RUC. As eventually given to Sir George Terry<sup>238</sup> via the Home Office on 4 March 1982, the terms of reference were summarised as:

"to investigate allegations about the way in which the

238.NIO File Sp(B) 291/360/01A, Enclosure 44.

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police have conducted their inquiries and in addition to have general oversight into the continuing investigations".

It was made clear to Sir George at the same time that while the body of his report would not be published, the conclusions would be.

Association of Mr Wallace with the Kincora Affair

173(S). On 4 March 1982 Mr Woodfield wrote<sup>239</sup> to Sir Frank Cooper (whom he had succeeded as NIO PUS), saying that in questions following Mr Prior's statement Mr Gerry Fitt had referred to Mr Wallace, and had suggested that the Army black propaganda in which he had been involved had been directed (in part) at homosexual activity by Loyalists. Although the Cameron report<sup>240</sup> had not referred to Army black propaganda directed against that target, some circles - notably the UDA - believed that it had been. Mr Woodfield enclosed a copy of a document in the UDA's possession, which in some cases indirectly - and in one at least directly - attributed homosexual tendencies to named people in the DUP, though with no mention of Kincora. The document was said to be dated 1976 (ie post-Wallace), although this did not appear on the NIO copy; and it did not read to Mr Woodfield as being of Army origin. The purpose of the letter was to bring to Sir Frank Cooper's attention that there might be an attempt to bring Army black propaganda into the open. It was - and presumably still is - extremely sensitive that the NIO had seen this UDA document.

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239. Letter from Mr Woodfield to Sir Frank Cooper reference PUS/1/2444 dated 11 March 1982 (MOD File D/DS6/7/66/13/1 Part A, Enclosure 1, and MOD File D/Sec(NATO/UK)(C)Box 2 Part B, Enclosure 21).

240. Cameron Report (April 1975) (ANNEX A) (See Note 12).

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The NIO have provided a copy of this document (the original MOD copy of Mr Woodfield's letter having been destroyed). On 15 March Sir Frank Cooper replied<sup>241</sup>, agreeing that it was possible that Mr Wallace might be called as a witness and noting that the RUC had already been to interview him in prison. Mr Wallace later drew attention<sup>242</sup> to an article in the New Statesman on 27 February 1986 which had said:-

"About the same time [as Mr Wallace's trial] a secret memorandum went to Defence Ministry Permanent Under Secretary, Sir Frank Cooper, warning him that Wallace had both the information and the motive to reveal the story behind Kincora".

No document that exactly answers this description has yet been found on MOD files. Mr Woodfield's letter might come fairly close to doing so (although the date seems to be wrong).

First Police Interviews with Mr Wallace

174(U). Mr Wallace has said<sup>243</sup> that in February 1982 the Sussex Police attempted to interview him over the Kincora affair; but that he refused, since one of the interviewing officers had conducted the investigation which had led to his conviction of manslaughter.

175(U). On 25 March 1982 Mr Wallace was visited by Detective

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241. Letter from Sir Frank Cooper to Mr Woodfield reference PUS/82/344/30/2 dated 15 March 1982 (MOD File D/DS6/7/66/13/1 Part A, Enclosure 1/2).

242. Letter from Mr Wallace to Mr Marshall dated 8 May 1976 (Appendix A, question (w)), (MOD File D/GS Sec/66/13/1 Part C, attachment to Enclosure 5).

243. "Who Framed Colin Wallace?", page 207

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Superintendent Caskey and another RUC officer, who (Mr Wallace has said<sup>244</sup>) showed him two documents. One of these, which related to the Loyalist paramilitary group TARA formed by Mr McGrath, had been obtained by the RUC from Mr McKittrick (a journalist). Mr Wallace has subsequently claimed that this document was written by himself at HQNI in 1973, as part of an alleged Army project to expose the situation at Kincora. The text covers much the same ground as the text at ANNEX H, which is reproduced from page 292 of Mr Foot's book and which is headed "some off the cuff information on TARA for the Press". But whereas ANNEX H contained a specific reference to Kincora, the text obtained from Mr McKittrick did not do so. Mr Wallace (C) told the two RUC detectives<sup>245</sup> that it was possible that he had provided Mr McKittrick with the document that they had shown him: but he denied that the paper shown to him amounted to a complete summary of what was known about Kincora at that time, claiming that there was more information known than appeared in the document.

176(U). The second document (Mr Wallace had said) bore the title "The Folio Document" and related to allegations of homosexual activities by members of the DUP: Mr Wallace has alleged, that to the best of his knowledge, it was produced by NIO sources in 1976 and

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244. "The Kincora Inquiry - Summary of events relating to requests for information from John Colin Wallace, former SIO at Army HQ in Northern Ireland and Captain in the UDR, but the RUC", a document included in Mr Wallace's file sent by Captain Holroyd to the Prime Minister on 1 November 1984 and subsequently handed by Captain Holroyd to the Essex Police. Pages 1 and 2 refer. (See paragraphs 260 and 270 of this paper). This document is now filed on MOD File D/Sec(NATO/UK) (C)/Box 2 Part A, attachment to Enclosure 42/2.

245. NIO note of RUC witness statement.

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leaked to the press. It is understood from the NIO that its text was the same as that of the document attached to Mr Woodfield's letter (see paragraph 173). It was rather curiously marked "Classified and Confidential" in the top left corner and reference "Folio 732/9/76 LB" appeared in the top right corner. It contained no reference to Kincora.

Mr Wallace's Request for Immunity from Prosecution

177(U). Mr Wallace does not seem to have identified either of these documents to the RUC officers. He told<sup>246</sup> them that he would require immunity from prosecution under the Official Secrets Acts and legal advice if he was to disclose security classified information. He also asked if they would investigate, or arrange to have investigated, various unexplained matters relating to his own (manslaughter) case.

178(C). On 28 April 1982 Mr Wallace was seen again by two (different) RUC officers<sup>247</sup>. He was again wary of what he was prepared to say. He nevertheless claimed that he had talked to five or six persons in Northern Ireland. One of them was Mr McKittrick, to whom he had spoken on the subject of homosexuality at Kincora. He also stated that he was fairly familiar with Kincora. Asked if anyone else should be convicted of homosexual offences, Mr Wallace replied:-

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246. "The Kincora Inquiry - Summary of Events ..." (See Note 244), page 2.

247. NIO note of RUC witness statement.

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"No, I am not sure".

Asked if his information related to the cover-up aspect, he said:-

"No, I don't think that would be true. I looked at it from a security side and for that reason it obviously leads to various other fields. My evidence would not be aimed at homosexuality, but at the background to it".

He declined to say whether he had ever received a complaint from a Kincora boy, but he acknowledged that he did not interview any of the boys there. Asked whether he was aware of the assaults on the boys, he replied:-

"You can take it from me that I was very upset that nothing was done".

179(U). On 14 June Sir Frank Cooper minuted<sup>248</sup> Mr Stephens (who was then AUS(GS)) saying that Mr Woodfield had raised the question of Mr Wallace's immunity with him. They had agreed that that the RUC should in the first instance seek directions from the Attorney-General. But a letter or a visit from someone in MOD might also be needed: Sir Frank Cooper suggested D Sy Army (by then Major General Garrett (previously Brigadier Garrett, Chief of Staff HQNI)) - although Mr Wallace had asked that the letter should be signed by PUS himself.

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248. Loose minute from PUS to AUS(GS) reference PUS/82/699 dated 14 June 1982 (MOD File D/DS6/7/66/13 Part A, Enclosure 1/5).

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180(U). On 16 July Mr Woodfield's Private Secretary advised<sup>249</sup> Sir Frank Cooper's Private Secretary that the Attorney-General had agreed that a limited immunity should be granted covering information which Mr Wallace provided about homosexual activity in Northern Ireland. On 10 July 1982 the Director of Public Prosecutions for Northern Ireland (Mr Barry Shaw) wrote<sup>250</sup> to the Chief Constable RUC, in a letter headed "Re: The Kincora Enquiry - Military Intelligence and John Colin Wallace". He said that it should be made clear to Mr Wallace that:-

".... it is important that he should make full disclosure of all information which he has concerning the commission of homosexual offences in Northern Ireland at any time, and that in doing so he will not be liable to prosecution for breach of the Official Secrets Acts, irrespective of the source of his information".

181(C). The progress of the Terry Inquiry was not followed in great detail by the NIO; but there are indications throughout the NIO file of officials' concern that (as the then PUS put it on 20 July 1982):

"The whole business is taking much longer than we had hoped"<sup>251</sup>.

249. Letter from PS/PUS(NIO) to PUS/PUS(MOD) reference PUS/3329/B dated 16 July 1982, (MOD File D/DS6/7/66/13 Part A, Enclosure 1/6).

250. Letter from DPP(NI) to Chief Constable RUC dated 10 July 1982 (MOD File D/DS6/7/66/13 Part A (Attachment to Enclosure 1/7)).

251. NIO File Sp(B) 291/360/01A, Enclosure 72.

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It proved necessary therefore to make an interim statement<sup>252</sup> to Parliament on 29 July 1982. Mr Prior said that RUC investigations were "nearly complete" whilst those of Sir George Terry would take "some weeks" to complete.

182(C). Detective Superintendent Caskey (RUC) saw Mr Wallace again on 27 July. Mr Wallace was still dissatisfied<sup>253</sup> with the immunity that he had been given. Mr Wallace assumed that the RUC investigation and the public inquiry to come were to cover all aspects, including allegations of a cover-up; but the immunity given to him appeared to exclude the cover-up aspect. Mr Wallace would need legal aid to carry out research amongst the documents held at Lisburn in 1974 and to prepare a long statement; and there was a problem over documents that he would need being seen by unvetted people. It would take Mr Wallace 3-4 months to prepare his statement; and he would wish aspects of his own case that were linked to the Kincora investigation to be examined at the same time.

183(C). In the absence of these assurances, Mr Wallace declined to answer any questions or to identify a document labelled SRM9(a), which was shown to him. Detective Superintendent Caskey said that the latter document contained:-

"... a serious allegation ... that in 1974 a complaint was made to senior officers that a cover-up of the 'Kincora

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252. See Hansard for full text.

253. Record of interview with Mr Wallace in Lewes Prison on 27 July 1982 (attachment to Enclosure 1/7 on MOD File D/DS6/7/66/13 Part A).

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Ring' was preventing the killers of 10 year old Brian McDermott from being apprehended and that 3 people were named who were thought to be linked with the vice ring who were suspected of the killing".

It is understood from Detective Superintendent Caskey that this document appeared to have been produced by Mr Wallace a few weeks earlier. Detective Superintendent Caskey suggested to Mr Wallace that he was the author of the document and that that was clearly identified by the content. Mr Wallace declined to comment, because he had not been given an adequate immunity.

Conduct of the Police Investigations

184(U). Accordingly, on 16 August 1982 Mr Woodfield asked<sup>254</sup> Sir Frank Cooper if MOD could give Mr Wallace the further immunity he required.

185(C). On 1 September 1982 Sir Frank Cooper replied<sup>255</sup> expressing caution. As he understood it, the purpose of the police enquiries was to establish what evidence existed of specific criminal offences having been committed, as distinct from possible irregularities in the conduct of past investigations (which would be the business of the subsequent judicial enquiry). All the police needed to know from Mr Wallace for their present purposes was what he knew - by whatever

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254. Letter from PUS(NIO) to PUS(MOD) reference PUS/B/3703/VC dated 16 August 1982 (MOD File D/DS6/7/66/13 Part A, Attachment to Enclosure 1/7).

255. Letter from PUS(MOD) to PUS(NIO) reference PUS/82 /1099/30/2 dated 1 September 1982 (MOD File D/DS6/7/66/13 Part A, Enclosure 1/8).

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means he came to know it - of alleged crimes on the part of any person. If his knowledge was in the nature of intelligence information, there would be no need to ask him to divulge the sources. Sir Frank Cooper was concerned about the breadth of some of the questions put to Mr Wallace by the RUC and of the immunity given by the DPP. It seemed that the distinction between the police investigations and the subsequent judicial enquiry was being blurred; and that Mr Wallace might be given reasonable grounds for thinking that he was being encouraged to tell the police everything he had ever seen or heard about Kincora, whether or not it bore directly on possible criminal activities, and whether or not it involved revealing intelligence sources (real or imagined). A minute of 31 August from Mr Stephens, attached to Sir Frank Cooper's letter on the MOD file, made it clear that this letter had been based on advice from Mr Sheldon (Security Service).

186(C). On 21 September 1982 Major General Garrett and Mr Miller (then Head of DS6) attended a meeting chaired by Mr Bourn (DUS NIO), with the RUC ACC(Crime), the RUC Investigating Officer, the DPP(NI) and the ACOS G2 HQNI also present. Mr Miller has recorded<sup>256</sup> that the RUC made it quite plain that they were most anxious that there should be no valid grounds for suggesting that there had been any sort of cover-up in connection with their current investigation. They doubted whether Mr Wallace really had anything to offer; but they were anxious to establish what he had to say about what he knew at

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256. Loose minute from Hd of DS6 to PS/PUS reference DS6/430/82 dated 22 September 1982 (MOD File D/DS6/7/66/13 Part A, Enclosure 37).

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the time, his sources for his knowledge and whether he had reported this to anyone at HQNI. Mr Miller explained that MOD found it very difficult to judge whether Mr Wallace might say something which would prejudice the sources or methods currently employed. But MOD would clearly have to accept that questioning might stray into this area. The RUC undertook to ensure that anything which Mr Wallace said touching on those fields would be kept separate from the remainder of his evidence and recorded in a classified report; and that before the RUC contacted any of Mr Wallace's alleged sources they would make the appropriate checks to ensure that current activities were not prejudiced. The MOD representatives accepted these arrangements.

187(U). It was agreed that Mr Wallace should be given some form of authorisation, so that he could not reasonably plead that MOD had prevented him from giving evidence. Mr Miller also noted that, when it had been put to the DPP(NI) that his letter of immunity had been rather widely drawn, he had replied that the letter as drafted had given Mr Wallace no cover at all: the DPP(NI)'s writ ran only in Northern Ireland, whereas Mr Wallace was to be interviewed in Great Britain.

Grant of Immunity by MOD

188(U). After correspondence at PUS level<sup>257</sup>, Major General Garrett

257. Letter from PUS(NIO) to PUS(MOD) reference PUS/L/41 dated 4 October 1982 and letter from PUS(MOD) to PUS(NIO) reference PUS/82/1276/30/2 dated 22 October 1982 (MOD File D/DS6/7/66/13 Part A, Enclosures 43 and 46).

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wrote<sup>258</sup> to Mr Wallace on 25 October 1982 in the following terms:-

"Under the terms of the Official Secrets Act declaration which you signed when you resigned your appointment with the Ministry of Defence, you undertook to seek authorisation from this Department before discussing with anyone information gained in the course of your employment. It is now necessary for the police to investigate fully allegations of criminal offences involving homosexual conduct in or connected with the Kincora Boys Home in Belfast. The purpose of this letter is to confirm that you may disclose to Superintendent G Caskey and Inspector S E Cooke of the Royal Ulster Constabulary the information that is in your possession which is directly relevant to the investigation - including, where necessary, information which you gained in the course of your employment with the MOD and which is security-classified. You will, of course, appreciate that your responsibilities for safeguarding information not related to the police investigation remain unchanged and you must therefore be careful not to divulge any information other than that which is directly relevant to them".

Mr Wiggin (USofS(AF)) informed<sup>259</sup> Mr Michael Marshall (Mr Wallace's MP) accordingly on 28 October 1982.

189(U). On 13 November 1982 Mr Wallace wrote<sup>260</sup> to Major General Garrett saying that he still felt unable to give the RUC any information. He needed a precise definition of the term "directly relevant" and to know who would decide what was directly relevant. He saw problems over UK EYES ONLY information, identification of

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258. Letter from D Sy(Army) to Mr Wallace reference DSy(A)/CPS/0/18371 dated 25 October 1982 (MOD Security File CPS/0/18371 Part II, Enclosure 29).

259. Letter from USofS(AF) to Mr M Marshall MP reference D/USofS(AF)/JW/2337 dated 28 October 1982 (MOD File D/DS6/7/66/13 Part A, Enclosure 48).

260. Letter from Mr Wallace to D Sy(Army) dated 13 November 1982 (MOD Security File CPS/0/18371 Part II, Enclosure 32).

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members of the SIS and the Security Service and the disclosure of psychological operations designed to discredit various political personalities. He feared that the RUC might be acting on official disinformation and he felt that the whole matter was complicated by the public enquiry that was to follow. He therefore sought further guidance. In subsequent internal correspondence Major General Garrett suggested<sup>261</sup> that he should offer to arrange for an Army representative to be available at the time of Mr Wallace's interview by the RUC to advise him on his responses to specific questions. Mr Miller did not favour<sup>262</sup> that course, as it could place the individual concerned in a very difficult position and as it might appear as an attempt to influence the evidence Mr Wallace gave to the RUC, if not the RUC Investigating Officers themselves. The idea was not pursued.

190(U). On 13 December 1982, Major General Garrett wrote<sup>263</sup> again to Mr Wallace, assuring him that he could draw on information he obtained in the course of his duties with MOD to give the investigating officers, in answer to their questions, all the information in his possession that was necessary for their investigation. The relevance of any information he might have to criminal activity in the Kincora Boys Home was a matter that, in the

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261. Loose minute from DSy(Army) to Head of DS6 reference Syla/CPS/0/18371 dated 26 November 1982 (MOD File D/DS6/7/66/13 Part A, Enclosure 52).

262. Loose minute from Head of DS6 to DSy(Army) reference D/DS6/573/82 dated 7 December 1982 (MOD File D/DS6/7/66/13 Part A, Enclosure 56).

263. Letter from DSy(A) to Mr Wallace reference CPS/0/18371 dated 13 December 1982 (MOD Security File CPS/0/18371 Part II, Enclosure 38).

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first instance, only he could judge in the light of the police questions. The prospect of a public inquiry should not affect the disclosure of information to the RUC, as Mr Wallace was relieved of any responsibility for the subsequent protection of any security classified information that the police investigation might reveal.

Progress of the Terry Investigations

191(U). Meanwhile, on 26 November 1982 Mr Woodfield took the opportunity of a Parliamentary question to speak to Sir George Terry about the progress of his work. What Sir George described as "instalments" were at this stage still being added to the Report, but he nonetheless agreed to a deadline of Christmas for its completion<sup>264</sup>. This deadline was not, in the event, to be met.

Correspondence with the Prime Minister

192(U). On 13 December 1982, Mr Marshall (Mr Wallace's MP) wrote<sup>265</sup> to the Prime Minister, making the same request that Mr Wallace himself had made for an assurance that anything which he provided by way of evidence would not be used against him as the basis of further charges (either of a general criminal nature or under the Official Secrets Acts). Mr Marshall said that Mrs Wallace had told him that she was under the impression that in carrying out his duties for MOD

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264.NIO File Sp(B)291/360/01A, Enclosure 80.

265.Letter from Mr Marshall to the Prime Minister dated 13 December 1982 (attachment to Enclosure 58 on MOD File D/DS6/7/66/13 Part A).

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her husband may have had to work very much on the borders of the law. She had claimed that he had done so under orders; and that his retirement in 1975/76 had been enforced partly for that reason and partly because his knowledge of the actions of a number of his superior officers and other leading figures in the Province might be embarrassing to them if made public. He was concerned about giving evidence which could lead to possible charges against him or reduce his prospects of winning his appeal, gaining remission or finding employment after leaving prison.

193(U). Sir Robert Armstrong (Cabinet Secretary) referred<sup>266</sup> the letter to Mr Nursaw (Legal Secretary to the Law Officers) and also sought the comments of Sir Frank Cooper and Mr Woodfield.

194(U). While a reply was being considered, Mr Wallace wrote<sup>267</sup> again to Major General Garrett. He said that he could not decide what was relevant unless he knew the precise terms of reference for the RUC investigation. In particular he asked whether he could disclose information about Homes other than Kincora, the death of Brian McDermott, disinformation material based on Kincora but used for other projects, the sources of his Kincora material and how this material was used. He said that the RUC had in their possession some of the [.... (unreadable word) ....] documents produced by official

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266. Letter from Sir Robert Armstrong to Mr Nursaw reference A082/0560 dated 16 December 1982 (MOD File D/DS6/7/66/13 Part A, attachment to Enclosure 58).

267. Letter from Mr Wallace to DSy(Army) dated 27 December 1982 (MOD File D/DS6/7/66/13 Part A, Enclosure 63).

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sources for use in IP type activities and asked if they had been given access to see Kincora material held at HQNI and Stormont Castle. He also asked again whether he could identify SIS and Security Service members to the RUC. He enquired whether he was allowed to volunteer information or only to answer questions, as he had intended to provide a written statement setting out the information which he considered relevant to the RUC investigations. Moreover, in the light of further stories in the press which he had seen, he expressed concern for his own and his wife's safety if any information he gave became public knowledge. Finally, he pointed out that he had had no reply to his request for legal aid.

195(U). Mr Nursaw replied<sup>268</sup> to Sir Robert Armstrong on 22 December. He wondered if it would help if the RUC prepared a list of questions which they wished to put to Mr Wallace. Mr Woodfield did not favour<sup>269</sup> this last idea because the RUC could not develop any detailed scheme of questioning (since they were unsure what information Mr Wallace had).

196(U). After further correspondence, the Prime Minister replied<sup>270</sup> to Mr Marshall on 27 January 1983. She repeated the earlier assurances

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268. Letter from Mr Nursaw to Sir Robert Armstrong dated 22 December 1982 (MOD File D/DS6/7/66/13 Part A Enclosure 65).

269. Letter from Mr Woodfield to Sir Robert Armstrong reference PUS/L/161/MLR dated 12 January 1983 (MOD File D/DS6/7/66/13 Part A Enclosure 69).

270. Letter from the Prime Minister to Mr M Marshall MP dated 27 January 1983 (MOD File D/DS6/7/66/13 Part A, Enclosure 79).

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given to Mr Wallace and said:-

"Your letter suggests that Mr Wallace is concerned that information which he might give to the investigators might be used as evidence for charges against him for other offences. I have no idea whether Mr Wallace has committed other offences, but he can be assured that he will not be prosecuted on any charge on the basis of any evidence he may provide in answering questions put to him in the course of the investigations and that, if there were to be any prosecution of him for other offences, nothing he said in the course of providing information to those conducting the investigations would be used against him in such a prosecution. It seems to me that Mr Wallace has been given all the assurances he could possibly expect or need to enable him to make available to the police any relevant information he may have, without fear that it will subsequently be used against him; and I hope that he will now be prepared to meet the RUC officers concerned and give them whatever information he has relating to the matter".

197(U). On 14 February Mr Wallace wrote<sup>271</sup> to his solicitor saying that the Prime Minister's response had gone a long way towards resolving one of the two outstanding difficulties. (The other was legal aid). He then repeated some of his earlier concerns. He suggested that the Prime Minister should permit him to produce a statement of all the information he considered relevant to the current investigations, as well as answering the RUC's questions, on the understanding that he would not disclose any totally irrelevant classified information.

198(U). Mr Wallace then went on to say that he wished the Prime Minister to be aware of the very serious political implications of some parts of his evidence - eg references to the attempts to

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271. Letter from Mr Wallace to Mr Morgan-Harris (Solicitor) dated 14 February 1983, forwarded by him to Mr Michael Marshall MP on 21 February and by Mr Marshall to the Prime Minister on 3 March 1983 (MOD File D/DS6/7/66/13) (Part A, attachments to Enclosure 85/1).

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discredit the Labour Government and other MPs in 1974 and other activities that year designed to bring about a change in the Conservative Party leadership. (He noted that he had reason to believe that Major General Garrett knew nothing of these activities). Mr Wallace added that the Prime Minister should also be aware of the work he had done for the late Mr Airey Neave, just in case this became public knowledge at a later date.

199(U). Mr Wallace's letter was sent to Mr Marshall; and was forwarded by him to the Prime Minister. No 10 referred<sup>272</sup> the letter to the Lord Chancellor's Office, to deal with the legal aid point. Lord Hailsham (the Lord Chancellor) wrote<sup>273</sup> to Mr Marshall on 13 April saying that legal aid would be payable, subject to certain conditions. It appears, however, that correspondence continued with Lord Hailsham; as Mr Wallace has stated<sup>274</sup> that he received a further letter on 7 June 1983, which said:-

"As you may know, the Director of Public Prosecutions for Northern Ireland has recently announced that his inquiries into the Kincora affair are complete and that no further criminal proceedings will be instituted. In this situation it is difficult to see how you can qualify for legal aid".

And in fact, Mr Wallace has said, he never did qualify for legal aid.

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272. Letter from No 10 to the Lord Chancellor's Office dated 9 March 1983 (MOD File D/DS6/7/66/13 Part A, Enclosure 85/1).

273. Letter from the Lord Chancellor to Mr M Marshall MP dated 13 April 1983 (MOD File D/DS6/7/66/13, Part A, Enclosure 88/1).

274. Letter from Mr Wallace to Mr Livingstone dated 10 July 1988 (MOD File D/GS Sec/66/13/1 Part D, attachment to Enclosure 78).

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This correspondence does not appear to have been copied to MOD.

RUC Wish to Interview Military Intelligence and Security Service Personnel

200(S). Meanwhile difficulties had arisen over the wish of the RUC to interview certain military intelligence and Security Service personnel. This problem had occurred both in connection with Sir George Terry's enquiries and also over the RUC's parallel investigation of a series of allegations by Captain Holroyd that the Security Forces had engaged in illegal activities (including assassinations of suspected terrorists) in the mid 1970s (see ANNEX L).

201(S). The Security Service had been requested<sup>275</sup> in July 1982 to make Mr Cameron available for questioning by Detective Superintendent Caskey. At a series of meetings involving the Attorney General, his Legal Secretary and the DPP(NI), Mr Sheldon (Security Service Legal Adviser) had sought agreement that it was unnecessary to call Mr Cameron, whose preliminary answers to questions had already been forwarded to the RUC. Having heard what Mr Cameron could say, the Attorney-General commented that this was "hearsay upon hearsay". Nevertheless, written questions were prepared by D/Superintendent Caskey; and these were put to Mr Cameron by Mr Sheldon on 1 November 1982. Meanwhile the DPP(NI) had given the Legal Secretary to

275. Letter from the Security Service to the Cabinet Office (Mr **B-Protection of Identity**) reference **E-File Reference** dated 10 November 1989 (MOD File D/Sec(NATO/UK)(C)/Box 2).

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understand that he would not himself be concerned one way or the other whether the questions were answered. When Sir John Hermon was told by the Director and Coordinator of Intelligence of Mr Sheldon's view and that Mr Cameron's answers were in no way specific as to criminal activity, Sir John Hermon also agreed - although he was concerned to avoid any feeling within the RUC or outside that there was any sort of cover-up.

202(S). The problem was clearly still unresolved on 24 January 1983, when Sir Philip Woodfield wrote<sup>276</sup> to Sir John Hermon, expressing his concern that RUC CID officers might be encouraging those interviewed to discuss their intelligence responsibilities. Their wish to interview Mr Cameron was a particular problem. There were some worrying indications that those lower down the RUC chain of command believed that there had been an intelligence "cover-up". Sir Philip Woodfield wished:-

"to make sure that no obstruction is put in the way of any CID officer who is carrying out inquiries directly relevant to a crime or the prosecution of an offender. But I must also attach importance to the safeguarding of classified information and the structure of our intelligence effort".

203(S). A number of meetings followed between the Law Officers, the NIO and Mr Sheldon, including one<sup>277</sup> on 3 February 1983 (which Sir George Terry and Sir John Hermon attended) and one on 10 February

276. Letters from PUSNIO to CCRUC and PUS MOD dated 24 January 1983 (MOD File D/PL(LS)/1/4/1 Part C, Enclosures 68 and 69).

277. See Security Service letter to the Cabinet Office (Mr B-Protection of Identity) reference E-File Reference dated 10 November 1989 (MOD File D/Sec(NATO/UK)(C)/Box 3, Part II).

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(which Sir Clive Whitmore (then PUS MOD) attended and which appears to have been mainly concerned with the Holroyd case. On 23 February Sir Clive Whitmore followed up this latter meeting by writing<sup>278</sup> to Sir Philip Woodfield, proposing a procedure for handling evidence given to the RUC by Army intelligence officers in connection with the Holroyd enquiries. After further correspondence and another meeting with the Attorney-General on 29 March 1983, the following procedure was agreed<sup>279</sup>. The RUC would consult the ACOS GI/G4 at HQNI, who would pass the details to Major-General Garrett; who would then consult the Security Service and the NIO **E-Staff Designation**. The matter would if necessary be raised with the RUC at a senior level and with the DPP(NI). If the latter thought that the information which the RUC were seeking would be essential for prosecution purposes, Sir Clive Whitmore - and if necessary the Attorney-General - should be consulted personally. The Director of Army Legal Services would brief Army intelligence officers on their legal rights and on how they might answer questions put to them. A similar procedure was to apply to comparable situations involving non-military personnel.

204(S). It is understood<sup>280</sup> that Mr Cameron's answers to D/Superintendent Caskey's written questions were eventually sent to

278. Letter from PUS MOD to PU NIO reference PUS/83/198/30/2 dated 23 February 1983 (MOD File D/PL(LS)1/4/1 Part C, Enclosure 80).

279. Letter from Legal Secretary/Law Officers to PUS NIO dated 11 April 1983 (MOD File D/PL(LS)/1/4/1 Part C, Enclosure 88).

280. Letter from the Security Service to the Cabinet Office (Mr **B-Protection of Identity** reference **E-File Reference** dated 10 November 1989 (MOD File D/Sec(NATO/UK(C)/Box 2, Part II)).

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Northern Ireland. But there is no record that they were communicated to the RUC, whose enquiries had finished by June 1983.

205(S). The MOD correspondence was seen by Mr Clive Ponting, who at the time was Head of the MOD Legal Division (DS15(L)). It seems<sup>281</sup> that in 1987 Mr Ponting claimed that at the relevant period he took part in meetings (one attended by "two MI5 officers") connected with the Wallace and Holroyd cases. He said:-

"By 1983 the cases of Wallace and Holroyd had been a long-running internal problem and a great effort had gone into contingency action if and when Holroyd got the story into the Press. The task was to try to ensure that their stories were contained".

The main immediate problem was Captain Holroyd's allegations, but (said Mr Ponting) (about his MOD colleagues):-

"They were genuinely worried that Wallace had far worse things to say".

Further Correspondence between Mr Wallace and DSy(Army)

206(U). Meanwhile, on 28 February 1983 Major General Garrett had replied<sup>282</sup> to Mr Wallace's letter of 27 December 1982 (see paragraph 194) about his immunity from prosecution. He referred to the Prime Minister's letter of 27 January and then answered some of the specific questions in Mr Wallace's earlier letter. With regard to the RUC's terms of reference, Major General Garrett said that the RUC

281. "Who Framed Colin Wallace?" pages 247-248.

282. Letter from DSy(Army) to Mr Wallace reference CPS/0/18371 dated 28 February 1983 (MOD Security File CPS/0/18371, Part II, Enclosure 57).

DELICATE SOURCE SECRET

were investigating allegations of criminal offences involving homosexual conduct in Northern Ireland: these had been chiefly associated with the Kincora Home, but their investigations were not limited to that. Mr Wallace should be guided by their questions in deciding what was relevant to their investigation, but could volunteer evidence which he thought necessary to correct a misleading impression.

207(U). On 6 March Mr Wallace wrote<sup>283</sup> again, saying that some of his earlier questions had not been answered. He remarked, however, that he believed he was now in a position to decide whether or not to take part in the enquiry being conducted by the RUC, insofar as the Official Secrets Acts were concerned; and he would not pursue this matter further. He added that he much regretted that Major General Garrett had become involved with the case, as he was well aware that the background circumstances to it were totally outside his knowledge or control. He had always received the utmost courtesy and help from him as Chief of Staff HQNI.

208(U). On 29 March Major General Garrett sent<sup>284</sup> a short reply, explaining the position of the Sussex Police and adding that the authorisation given to Mr Wallace related only to the two RUC officers named in his letter of 25 October 1982.

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283. Letter from Mr Wallace to DSy(Army) dated 6 March 1983 (MOD Security File CPS/0/18371 Part II, Enclosure 58).

284. Letter from DSy(Army) to Mr Wallace reference CPS/0/18371 dated 29 March 1983 (MOD Security File CPS/0/18371 Part II, Enclosure 62).

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209(U). Further correspondence<sup>285</sup> between Mr Wallace and Major General Garrett added little.

Conclusion of the Terry Investigations

210(U). On 18 May 1983 Mr [Redacted] (NIO) pointed out<sup>286</sup> to Mr Miller (MOD) that the Terry investigations were by then virtually complete. In the light of other enquiries which they had made, it seemed unlikely that the RUC would need to pursue their investigation with Mr Wallace any further. The Terry Report was practically ready to be handed over. It was, of course, possible that, if a judicial inquiry was set up later, Mr Wallace would consider that he had something to contribute; and that would be for consideration at the time.

211(C). Meanwhile, Mr Prior had become concerned over the delay in completing the Terry Investigations<sup>287</sup> Inquiries which had been made on his behalf had established that the report was, on 19 March, complete save for a piece from the RUC about Mr Wallace. At that stage, the draft comprised some 200,000 words. Towards the end of the week preceding 19 April, Sir George had been prompted once again by Sir Philip Woodfield. His intimation that the conclusions of the Report

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285. Letter from Mr Wallace to DSy(Army) dated 29 April 1983 and letter from DSy(Army) to Mr Wallace reference CPS/0/18371 dated 1 June 1983 (MOD Security File CPS/0/18371 Part II dated 1 June 1983, Enclosures 64 and 67).

286. Letter from NIO to Head of DS6 reference PB/83/5/1368 dated 18 May 1983 (MOD File D/DS6/7/66/13 Part A, Enclosure 92).

287. NIO File Sp(B)291/360/01B, Enclosure 5.

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would need to be published had "seemed to take Sir George slightly by surprise"<sup>288</sup>; but Sir George had seemed content that "only relatively minor amendment" would be required to the report to permit publication.

212(C). By 24 May however, Sir George Terry had evidently decided to divide up his report. The "Terry" report proper was at that stage almost ready to be sent to the Chief Constable. His report would be followed in due course by two further reports, under the names of the two investigating officers who had worked for him on the inquiry. These reports would contain all the detailed information about how the investigations were carried out<sup>289</sup>.

213(C). The "Terry" report itself (but not the Superintendents' reports) was obtained from the Chief Constable shortly before 1 July, on which date it was shown to Mr Prior<sup>290</sup>. The reaction of officials to the Report was one of disappointment. As Sir Philip Woodfield put it to Mr Prior: "the document as a whole is a slightly disappointing one - a view which the Chief Constable privately shares. It is written in parts in peculiar English, which could be mocked by sophisticated commentators, there is a tendency to homily and some passages about the child care service need to be looked at carefully if they are to be published<sup>291</sup>". Other officials rejected the

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288.NIO File Sp(B)291/360/01B, Enclosure 24.

289.NIO File Sp(B)291/360/01B, Enclosure 40.

290.NIO File Sp(B)291/360/01B, Enclosure 49.

291.Ibidem.

DELICATE SOURCE SECRET

presentation of the Report as "remarkably inept" and it was even proposed "to try to release a Principal .... give him the three reports, and ask him to produce a condensed publishable version which can be offered to Sir George as a draft" - although this suggestion was not acted upon<sup>292</sup>.

214(U). On 25 October 1983, Mr Bourn (DUS, NIO) wrote<sup>293</sup> to Mr Robson (DUS(Army)), saying that Sir George Terry had delivered his report, and the supporting reports by his two Superintendents, to the Chief Constable of the RUC. The latter would make an announcement on 28 October, when Sir George Terry's Conclusions, Recommendations and Final Comment would be published. This would be followed on 7 November by a Statement to the House of Commons by Mr Prior.

215(U). Sir George Terry's Conclusions (a), (j) and (k) read as follows:-

"(a) 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".

"(j) In (a) above I deal with what I can only describe as the fictional allegations about a homosexual prostitution ring. However, in view of the comments regularly featured in the media, I think I should add further emphasis to the fact that with my team I have particularly looked to see if any evidence at all can be found to indicate an involvement in any homosexual practices by British officials in the Northern Ireland Office or any action by them to suppress Police enquiries in this connection. I conclude without

292.NIO File Sp(B)291/360/01B, Enclosure 51.

293.Letter from Mr Bourn (NIO) to DUS(Army) reference DUS(B)/83/4938/24 dated 25 October 1983 (MOD File D/DS6/7/66/13 Part A, Enclosure 94/2).

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hesitation that there is no justification in this allegation and that no evidence exists".

"(k) The media have also given a degree of prominence to the fact that some Military circles were aware of homosexual mis-practice in the Kincora Boys' Hostel. The Military sources have been very frank with me and perfectly open during the ongoing enquiry by your team under D/Superintendent CASKEY. Let me say quite clearly that once more I sought evidence from all sources including the media with negative result".

(S). A summary of the supporting - and unpublished - reports by D/Superintendents Harrison and Caskey is at ANNEX J. This summary has been prepared by the NIO, based on a study of the RUC's records<sup>294</sup>.

216(S). Sir George Terry's reference to the Social Services staffs and to the RUC are outside the scope of this paper. Generally speaking, however, any inadequacies in the account that he gave of the extent of their knowledge about abuses at Kincora, and of the action that they took (or failed to take) to bring those abuses to an end, were largely corrected in the subsequent Hughes Report<sup>295</sup> (based upon Detective Superintendents Harrison's and Caskey's findings).

217(S). That last observation does not apply to Sir George Terry's findings about the knowledge and actions of the military intelligence staffs. Both D/Superintendents Harrison and Caskey were able to make thorough and detailed reports, which found<sup>296</sup> that certain military intelligence officers had much the same knowledge about Mr McGrath

294.NIO letter dated 16 November 1989 (MOD File D/Sec(NATO/UK)(C)/Box 2).

295."Report of the Committee of Inquiry into Children's Homes and Hostels" (HMSO, Belfast, 1986).

296.See ANNEX J, paragraphs 10-14.

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and Kincora as certain police officers. (An essential difference, of course, was that it was not their responsibility to investigate these matters). From 1973 onwards they received rumours from a number of sources, (apart from Mr Wallace, who gave no useful evidence to the RUC or the Sussex Police) that Mr McGrath was an active homosexual; but the hard evidential content of those rumours was assessed as small. They had reliable information - again dating from about 1973 - that he was employed in a supervisory capacity at Kincora. They had no information at all that homosexual offences were being committed at Kincora. It seems likely (although there is no record of this having occurred) that their main source (Mr Garland) had told military intelligence that the police were also aware of his allegation. Although Sir George Terry's Conclusion (k) was not inconsistent with these findings, it could hardly be said to have summarised them at all clearly.

218(S). Sir George Terry's report did not cover the knowledge or actions over Kincora of Security Service officers; but it seems likely that the phrase "some military circles" was intended to include them (or at least the HQNI liaison staff).

D/Superintendents Harrison and Caskey investigated this aspect and reached the same findings as they reached over the military intelligence officers.

219(U). Whether Mr Wallace has any information which might have altered these findings, if it had been made known to the RUC or the Sussex Police, is considered in Part X of this paper.

DELICATE SOURCE SECRETMr Wallace's Failure to Give Evidence to the Terry Investigation

220(U). After the publication of the Terry Report, the Irish Times published an extensive account of Mr Wallace's views. In correspondence<sup>297</sup> between MOD and NIO, the following line was agreed for use as necessary:-

"Officers of the RUC called on Mr Wallace on two occasions with a view to hearing from him any information relevant to their investigation into alleged homosexual offences against those in care in homes and hostels for young children and persons in Northern Ireland. On the second occasion they brought a letter for him from MOD telling him that he might disclose to the RUC any information in his possession directly relevant to the investigation, including where necessary information gained in the course of his employment with MOD which was security-classified. His MP had also been informed by the Northern Ireland Secretary of an assurance given by the DPP(NI) that Mr Wallace would not be prosecuted for any breach of the Official Secrets Acts in respect of any information which he communicated in this connection. In spite of this, and of further extended correspondence with MOD in the late part of 1982 and 1983 to clarify his position, it appears that Mr Wallace felt unable to help the RUC. Every effort was made to remove obstacles from his path, and, if he has information to convey to the RUC, it is still open to him to do so".

221(U). But, as far as the Terry investigations were concerned, Mr Wallace had missed the boat. He has subsequently explained<sup>298</sup> that, given the above chain of events, his solicitor and he had agreed that nothing could be achieved at that time by pursuing the matter any

297. Letter from Mr [REDACTED] (NIO) to Head of DS6 reference PB/83/11/1604 dated 1 November 1982 and letter from Head of DS6 to Mr [REDACTED] reference D/DS6/7/66/13/1 dated 9 November 1983 (MOD File D/DS6/7/16/13/1 Part A, Enclosures 96 and 99).

298. "The Kincora Inquiry - Summary of events ...." (See Note 244), page 4.

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further. When he had read the conclusions of Sir George Terry's report, he was glad that he had taken that decision. He has maintained<sup>299</sup> that he had never got a straight answer to his question whether the police enquiry was concerned with information about a cover-up of Kincora or only with the homosexual offences themselves: if the first was the case, he had a lot of secret but directly relevant information; if the second, he had no relevant information and to disclose classified information on something else would have laid him open to prosecution. As he had never been told that the question of a cover-up was "relevant" to the police enquiry, he had concluded that it was not; and that it was therefore better that he should not give evidence. When the enquiry was completed, however, and its conclusions published, it became clear that the question of a cover-up had been investigated; and that the conclusion of Sir George Terry was the precise opposite of what he knew for certain (and could prove) was the truth.

Comment

222(C). The findings of Detective Superintendents Harrison and Caskey about the knowledge and actions of military intelligence and Security Service officers over Kincora did not disclose any wrongdoing on their part. Comments that they should have realised what was, or might have been, going on at Kincora would seem to owe a lot to hindsight; and come particularly ill from Mr Wallace, who has claimed to have had more knowledge about illegal activities at

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299. "Who Framed Colin Wallace?", page 217.

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Kincora in the mid 1970s than anyone else has admitted to having had at that time. It is a great pity that Sir George Terry's report did not state the position more clearly: the peculiar wording of Conclusion (k) in particular left the impression that more had been discovered than had been revealed. On the other hand, Sir George Terry's Conclusion (j) did make clear that there was no evidence that NIO officials (an expression which was probably intended to include the NIO **E-Staff Designation** at HQNI) took any action to suppress police enquiries about an alleged homosexual prostitution ring based on Kincora.

223(S). The discussions with the Law Officers and the Security Service (see paragraphs 200-205) could be misrepresented as evidence of a desire to suppress relevant information or to delay the RUC's enquiries. But it seems clear from the correspondence that those concerned were motivated only by the wish to ensure that there were no unnecessary disclosures of details of intelligence organisations or identities. A particular concern was that D/Superintendent Caskey was engaged not only on criminal investigations but also on the open Terry and Hughes Inquiries; and there was a risk that information given in connection with his criminal investigations could become widespread or even public knowledge by this means. But it is an awkwardness that some of these difficulties were somewhat similar to those adduced by Mr Wallace; and that Mr Ponting was familiar with much of this correspondence.

224(U). So far as Mr Wallace's own contribution was concerned, if he had really wished to give the RUC information directly relevant to

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their Kincora investigations, and nothing more than that, it is a little hard to accept that he had any good reason not to have done so. The assurances that he was given about immunity from prosecution under the Official Secrets Acts would seem to have been adequate for that purpose - although Mr Wallace (and his solicitor) may well have viewed his position very differently. If, however, his real objective was to use his alleged knowledge about a Kincora cover-up, supplemented by a whole raft of wider allegations about "black propaganda" activities in Northern Ireland, to force a reinvestigation of his conviction and of his forced resignation from MOD, then his attitude was more understandable.

225(U). There was no reason why the Government should have allowed him to widen the police investigations in the way he sought to do. On the contrary, there were strong and entirely proper reasons for preventing him from disclosing any knowledge that he might have about intelligence sources and methods to police officers not cleared to receive such information.

226(U). It was important to the Government that Mr Wallace should not be able to say that he had been prevented from disclosing what he knew about Kincora. And moreover the RUC had documents (see paragraphs 174-176 and 183) which they wished him to identify and to explain. Of course, Mr Wallace's suggestion (in his letter of 14 February 1983 to the Prime Minister) (see paragraph 198) that he might wish to cover material as diffuse as attempts to discredit the 1974 Labour Government and other MPs and to bring about a change in the then Conservative Party leadership, as well as his barely veiled

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threat to publicise his correspondence with Mr Neave, was hardly calculated to persuade the Government that he wished to confine himself to matters relevant to Kincora.

227(U). Above all, it seems a pity that MOD did not discuss these matters directly with Mr Wallace and his solicitor, instead of engaging in a long correspondence which always left Mr Wallace room to raise new difficulties.

228(U). Whilst it is hard to muster much sympathy for Mr Wallace over his professed inability to give information to the RUC, it is only fair to point out that he was not in fact told, in direct and unambiguous language, that the question of a cover-up was relevant to their investigations. Nor was he told that any classified information which he might give would be the subject of a separate and classified RUC report with a limited distribution. Nor was he given an answer to his quite reasonable question about whether he could identify members of the SIS and of the Security Service to the RUC investigating officers.

229(U). To stigmatise the Wallace element of this saga as six of one and half a dozen of the other would be unfair to the Government. But ten of Mr Wallace and two of MOD would seem a reasonable assessment.

DELICATE SOURCE SECRETIX THE HUGHES INQUIRY ON KINCORANarrativeMr Wallace's Conviction

230(U). On 11 February 1982 Mr Wallace had been refused leave to appeal against his conviction of manslaughter. He petitioned the Home Secretary in relation to his case; and on 16 August 1984 Mr Mellor (Parliamentary Under Secretary, Home Office) told<sup>300</sup> Mr Marshall that there was no basis upon which the Home Secretary could properly take any action with respect to his conviction. Mr Wallace was also informed accordingly.

Preparations for a further Inquiry

231(C). While Sir George Terry's report had been in preparation (indeed since February 1982) NIO and DHSS (NI) had been considering the form of the eventual further inquiry. At desk level, officials were already inclined to favour a new inquiry under Article 54 of the H&PSS (NI) Order, similar to the one disbanded in February 1982. It was noted that, in the eyes of Lord Salmon's 1966 Royal Commission on Tribunals of Inquiry, use of the 1921 Act should be limited to "matters of vital public importance concerning which there is something of a nationwide crisis of confidence". A debate in

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300. Letter from Mr Mellor to Mr Marshall dated 16 August 1984 (MOD File D/DS6/7/66/13/1 Part A; attachment to Enclosure 122).

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Parliament would be required to set up a tribunal; it would be a lengthy affair, and very costly; a general immunity from prosecution for witnesses would normally be considered necessary; the public hearings of a tribunal would attract media coverage, and perhaps provide a platform for those anxious to make political mileage or satisfy personal grudges. An Article 54 Inquiry was seen as speedier, and less likely to become a media circus<sup>301</sup>. These considerations were reflected in advice put to Sir Philip Woodfield on 15 March<sup>302</sup>. This advice noted that whilst a H&PSS Order Inquiry would have powers of subpoena only in respect of persons in Northern Ireland, a 1921 Act Inquiry would have powers extending throughout the United Kingdom (a point which later became of significance to the attempts of the Hughes Inquiry to interview Mr Wallace). It added that some form of criminal immunity would be appropriate for witnesses giving evidence to any inquiry (whether under the 1972 Order or the 1921 Act). Immunity from civil proceedings, on the other hand, would be much more difficult to arrange.

232(C). This advice was considered at a meeting held by Sir Philip Woodfield on 30 March 1982. It was noted that there was a choice between a 1921 Act Inquiry and one held under the H&PSS (NI) Order. The former was open to objection on the grounds that the issues at stake did not warrant such a procedure, and that it was doubtful whether matters to be investigated were of "urgent public importance" as required by the Act. There was also a history of unsatisfactory

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301.NIO File Sp(B) 291/360/01A, Enclosure 37.

302.NIO File Sp(B) 291/360/01A, Enclosure 52.

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inquiries under the 1921 Act. On the other hand, public expectations had been aroused; and the wider powers of subpoena of the Act gave it an advantage over the 1972 Order. It was agreed that, in the absence of powerful arguments to the contrary, a 1921 Act inquiry would be required<sup>303</sup>. Here, for a time, consideration rested.

The 1980 Parliamentary Answer

233(S). At about the same time, officials were engaged in tidying up the matter of a misleading parliamentary answer in 1980. The then Minister of State, Northern Ireland Office, had told Mr Peter Robinson MP in a written answer on 27 February 1980 that the police only became aware of allegations of child prostitution (at Kincora) on 24 January 1980. Mr Robinson then asked a further question about the first date of police investigations of homosexuality (at Kincora). The reply to this latter question, which issued on 13 March 1980, stated that:-

"since the police had received no allegations of any homosexual practices at an earlier date, their investigations began, as I said in my answer on 27 February, after they first became aware of allegations of child prostitution (at Kincora) on 24 January".

234(S). By 1982, it was clear, in fact, that policemen had been aware of suggestions of homosexuality several years before the date stated in the reply of 13 March 1980, and that at least one policeman was aware of specific allegations. It seemed likely that there had been confusion during telephone conversations in 1980 over the

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303.NIO File Sp(B) 291/360/01A, Enclosure 59.

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precise terms used (child prostitution/homosexuality; offences at Kincora/offences elsewhere; firm allegations/vague intelligence). the DUP was well aware of the misleading nature of the second reply (indeed had mentioned it to the Secretary of State on 28 March and earlier). On 1 April 1982, officials submitted advice<sup>304</sup> which canvassed, but rejected, the possibility of writing to Mr Robinson to correct the reply of 13 March 1980. The Secretary of State subsequently endorsed this advice; and the matter was laid to rest.

Assembly Debate

235(U). The Northern Ireland Assembly had shown great interest in the Kincora affair, reflecting its prominence in the media in Northern Ireland. On 22 March 1983 the Assembly debated the matter; and the following day the leaders of the parties represented in the Assembly (Mr Molyneaux (UUP), Dr Paisley (DUP), and Mr Napier (Alliance)), sought a meeting with the Secretary of State to discuss it. (S) The brief for the meeting submitted by the then Under Secretary (Law and Order<sup>305</sup>) contained the following passage:-

"Assembly members, prompted by the press, have been especially suspicious of military intelligence activities in the 1970's. While we should avoid any discussion of that, the Secretary of State should know that Army intelligence records of that time do not contain any evidence relating to criminal activities on the part of any individual at Kincora or involving juveniles elsewhere. They do contain information showing that William McGrath was a homosexual, that he was working at a boys home (not named) that he had connections with prominent Loyalists and that he may have used homosexuality as a lever for purposes of influence. Army personnel involved in intelligence work related to the

304.NIO File Sp(B) 291/360/01A, Enclosure 60.

305.NIO File Sp(B) 291/360/01B, Enclosure 13.

DELICATE SOURCE SECRET

illegal activities of Loyalist paramilitary groups were told at the time that there was no interest in investigating deviant sexual activities or religious aspects of those organisations or their members".

The meeting of the party leaders was duly held on 28 March<sup>306</sup>. They pressed Mr Prior for a 1921 Act inquiry with wide terms of reference, as soon as possible. He, in response, undertook to discuss the possibility of such an inquiry with his colleagues.

The decision to proceed with a H&PSS Order Inquiry

236(C). Consideration of the kind of enquiry which might follow Terry had been left following the meeting on 30 March 1982 (paragraph 232). The reins were taken up again in March/April 1983, as the Terry Report neared conclusion. A tentative draft of a submission, prepared on the assumption that a 1921 Act Tribunal would be required, was circulated on 11 April<sup>307</sup>. This draft was considered further at a meeting of officials on 28 April 1983, which concluded that:-

"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 [as the 1921 Act Inquiry] would represent a sufficient response by Government".

237(C). This proposition (and certain of the detailed arrangements related to it), were discussed with Home Office and Legal Advisers on 6 May 1983. On 30 June 1983, however, the picture began to shift<sup>308</sup>.

306.NIO File Sp(B) 291/360/01B, Enclosure 14.

307.NIO File Sp(B) 291/360/01B, Enclosure 28.

308.NIO File Sp(B) 291/360/01B, Enclosure 48.

DELICATE SOURCE SECRET

Officials had discussed the possibility of a 1921 Act Inquiry with the Security Service, who were concerned about the likely intrusion of the proposed inquiry into intelligence matters, should the terms of reference be as wide as those which NIO had in mind. At least two possible witnesses could come forward with evidence which might, perhaps gratuitously, reveal information about the structure and range of activities of the intelligence services at the time in question. At the same time, the Chief Constable was expressing his view very strongly against any public inquiry with terms of reference which would permit "all the rumours to be aired yet again"<sup>309</sup>. Officials were mindful also of the injunction against further inquiries in Sir George Terry's Report, just received. At a short meeting on 12 July<sup>310</sup>, Sir Philip Woodfield concluded that a 1921 Act Inquiry should be avoided if at all possible, notwithstanding that the Northern Ireland Secretary had to some extent committed himself to this course of action at his 28 March meeting with the NI party leaders.

238(S). On 20 July 1983, fresh advice was accordingly submitted<sup>311</sup> to the Secretary of State for Northern Ireland. This discussed the prospects for a 1921 Act Inquiry; a non-statutory inquiry without

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309.NIO File Sp(B) 291/360/01B, Enclosure 49.

310.NIO File Sp(B) 291/360/01B, Enclosure 53.

311.NIO File Sp(B) 291/360/01B, Enclosure 55.

DELICATE SOURCE SECRET

formal powers; and a H&PSS (NI) Order 1972 Inquiry. The considerations which weighed against a 1921 Act inquiry were set out as:-

- (i) The principles recommended by the Salmon Commission (Royal Commission on Tribunals of Inquiry) of 1966 against light or idle use of a 1921 Act Inquiry;
- (ii) The insubstantial nature of the allegations circulating in Northern Ireland;
- (iii) Cost - upwards of £2 million was anticipated for a 1921 Act inquiry; and
- (iv) The possibility that witnesses with relevant experience would come forward to disclose information about the working of the security forces, and in particular about the intelligence services. Two particular former public servants were referred to. One was serving a prison sentence for a manslaughter charge. The other was described as "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 improper about the conduct of members".

239(C). The submission went on to suggest that:-

"One possible way forward after the Terry conclusions are

DELICATE SOURCE SECRET

published would be to concentrate on the child-care aspects alone, on the grounds that the Terry report had rebutted the wilder allegations".

240(S). In a subsequent discussion with Sir Philip Woodfield on 26 July, Mr Prior hoped that, whilst much would depend on public reaction to publication of the Terry Report, 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.

241(C). With this much agreed by Mr Prior, officials made use of the Summer Recess to gear up for the proposed publication of Terry's conclusions and to prepare for a 1972 Order Inquiry. On 23 September, NIO was notified that the DPP had been through the Terry Report itself, and the two supporting reports, and had given only one further instruction (that the RUC should seek to interview a man earlier in a mainland prison, from which he had (by 23 September) been released). In the event, the RUC were unable to trace this man, who was anyway peripheral to the main Kincora Affair<sup>312</sup>. The file does not identify him. With the DPP's consideration of the Report thus out of the way, it was possible to consider the questions of the terms of reference for the Inquiry, and the immunity to be granted to witnesses.

Terms of reference

242(C). The decision to make use of an H&PSS Order Inquiry

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<sup>312</sup>NIO File 291/360/01B, Enclosure 71.

DELICATE SOURCE SECRET

implicitly required some limitation of the terms of reference.

Article 54 of the Order says:-

"The Department [of Health and Social Services] may cause an inquiry to be held in any case where it appears to the Department advisable to do so in connection with any matter arising under this order or the Mental Health Act ....."

243(U). From the outset, therefore, the Inquiry was confined to matters to do with health and personal social services, or mental health. Against that background, first draft terms of reference were produced by NIO on 1 August<sup>313</sup>. These were commented on by DHSS (NI) on 15 August<sup>314</sup>. The draft terms of reference subsequently put to the Northern Ireland Secretary on 21 October 1983, and agreed by him, were as follows:-

"Following:

- (i) The completion of the investigations of the Royal Ulster Constabulary into possible homosexual offences relating to children's homes and young persons' hostels in Northern Ireland;
- (ii) The completion of investigations of the former Chief Constable of Sussex, Sir George Terry CBE QPM DL, into allegations about the way in which the Royal Ulster Constabulary had conducted their inquiries and his conclusions that there was no evidence that residents of any children's home were involved in homosexual "rings" or that police officers, civil servants, military personnel, justices of the peace or legal persons were involved in any such "ring", or that there was any "cover up" or concealment of evidence or disciplinary breaches by RUC officers; and
- (iii) The report of the team of child-care experts made available by the Secretary of State for Social Services to advise on improvements to the supervision and management of these homes and hostels;

The Department of Health and Social Services for Northern Ireland, in pursuance of the powers conferred on it by

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313.NIO File Sp(B) 291/360/01B, Enclosure 60.

314.NIO File Sp(B) 291/360/01B, Enclosure 61.

DELICATE SOURCE SECRET

Article 54 and Schedule 8 of the Health and Personal Social Services (NI) Order 1972, hereby appoints the following persons [.....]

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 in particular into the extent to which the bodies 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 young persons in residential care; and

(c) Make recommendations with a view to promoting the welfare of such children and young persons and preventing any further malpractice".

244(U). With certain relatively minor amendments, these are the terms of reference eventually given to the Hughes Committee and set out at Appendix A to the Hughes Report.

Immunity

245(U). As regards civil immunity it was decided to rest upon the view of senior Crown Counsel, obtained in the context of the McGonagle Inquiry<sup>315</sup>. In a nutshell, this was that witnesses would not have the same absolute privilege as witnesses appearing before a tribunal under the 1921 Act, but would nevertheless be entitled to qualified privilege for anything said in the course of their evidence. This qualified privilege would protect witnesses giving

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315.NIO File Sp(B) 29/360/01A, Enclosure 7.

DELICATE SOURCE SECRET

evidence in good faith, believing it to be true; the protection would not however extend to those who acted from an improper motive.

246(U). As regards criminal immunity, there was a discussion in late October 1983 between the DPP (NI) and the then Under Secretary (Law and Order); the DPP on 1 November wrote to NIO to confirm that the Attorney-General would approve an immunity from prosecution for witnesses in the following terms:-

"Neither the evidence of any witness before the Inquiry, or any statement furnished by such witness for the purposes of the Inquiry, nor any document the witness is required to produce to the Inquiry, shall be used against the witness in any subsequent criminal proceedings for an offence involving homosexual relations between male persons or attempting, aiding, or abetting, counselling or procuring, soliciting or inciting or conspiracy to commit any such offence or withholding information about any such offence<sup>316</sup>".

247(U). This assurance (naturally enough) did not cover prosecutions under the Official Secrets Act.

DELICATE SOURCE SECRET

Publication of Terry Report

248(U). As noted in paragraph 214, on 28 October 1983 the Chief Constable published the conclusions, recommendations, and "final comment" of Sir George Terry. The RUC press release<sup>317</sup> noted that the Report, together with extensive supporting documents and exhibits (ie the Superintendents' reports), had been put before the DPP (NI) for consideration. The DPP had directed no prosecution of any person on foot of the report.

249(U). It was clear from public responses to the published part of the Terry Report that there would indeed be a need for a further inquiry. At the Assembly debate on 9 November, whilst few members were prepared directly to challenge Sir George's conclusions, it was made quite clear that the Terry Report was regarded as "in many ways unsatisfactory"; and the demand for a full judicial inquiry was reiterated.

250(C). Officials therefore pressed forward rapidly to tie up the remaining details. Final advice on the terms of reference and other detailed administrative matters was tendered on 16 November 1983<sup>318</sup>. It remained to settle a Chairman. The front runners were Sir Hilary Talbot, recently retired from the Queen's Bench, and Judge Brown, the former Recorder of Belfast. Sir H Talbot, in the event, declined, as

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317.NIO File Sp(B) 291/360/01c, Enclosure 13.

318.NIO File Sp(B) 291/360/01C, Enclosure 53.

DELICATE SOURCE SECRET

did Judge Brown. An approach was accordingly made to Judge Sumner, a former English circuit judge; whilst a Scots Sheriff, J B W Christie, was held in reserve. Judge Sumner duly refused; Sheriff Christie proved to be on holiday at the crucial time, and consideration focussed rapidly on the "next" name on the list, Judge Hughes. He at length, on 8 January 1984, accepted the appointment.

Announcement of the Hughes Inquiry

251(U). On 18 January 1984 Mr Prior told<sup>319</sup> the House of Commons that:-

"The RUC has completed its investigations. Sir George Terry's inquiry has also been completed. He has concluded that the RUC was justified in not mounting a full investigation before it did, in 1980; that there had been no concealment of evidence of a homosexual ring involving residents of the homes or others, nor evidence of homosexual practices by officials or police officers; but that there were shortcomings as regards the administration of the child welfare services. The Director of Public Prosecutions has considered all the papers and concluded that no ground existed which would justify any further prosecutions connected with the affair".

Mr Prior said that he proposed to establish a public inquiry chaired by Judge Hughes. He explained that there was no evidence to justify a 1921 Act Tribunal; but the Hughes Inquiry would be able to consider "what more should be done" in relation to the administration of Children's homes. In reply to a question from Rev Martin Smyth, Mr Prior said:-

"The hon Gentlemen said that Sir George Terry understood why the police did not investigate the matter before 1980. I believe that it would be within the inquiry's terms of

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319.Hansard, 18 January 1984, columns 319-326.

DELICATE SOURCE SECRET

reference to examine why no inquiry was instigated before 1980. This goes to the heart of much of the concern expressed in Northern Ireland".

252(U). There remained the question of the "other" members. Some hunting, mostly conducted by DHSS (NI), resulted in a total of nine refusals. At length, Mr Harry Whalley, a former Director of Social Services for the London Borough of Brent, and Mr W J Patterson, former Chief Education Officer of the Belfast Education and Library Board, were approached. By 15 March, both had formally agreed to serve; the Inquiry commenced work.

253(U). At this point, NIO files fall largely silent about the work of the Inquiry. On 29 February, however, Judge Hughes approached the Chief Constable seeking access to Sir George Terry's papers, and those of the other earlier police enquiries into Kinchora. No reply rests on NIO files, but it is understood that the RUC responded positively.

Linkage of Mr Wallace and Mr Holroyd with the Hughes Inquiry

254(U). The pause was broken by the arrival of "Wallace/Holroyd" papers in NIO, from MOD (notably GS Sec's letter of 5 October 1984<sup>320</sup> and GS Sec's further minute of 21 January 1985<sup>321</sup>). No attempt appears to have been made to refer this material to the Hughes Inquiry; and

320. Letter from Mr D Coffey DS6c to Mr B-Protection of Identity Home Office dated 5 October 1984 (MOD File D/GS Sec/66/13/2 Part B, Enclosure 49).

321. Loose minute from Mr Pitt-Brooke GS Sec 2 to DSy(Army) dated 21 January 1985 (MOD File D/GS Sec/66/13/2 Part B, Enclosure 65).

DELICATE SOURCE SECRET

indeed, the great bulk of it seemed concerned with the allegations of "dirty tricks" in the 1970s.

Mr Wallace's File of Documents

255(U). On 1 November 1984 a letter from Mr Wallace covering a large file of documents about the Kincora Boys' Home Scandal and other matters was sent<sup>322</sup> to the Prime Minister by Mr Holroyd<sup>323</sup>, a retired Army Captain who had worked in the intelligence field in Northern Ireland in the early 1970s. Adjudged to be under stress, he had been moved from his appointment after a short spell in an Army psychiatric hospital. He had subsequently resigned his commission. He was convinced that he had been improperly treated by the Army; and he had threatened over the years to publicise details of illegal activities which he had claimed were carried out by the Army in Northern Ireland. Mr Holroyd had been encouraged to take his allegations to the police and they had then been the subject of a comprehensive RUC enquiry. In November 1984 the police report was with DPP(NI). Meanwhile Mr Holroyd had succeeded in publicising his allegations in the New Statesman and elsewhere. A summary of Mr Holroyd's allegations is at ANNEX L.

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322. Letter from Mr Holroyd to the Prime Minister dated 1 November 1984 (MOD File D/GS Sec/66/13/1 Part B, Enclosure 2 and MOD File D/GS Sec/66/13/2 Part B, attachment to Enclosure 56).

323. The remarks about Mr Holroyd are as minuted by Mr Pitt-Brooke (DS6) in November 1984 (MOD File D/DS6/13/2 Part B, Enclosure 57): the author of this paper has not researched them.

DELICATE SOURCE SECRET

256(U). Mr Holroyd said that he had learnt of Mr Wallace's misfortunes in early 1984. After much discussion together, they had decided to make one last attempt to see justice done in both their cases, by appealing directly to the Prime Minister and asking her to take a personal interest in ensuring that proper enquiries were carried out. Mr Wallace said<sup>324</sup> that the file which he enclosed:-

"....contains a brief selection of background information compiled by me in connection with my numerous attempts to have various matters relating to my resignation from MOD in 1975 and my conviction of manslaughter in 1981 thoroughly investigated. The file is designed to give you a brief overall picture of the situation but it is not a full account of all the matters relevant to my case. Also, for obvious reasons, I have removed various items mainly related to the identification of key personalities, particularly members of the Intelligence Services etc".

257(U). Unfortunately, the handling of these papers proved to be an administrative disaster. No 10 forwarded<sup>325</sup> them to the Defence Secretary's Private Office on 6 November 1984. Although their letter does not make this clear, either the file itself or copies of it must have been enclosed. It is unknown whether either the originals or copies were retained at No 10 at that time. The correspondence does not appear to have been copied to any other Department.

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324. Letter from Mr Wallace to the Prime Minister dated 1 November 1984 (MOD File D/GS Sec/66/13/1 Part B, Enclosure 1 and MOD File D/GS Sec/66/13/2 Part B, attachment to Enclosure 56).

325. Letter from No 10 to Mr [REDACTED] (MOD) dated 6 November 1984 (MOD File D/GS Sec/66/13/1 Part B, Enclosure 3 and MOD File D/GS Sec/66/13/2 Part B, attachment to Enclosure 56).

DELICATE SOURCE SECRET

258(U). The Defence Secretary's Private Office sent<sup>326</sup> the correspondence to Major General Garrett on 9 November, but there is no trace of it on Mr Wallace's Security Files. On 24 January 1986, following enquiries as to what had happened to the file, Major General Garrett made a manuscript note<sup>327</sup> that he remembered seeing one thick ring file (red or blue) from Mr Wallace or Mr Holroyd and that it contained about three or four copies of letters signed by himself to Mr Wallace. He said that he seemed to remember giving the file personally to Dr Michael Harte (then Head of DS6), who had come to see him when he had researched it but who had taken the file away again. Major General Garrett recorded that he was quite certain that his Directorate had never copied any letters in the ring file.

259(U). Dr Harte told the author of this paper that he had no recollection of having handled this file and that he believed that he would have left matters of that kind to his Principal (Mr Pitt-Brooke). Mr Pitt-Brooke told the author of this paper that he did remember handling the file - and indeed he submitted advice on it: but (understandably) he could not now recall whether the documents he saw were originals or copies; nor what documents were on the file; nor the persons whom he consulted over the reply to No 10 (eg DSy(Army) or other Government Departments). He agreed that it was unlikely that he would have submitted a reply without consulting DSy(Army) or the Security Service, but there is no evidence that he

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326. Loose minute from APS/SofS to DSy(Army) reference D/SofS/PS/10 dated 9 November 1984 (MOD File D/GS Sec/66/13/1 Part B, Enclosure 4 (copy) and D/GS Sec/66/13/2 Part B, Enclosure 56 (original)).

327. Enclosure 11 on MOD Security File CPS/0/18371 Part III.

DELICATE SOURCE SECRET

did so. His eventual submission<sup>328</sup> did not indicate whether the documents had been returned to the Private Office with his minute or copied to copy addressees.

260(U). Both DS6's Holroyd<sup>329</sup> and Wallace<sup>330</sup> case files contain:-

(a) The minute from APS/SofS to DSy(Army) (the original being on the Holroyd file and a copy on the Wallace file; and

(b) Copies of the letter from No 10 and of the letters to the Prime Minister from Mr Holroyd and Mr Wallace.

DS6's Wallace Case File also contains copies of the first pages only of two further documents:-

(a) A document with the title "The Kincora Inquiry - Summary of Events relating to requests for information from John Colin Wallace, former Senior Information Officer at Army Headquarters in Northern Ireland and Captain in the Ulster Defence Regiment, by the Royal Ulster Constabulary<sup>331</sup>".

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328. Undated loose minute from DS6 to APS/SofS reference D/DS/66/66/13/1/A and D/DS6/7/66/13/2/B (MOD File D/GS Sec/13/1 Part B, Enclosure 7 and D/GS Sec/13/2 Part B, Enclosure 57).

329. D/GS Sec/66/13/2.

330. D/GS Sec/66/13/1.

331. See Note 244.

DELICATE SOURCE SECRET

(b) An untitled document, which is clearly the first page of a 16 page document, but without its cover-note (which was dated March 1982 and headed "Political and security implications regarding the disclosure of security classified information to assist in the investigation of the allegations relating to the Kincora Boys' Hostel, Belfast")<sup>332</sup>.

Copies of both documents have subsequently been obtained from other sources (as will be seen from later paragraphs).

261(U). No index to Mr Wallace's file of Documents was kept. Subsequently (see paragraph 282) an index came to hand and this is reproduced at ANNEX F. If the same documents were sent to the Prime Minister as those indexed at ANNEX F, then the file contained the documents listed at Serials 1, 11-22 and 24-53 of ANNEX F; but no documents purporting to have been written in the 1970-75 period. That would be consistent with the recollection of Mr Pitt-Brooke, who felt that he would have remembered any documents purportedly dating from that time.

262(U). On the basis of advice<sup>333</sup> by Mr Pitt-Brooke, Mr Barclay (an

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332. The complete document is reproduced at ANNEX E.

333. Undated loose minute from DS6 to APS/Sofs reference D/DS6/7/66/13/1/A and D/DS6/7/66/13/2/B (MOD File D/GS Sec/66/13/1 Part B, Enclosure 7.

DELICATE SOURCE SECRET

APS at No 10) wrote<sup>334</sup> to Mr Holroyd, commenting both on his own case and on Mr Wallace's case. On the latter, he said:-

"Mr Wallace's case has also been the subject of the most thorough consideration. He has, the Prime Minister understands, petitioned the Home Secretary more than once about his trial and conviction and his latest petition is being considered. There have also been the most thorough enquiries into circumstances which led up to his resignation from the Ministry of Defence, and into the "Kincora affair", and in both cases Mr Wallace has been given every opportunity to make his views known".

Mr Barclay concluded (and this was not in Mr Pitt-Brooke's draft):-

"I return Mr Wallace's file which you forwarded with your letter".

At about the same time Mr Holroyd was informed<sup>335</sup> that his allegations about illegal activities by the Security Forces had been investigated and that the DPP (NI) had found that there was insufficient evidence to warrant the initiation of criminal proceedings against any person.

263(U). On 26 November Mr Pitt-Brooke wrote<sup>336</sup> to the NIO and to the Home Office, enclosing copies of the Holroyd/Wallace correspondence, but not (it would seem) of the file of documents.

264(U). Mr Wallace continued to make representations through his MP.

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334. Letter from No 10 to Mr Holroyd dated 21 November 1984 (MOD Files D/GS Sec/66/13/1 Part B, Enclosure 8 and D/GS Sec/66/13/2 Part B, Enclosure 58).

335. Letter from Mr Holroyd to the Prime Minister dated 9 January 1985 (MOD File D/PL(LS)/617/3/1 Part B, attachment to Enclosure 68).

336. Letter from Mr Pitt-Brooke to Mr [REDACTED] (NIO) reference D/DS6/7/66/13/1 dated 26 November 1984 (MOD File D/GS Sec /66/13/1 Part B, Enclosure 9).

DELICATE SOURCE SECRET

about his conviction, to which Mr Mellor responded<sup>337</sup>. This correspondence ranged over the alleged Kincora cover-up, Mr Holroyd's allegations and other matters<sup>338</sup>. Mr Wallace wrote again to the Prime Minister on 14 December 1984, complaining that neither his case nor Mr Holroyd's case had been considered properly and asking a series of further questions. Mr Holroyd also continued to correspond<sup>339</sup> about the two cases.

265(U). Much later, on 12 August 1985, it became apparent from a further letter<sup>340</sup> from Mr Wallace to the Prime Minister dated 12 August 1985 that the documents returned to Captain Holroyd in Mr Wallace's

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337. See Home Office letter reference PDP/W17374/2/2 dated 29 November 1984, Mr Mellor's letter to Mr Marshall dated 20 December 1984, Mr Marshall's letter of 11 February 1985 to the Home Secretary (to which was attached a letter from Mrs Wallace dated 4 February and a letter from Mr Wallace 1 February with enclosures), a letter from Mr Mellor to Mr Marshall dated 13 March and a letter from the Home Office to DS6 reference PDP/W17374/9/6 dated 18 March 1985 (MOD File D/DS6/7/66/13/1 Part B, Enclosures 10, 13 and 19 (with attachments)).

338. Attached to Mr Wallace's letter of 1 February 1985 to Mr Marshall was the 21 November letter from No 10 and some other documents - including some New Statesman articles (which cannot all have been on Mr Wallace's file of documents as one of them was dated after 1 November 1984) and a document headed "[REDACTED]" (which it seems was on the file and which related to the Holroyd case).

339. Correspondence with Mr Holroyd is only listed in this paper where it is crucial to consideration of the Wallace case.

340. Letter from Mr Wallace to the Prime Minister dated 12 August 1985 (MOD File D/GS Sec/66/13 Part B, Enclosure 44/1). A letter from Mr Holroyd to Lord Trefgarne dated 6 January 1986 (See Note 288) indicated that the original file binder was returned to him.

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file were not the original documents sent to the Prime Minister, but copies of those documents. Mr Wallace put it to the Prime Minister that:-

"Your office copied the file which Captain Holroyd submitted to you on my behalf and retained the original. Indeed, you will note that the documents retained by your office have plastic "reinforcing rings" affixed to them, the ones returned to Captain Holroyd do not. Those rings were affixed to the documents in my file by Captain Holroyd before he submitted the file to you. Also, you will note that someone at your office added small pencil ticks to the top of certain documents before they were photocopied".

As this apparently insignificant point came to assume ever-increasing importance in the minds of Mr Wallace, Mr Holroyd and others, Mr Hatfield (by then the DS6 Principal) arranged for a search to be made for the missing originals. They were never found and it is a mystery what happened to them<sup>341</sup>.

266(U). Among the documents that went missing was the document headed "Political and security implications ....relating to .... Kincora ....", which is reproduced at ANNEX E. This 17 page document is a full statement of all Mr Wallace's allegations about his involvement in Army/"MI5" black propaganda, "Clockwork Orange", etc. It makes some serious allegations about the Kincora affair. It also deals in some detail with his disciplinary and manslaughter cases. It is both sensational and wide-ranging.

267(U). Unknown to MOD at the time, it appears that on 21 November 1984 Mr Holroyd handed another set of Mr Wallace's documents to the

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341. See paragraph 284 of this paper.

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Essex Police and at the same time inspired Mr Duncan Campbell to publish a series of articles in the New Statesman about "dirty tricks" in Northern Ireland. The Essex Police passed the file to the RUC who (because of its references to Kincora) passed it to the Hughes Committee.

Hughes Committee's Wish to Interview Mr Wallace

268(U). On 25 March 1985 Mr Quinn, the Secretary to the Hughes Inquiry, wrote<sup>342</sup> to the Home Office seeking permission to interview Mr Wallace. He explained that the papers handed to the Essex Police contained references to:-

"allegations of homosexual assaults on boys in Kincora and other homes; that boys in care were taken out to meet clients; that William McGrath was the subject of a Belfast Welfare Authority investigation; that homosexuals were employed in the Belfast Welfare Authority; and that an anonymous phone call regarding these allegations was made to the Welfare authorities".

Mr Quinn noted that difficulties had arisen when Sir George Terry had attempted to interview Mr Wallace and asked if urgent consideration could be given to arranging the interview, as the Committee had nearly completed taking evidence. Mr B-Protection of Identity (NIO) consulted Mr Pitt-Brooke (GS Sec - formerly DS6) on 27 March<sup>343</sup> and was told<sup>344</sup> that

342. Letter from Hughes Inquiry Secretary to the Home Office reference CHH 191/85 dated 25 March 1985 (MOD File D/GS Sec/66/13/1 Part B, attachment to Enclosure 21).

343. Unreferenced letter from NIO to DS6 dated 27 March 1985 (MOD File D/GS Sec/1/66/13/1 Part B, Enclosure 21).

344. Letter from GS Sec to Home Office reference

DELICATE SOURCE SECRET

MOD had no objection to the Committee approaching Mr Wallace.

269(U). On 24 April 1985 Mr Quinn wrote<sup>345</sup> to Mr Lyon (NIO) enclosing copies of correspondence between himself and Mr Wallace's solicitor. The earlier difficulties over immunities and legal aid had recurred. Mr Wallace's solicitor had asked whether the Committee had had the opportunity of seeing the file of papers submitted to the Prime Minister in November 1984, as Mr Wallace considered it essential that the Committee saw this file before any further discussion took place. On 30 April Mr Lyon replied<sup>346</sup>:-

".... I understand that the contents of that file dealt mainly with Mr Holroyd's own case<sup>347</sup> and were returned to him on 21 November 1984 by the Prime Minister's office after due consideration. I understand that no complete copy was taken of the contents of the file and we are not therefore able to show it to you. In these circumstances you will no doubt wish to consider a fresh approach to Thomas Eggar and Sons to see whether Mr Wallace can provide you with the papers himself ....."

270(U). No papers whatsoever (complete or incomplete) were shown by NIO to the inquiry at this stage. Nor, indeed, was NIO in possession of a set. What the inquiry did however have (and had had since 29

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(Footnote 344 continued from previous page)  
D/GS Sec/66/13/1 dated 29 March 1985 (MOD File D/GS Sec 66/13/1 Part B, Enclosure 22).

345. Letter from Hughes Inquiry Secretary to NIO reference CHH 261/85 dated 24 April 1985 (MOD File D/GS Sec/66/13/1 Part B, attachment to Enclosure 24).

346. Unreferenced letter from NIO to Hughes Inquiry Secretary dated 30 April 1985 (MOD File D/GS Sec/66/13/1 Part B, Enclosure 24).

347. That was not correct.