

Document 1

Mr David Calcutt QC, the Master of Magdalene College Cambridge, has carried out a previous sensitive inquiry most satisfactorily and, if you agree, I would propose to approach him to see if he would be willing to undertake this investigation. I am confident that we could rely on him to approach these very sensitive issues with complete discretion. It would be important to restrict his terms of reference to the handling of Mr Wallace's CSAB appeal, so that he could avoid getting drawn into Kincora, "Clockwork Orange", alleged assassinations, etc.

I envisage that his recommendations and my subsequent decision should be published; but that Mr Calcutt should not make a published report.

7. A difficult question is whether the terms of Mr Wallace's draft supplementary job specification should be revealed. It is most unattractive to do so, because it contains references to "psychological warfare" activities.

PERSONAL AND CONFIDENTIAL

2



MO 19/3/16L

Prime Minister

PRIME MINISTER

*It would be better
if we took no responsibility
for this case under previous
administration*

MR COLIN WALLACE

*This is unsatisfactory
You will clearly need
to cover earlier
statements and we
are sure all to
be available in my
available. CAP 27/9*

I have to report an unwelcome development in the case of Mr Colin Wallace.

Recent work on Parliamentary enquiries about aspects of the Wallace case has brought to light 1975 records which had latterly been overlooked. The overlooking resulted in inadequate advice being given to you by this Department on the terms of a reply to Terence Higgins in 1987, and to Roger Freeman on a reply to Ken Livingstone in 1988; the aspect in question was the full nature of Mr Wallace's Public Relations activities as an MOD employee up to the beginning of 1975. I attach a note explaining what we can now see to have been wrong with the replies.

I judge that action will be essential to correct the inaccuracies, and possibly also to establish whether the Civil Service Appeal Board was under any misapprehension in reaching its conclusion about Wallace's appeal over the circumstances of his enforced resignation from MOD employment in 1975. While such action should be taken as soon as possible, we need first to be sure that there is nothing else we have missed in the records. I have set urgently in hand a special confidential investigation for this purpose, and will report further as soon as possible. I understand that as a precaution checks will be made of relevant Home Office, NIO and Security Service papers.

I am sending copies of this minute to the Home Secretary and Northern Ireland Secretary; and also to Sir Robin Butler, with whom the matter has been discussed.

Ue

Ministry of Defence
25 September 1989

PERSONAL AND CONFIDENTIAL

Document 3



NO 19/3/196

PRIME MINISTER

MR COLIN WALLACE

In my minute Reference NO 19/3/161 dated 25th September 1989 I reported that, following the uncovering of some 1973 records which indicated that some of the present Government's statements about Mr Wallace had unwittingly been incomplete or inaccurate, I had set in hand a special confidential investigation into the records of Mr Wallace's case; and that similar checks were being made of relevant Home Office, MIO and Security Service papers, to provide a basis for the inaccuracies and to ensure that there was no new material which ought to be taken into consideration.

2. This work has now been completed. The Cabinet Office and the other Departments concerned hold a lengthy report prepared by my Department, which takes account of the reviews of MIO files and of the files of the Security Agencies as well as of MOD files. In the case of MOD, much of the documentation of the period has been destroyed; but sufficient remains to give a reasonably clear picture of what occurred. It is impossible to be certain that other papers will not come to notice subsequently, but officials believe that the main files have now been researched.

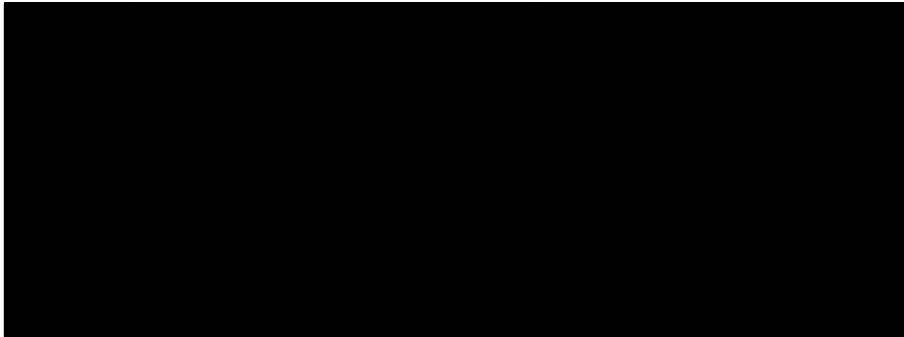
3. You may well not find it necessary to read the whole of the report prepared by my Department, but I suggest that you may wish to read the final part of it (Part 8U), which lists the more recent significant letters and statements relating to the Wallace case and indicates the extent to which these may need correction or clarification. I endorse the views expressed there.

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4. I believe that we now need to take action in the following ways:-



(i) He claimed that there was a supplementary SECRET job specification for his post, setting out his under-cover psychological operations responsibilities. He had no formal directive of that kind, so far as can be seen. But such a job specification was drafted (see ANNEX A) to justify the establishment of his post and it is reasonable to assume that Mr Wallace was told what it contained, even though it was never endorsed at Ministerial level. MOD did not contest Mr Wallace's evidence that such a job specification had been prepared; but nor did MOD acknowledge it or make a copy available.

(ii) The CSAB Chairman was briefed privately, and shown evidence, that Mr Wallace was likely to have been responsible for other more serious leaks, which were never put to Mr Wallace; and it appears that he told his two fellow Assessors that he was aware of additional sensitive material but that he would not tell them what it was. So this evidence was in the minds of the Appeal Board but was

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not put openly to them in a way which would have given Mr Wallace an opportunity to offer a defence.

It is therefore arguable that the proceedings, which led the Appeal Board to conclude that Mr Wallace's services should be terminated but that he should be allowed to resign, were flawed. It seems extremely likely that, even if the Appeal Board had found in Mr Wallace's favour, the Department would still have terminated his services, but then it would have been obliged to pay him compensation for doing so. We should consider whether this situation requires us to take action to remedy any injustice to Mr Wallace.

(b) We need to correct some mis-statements made, both by Ministers and in official correspondence, concerning the Wallace case. In particular:-

(i) Misleading information has been given about the nature of Mr Wallace's duties in Northern Ireland;

(ii) It has been stated incorrectly that all his allegations have been fully and carefully investigated and that none has been substantiated; and

(iii) It has been stated that Ministers are aware of no evidence that a plan by the name of "Clockwork Orange" ever existed. Evidence of preparatory work on a plan by this name has now come to light (see ANNEX A); although it is clear that it was not approved and there is no evidence that it ever had the scope alleged by Mr Wallace.

It is necessary to correct and clarify these and some more minor errors.



(c) Since Mr Dalyell and others will want to know whether the new information substantiated Mr Wallace's allegations concerning the Kincora Boys' Home, we need to restate once again that there is no evidence of a cover-up by the Army, the Security Service or others of homosexual offences being committed there.

4. I have considered the best way of handling these difficult issues, on the basis of advice from the Cabinet Secretary, the Permanent Secretaries in my own Department and in the NIO, from the Director General of the Security Service and from the Treasury Solicitor.

5. So far as Mr Wallace's enforced resignation is concerned, it would be possible to take the view that, while the handling of his appeal gives some cause for concern, no real injustice was done to him. It would be difficult to sustain that line, however, without referring to the other leaks of which he was suspected: most of these could not be proved without using delicate technical source material which could not be disclosed publicly; and in any case it would hardly be acceptable to raise now matters which were never put to him at the time. I therefore see two possible courses of action:-

(a) I could pay him compensation without any further investigation; or

(b) I could appoint an independent arbitrator to review the papers relating to his case, to hear representations from him (if necessary in person), to interview any witnesses that the arbitrator considered necessary to see and to make recommendations to me on what remedial action should be taken.

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I doubt if the first of these courses would be regarded as satisfactory, once we had admitted that errors had been made. I therefore recommend the second.

6. The members of the Civil Service Appeal Board who heard the original case are no longer available and I do not think that a further hearing before the Appeal Board is the right way to handle this matter. But Mr David Calcutt QC, the Master of Magdalene College Cambridge, has carried out a previous sensitive inquiry most satisfactorily and, if you agree, I would propose to approach him to see if he would be willing to undertake this investigation. I am confident that we could rely on him to approach these very sensitive issues with complete discretion. It would be important to restrict his terms of reference to the handling of Mr Wallace's CSAB appeal, so that he could avoid getting drawn into Kincora, "Clockwork Orange", alleged assassinations, etc. I suggest the following terms of reference for him:-

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

I envisage that his recommendations and my subsequent decision should be published; but that Mr Calcutt should not make a published report.

7. A difficult question is whether the terms of Mr Wallace's draft supplementary job specification should be revealed. It is most unattractive to do so, because it contains references to

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"psychological warfare" activities; and also to the press providing information "of substantial intelligence interest". The former could stimulate further questions which it would not be at all easy to answer. The latter could cause problems for journalists in Northern Ireland at the time, especially if they are still there; and the NIO therefore consider that the relevant sentence is still properly classified **SECRET**. But Mr Wallace will no doubt say that, unless he is given this text, he cannot present his case properly to Mr Calcutt (the same plea that he made in respect of the CSAB). I therefore propose that Mr Calcutt should make the job specification available to Mr Wallace on a confidential basis - either by reading it to him or by allowing him to read it himself (but not to take it away). There is a risk that Mr Wallace will not keep it confidential; but the claim that there was a supplementary job specification was not denied in 1975 and so is not new.

8. If we do not have a Calcutt-type investigation, there would be no need to disclose the terms of the job specification to Mr Wallace. But I do not believe that Parliament or the public would find the payment of compensation without some kind of independent investigation at all satisfactory, as it would be difficult to justify either the reason for or the scale of the compensation. Whether or not we disclose the terms of the job specification, I believe that we will have to be ready to answer questions about our present policy on psychological operations.

9. A particular difficulty arises over your statement in your letter of 30 March 1987 to Mr Terence Higgins (see paragraph 376 of my Department's Report) that it was not part of Mr Wallace's job to spread false information. Although the draft covert job description does not confirm that Mr Wallace had such a responsibility, it is now apparent that he was engaged in various disinformation projects; and the available records suggest that some, although not all, of these

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were authorised within the Army Headquarters in Northern Ireland. Any correction of your statement will inevitably prompt further questions about the use of disinformation in Northern Ireland, both in the 1970s and today: some of these questions will not be at all easy to answer; since information about activities in the 1970s is sparse; and since it would be wrong to commit ourselves not to use disinformation in all circumstances today (for example, to foil a terrorist attack of which we had advance intelligence). I have included in paragraph 5 of ANNEX B a sentence in square brackets dealing with this issue. Whether or not this sentence is included in the Answer depends on how far we are prepared to go beyond acknowledging the existence of Mr Wallace's draft job specification; and in particular on whether we are willing to allow ourselves to be drawn into making statements about the kinds of activities which took place in Northern Ireland at that time. Given the danger that if the paragraph does not include this sentence it might later seem to be proved to be insufficient, if persistent follow-up questioning should force us into further disclosures, my own feeling is that we should include the sentence. This is a point on which the Northern Ireland Secretary may have views.

10. A statement on the lines proposed, with or without the last sentence of paragraph 5, would no doubt lead to renewed pressure for a wide-ranging public inquiry into Mr Wallace's allegations about activities in Northern Ireland during the time that he was stationed there. Unless there is reason to believe that criminal offences have been committed, or that there has been serious wrong-doing by Government servants, or that the Government has done substantial injustice to an individual, I do not consider that any purpose would be served by investigating operational activities which (it is fair to point out) allegedly occurred over ten years ago (for much of the time under a Labour Administration). If Mr Wallace or anyone else claims to have evidence of criminal activities or serious

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wrong-doing, our line should continue to be that he should give that evidence to the RUC. If Mr Wallace says that he cannot do so because some of his information is classified and he is not authorised to release it, I would then propose to call his bluff by offering him the opportunity to discuss this problem with my Department's security authorities.

11. I attach for your consideration a draft statement which I suggest that the Minister for the Armed Forces might make about Mr Wallace's CSAB appeal and the investigations into his allegations (ANNEX B). Letters correcting some further points of detail need to be sent to Mr Ken Livingstone and Mr Michael Marshall at about the same time. Supplementary material for use in subsequent correspondence is also being prepared.

12. The Home Secretary is separately submitting to you a draft statement that he proposes to to make about Mr Wallace's conviction. I suggest that both these statements might best be made as Written Answers in response to inspired Parliamentary Questions from Mr Michael Marshall who is Mr Wallace's Constituency MP.

13. I also attach at ANNEX C a short draft letter which you may wish to send yourself to Mr Terence Higgins, when the statements are about to be made. I propose to advise Lord Mason of what is intended, and the Secretary of State for Northern Ireland will advise Mr Rees, in view of their past interest in these matters. I suggest that Sir Michael Quinlan should advise Mr Forman (the present CSAB Chairman) and that Sir John Blelloch should advise Judge Hughes. Finally, we have it in mind that MOD officials should write to Mr Wallace, expressing regret that errors were made.

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13. I am sending copies of this minute to the Home Secretary, and the Northern Ireland Secretary, and to Sir Robin Butler, the Director General of the Security Service and the Treasury Solicitor.

Ministry of Defence

12 December 1989

A handwritten signature in dark ink, appearing to be the initials "TK".

T K

Provisional and official to plan joint defence of

From Robert Fisk
Belfast, Oct 22

The Provisional and official IRA have been holding informal talks on a local level in Belfast to plan a joint defence of Roman Catholic areas in the event of attack. They have met since Mr Craig's Monday City speech on Thursday, although there is apparently no question of the two wings sinking their political differences.

The official IRA have for five months rigidly maintained their ceasefire in spite of criticisms from the Provisionals, and they are unlikely to alter their position unless the Catholic enclaves come under attack.

The wings have discussed the setting up of "defence committees" comprising officials and provisionals although republican sources in Dublin said today that the talks were not at

ph level. Catholic families are still arriving in the harder republican areas of Belfast after being driven from their homes by Protestants. Other Catholics are standing their ground although they are still being subjected to threats.

At the Willowfield Convent, the Provisionals have been asked to increase the number of soldiers in the area, although one of the sisters said at the weekend that the Army had refused to do this.

Captain Austin Ardill, the former Vanguard leader who criticized Mr Craig's speech as "unfortunate", is considering resigning from the movement, according to a member of the Vanguard executive.

Since his criticism, Captain Ardill, a founding member of Vanguard and a vice-chairman

of the organization, has received many telephone calls condemning him.

If he does hand in his resignation it is likely to be refused. A member of Vanguard's governing body said today that members of the organization had stepped out of line before and that Captain Ardill was still being respected by many Vanguard supporters. "He has proved himself from 1969 to be very much a hardliner", he said.

The position in which Captain Ardill found himself within hours of his criticism is a measure of Mr Craig's influence in the movement as well as his ability to recover from political blunders. The two men are likely to patch up their differences by Tuesday when they are to speak together at Ballymoney, in Co Antrim.

New York, Oct 22.—Britain will consider withdrawing her troops from Northern Ireland if the factions there do not compose their differences in a few months. Time magazine reports.

In the edition to be published tomorrow the magazine's London bureau quotes "a Whitehall insider" and "a British Government source" as authority for this new policy.

IRA RIVALS JOIN IN A DOOMSDAY PACT

THE two rival wings of the IRA have agreed to join forces in a "Doomsday" pact.

The militant Provisionals and the Officials—who announced a ceasefire earlier this year—will shelve their differences if a full-scale

"revenge war" is launched on Catholic areas.

Already, they have set up a special four-man committee to organise the defence of Catholic areas in the event of attack by Protestant extremists.

The "Doomsday deal" is a swift reaction to the recent onslaught on

Catholic homes and churches in East Belfast and Vanguard leader William Craig's "shoot to kill" speech last week.

It is believed that the Provos made the first move towards a get-together.

Some of their members—especially the younger recruits—have recently shown left-wing leanings which would make them more sympathetic towards

the Officials' Marxist policy.

While the Provos have caused on the shooting and bombing the Officials have used the ceasefire to advantage by enlisting and training fresh fighting men and building up stockpiles of arms.

This added strength is essential to ward off any Protestant attacks.

For the Provisionals have been losing volunteers, including several of their best Belfast men, over the past few months.

Realistic

A Provo spokesman described the tie-up last night as "a realistic move in view of the rising level of sectarian attacks."

The new pact, it is thought, could be a stepping-stone to a better relationship between the two factions.

MIR NS 2 OCT 72
By MALCOLM NICHOLL

Document 5

Hugh P. Mooney

Tel: [REDACTED]

Mrs [REDACTED]
Information Department
Foreign and Commonwealth Office
Room G/94
Old Admiralty Building
London SW1

4 December 1992

Dear [REDACTED]

Since talking to you about the House of Commons Defence Committee's special report on Colin Wallace, I have had a chance to look at the documents and fear that the Ministry can be accused of misleading the Committee.

In his letter dated 14 February, the clerk to the committee asked for a copy of a document relating to TARA reproduced on page 292 of Paul Foot's Who Framed Colin Wallace. In her reply, the private secretary said: .."We have not been able to establish whether this is an official document."

This is surprising since the MoD has identified the official who originated the document from his distinctive italic note which said: "Some 'off the cuff' information on TARA for the Press". I myself recall passing the document to Wallace. Other manuscript notes on the page show that it was entered as page 45 of an Information Policy file at Headquarters Northern Ireland. All this is known to Wallace and his supporters, who can be expected to raise it. The MoD will be found to have lied and Wallace's credibility will have been increased.

[REDACTED]

The record should be put straight. Perhaps you could do something?

Yours truly
Hudson

E - CLASSIFICATION

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HEADQUARTERS NORTHERN IRELAND
British Forces Post Office 825

Army Network Lisburn Military Post Office Lisburn 9111

E - SECTION DESIGNATION	E - FILE REFERENCE	Your reference
BOX 500	[REDACTED]	[REDACTED]
Copied to:	D - MIS DIRECTOR	Our reference
DOI		[REDACTED]
		Date 22 April 1976

Handwritten initials and date: 29/4

In an article in the New Statesman on 19 March 1976 about the extreme Loyalist organisation TARA (copy attached marked A) Robert RISK refers to "the Army's account of their activities collated by an intelligence officer at Lisburn".

2. The reference is almost certainly to a summary on TARA (copy attached, marked B) held in the AIS records at HQNI. The information in the summary was no doubt drawn from G (Int) files at a time when the IP element within the AIS was working closely - too closely! - with G (Int).

3. WALLACE would have had access to the AIS file and I do not think there is much doubt that, also in this instance, he was RISK's source.

4. The passages which have been underlined had been published in one form or another, previously.

E - SIGNATURE
[REDACTED]
E - SIGNATURE
I D Cameron

ENCL 3

26 APR 1976
TO [REDACTED]
FROM [REDACTED]
E - FILE REFERENCE

Enc:

E - ADMIN ANNOTATION

Document 7

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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 Terry²³⁸ via the Home Office on 4 March 1982, the terms of reference were summarised as:

BOSS BACK IN THE DOCK!

MORE about John Sutcliffe, the Grimsby docks firm whose unusual business practices I wrote about last week. I hear sad news about former commercial director, Anthony Berwick. Mr Berwick was inclined to put his docks experience to a rather eccentric purpose. He was convicted last year of smuggling 300 kilos of cannabis into Felixstowe. He was sentenced to five years.

Tories' private grief

TORY councillors in Bromley, Kent, will stick with private enterprise even if it costs their ratepayers more money. Imagine their horror when the council's own department bid the lowest for four parks contracts. Like Solomon, the Tories thought up a fair solution. They awarded three contracts to the council, and one to a private contractor. The private contract costs the council an extra £3,300 - and 27 council jobs must go. Councillor Joan Wykes who chairs Bromley's Leisure Services Committee told my colleague Bryan Kostrom: "If one does not keep the competitive edge for the council services, they will lose that feel of what the market is. "If you do not know what the market is, you're lost."

Spot the difference

IN June 1984, striking miners tried to close down the Ogreave coking plant near Rotherham. 3,400 policemen were sent to stop them. Now British Steel announces that it will close the coke works forever - 289 workers will lose their jobs. Can you guess how many police will be sent to stop them?

THE THINGS THEY SAY

MIKE GATTING has come here with no knowledge of the country and has said nothing more stupid than a lot of white South Africans do every day. Dr Ali Becker, managing director, South African Cricket Union, Independent on Sunday, February 4.



MIKE GATTING

PAUL FOOT

reporting

King of the cover-up



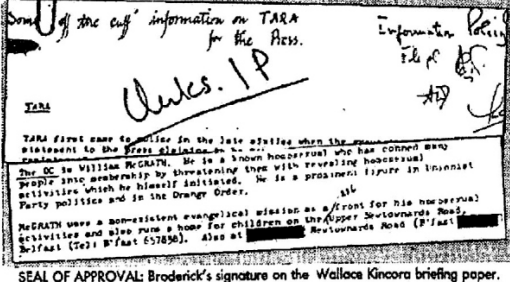
OH, NO MINISTER
TOM KING: No information, he says. But that is not the case

LISTEN to Defence Secretary Tom King telling the House of Commons about his Department's "re-examination" of the Colin Wallace affair...

THE MINISTER JOINS CLOSED RANKS OVER SCANDAL AT BOYS HOME

"No information has been found to substantiate Mr Wallace's allegations of a cover-up relating to the Kinora Boys Home in Belfast or to call in question the thoroughness of the major inquiries already made into that affair, including those of Sir George Terry and Judge Hughes."

Colin Wallace still has a copy of this document. This week, for the first time, Peter Broderick, Wallace's boss at the time, confirmed to me that he saw the document and wrote on it. "That is certainly my writing," he told me. "I saw the document and approved it."



SEAL OF APPROVAL: Broderick's signature on the Wallace Kinora briefing paper.

Sky falls in on Maggie 'air force'

DOWN the steps comes Margaret Thatcher, jubilant about her 1987 election success and the airline which ferried her round the hustings, British Island Airways.



SHOT DOWN: Maggie Thatcher's dream airline

And three years later, down the plughole goes British Island Airways. It owes £10m. 200 people who bought BIA tickets will have to whistle for their money along with all the other creditors. Here are some expert sayings about British Island Airways over recent years.

"The airline has achieved a rare if not unique distinction in modern aviation - it is making money, and looks set to expand". - Derek Brown in the Guardian, April 2, 1983.

"We haven't got brand new shiny aeroplanes, so we make up for that in other areas by running a very safe and tidy little airline and looking after our passengers". - Mr Peter Villa, chairman of British Island Airways, just after he floated the company on the Stock Exchange and became a millionaire. Today June 9, 1988.

"A classic success story of Thatcher's Britain, it is all there - an ambitious businessman risking everything on a carefully thought-out formula: as airline captain who abandons security and wins through to glittering prizes, and a staff to whom keeping the aircraft in the sky comes before job demarcation". - Robert Porter, Sunday Telegraph, April 17, 1989

The month after I circulated this document, there was no published report. The Rights inquiry was specifically excluded from looking into a cover-up by army or intelligence.

The assaults at Kinora went on and on. One of the boys later told police how day after day he wept into his pillow while he was being abused by McGrath.

These vile assaults went on FOR SIX YEARS after Colin Wallace alerted senior army and intelligence officers to them. In 1989 McGrath and his colleagues were exposed by a newspaper, and later convicted and jailed.

All previous inquiries into the Kinora cover-up have been restricted. The Terry inquiry was held in secret.

PARTYLINES!

24 HOUR LIVE CHAT

IT'S INSTANT! IT'S FUN! IT'S NEW FRIENDS BY PHONE, ANYWHERE IN THE COUNTRY RIGHT AT YOUR FINGERTIPS. IT'S PARTYLINES!

DIAL LISTEN IN. THEIR CHAT TO ASK QUESTIONS. PEOPLE YOU CAN TALK MUSIC. TALK SPORTS. TALK YOUR TALK ALMOST ANYTHING!

GETTING ON ESPECIALLY WELL WITH ONE PERSON? FANTASTIC - PRESS AND ASK OUR OPERATOR TO ARRANGE A PRIVATE CONVERSATION TO PICK UP THE PHONE... AND POP IN ON A PARTY!

LONDON 0898 448 447

LONDON 0898 448 442

SOUTH WEST 0898 448 443

WIDEN 0898 448 444

WIDEN 0898 448 445

NORTH WEST 0898 448 446

WIDEN 0898 448 447

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WIDEN 0898 448 449

IF YOU have something you think I ought to investigate, write to me at the Mirror or phone 01-822-3365

SECRET

PUS to see

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MR ANGEL

6/3

cc: PS/Sir Philip Woodfield (L&B) M
Mr Brennan
MIS DIRECTOR (DCI)
Mr Burton M
MIS OFFICER
Mr Hammond

F

RECEIVED
1033
- 1 JUL 1983
KINGDOM
MIS DIRECTOR (DCI)

PS/2480
1 JUL 1983
NO RELEASE

KINCORA

1. As I indicated in my minute of 16 June, I have been ~~concerned~~ with Mr Hammond and others the proposed tribunal's modus operandi. I think I should draw to your attention the outcome of some discussions I have had on the intelligence angle to a possible enquiry.

2. MIS DIRECTOR (DCI) has briefed Mr Hammond and me. He said he was worried about the likely intrusion of the inquiry into intelligence matters if the terms of reference were as wide as those we had in mind. There seemed little likelihood of any improper conduct being revealed, let alone criminal behaviour. But there were at least two possible witnesses who could come forward with evidence which (unless restrictions were imposed on what could be said) might touch directly on the extent to which the intelligence services were or were not aware of homosexuality in this area, and might reveal (perhaps gratuitously) information about the structure and range of activities of these services at the time in question. Names might be mentioned.

3. Mr Hammond and I have now seen Mr Bernard Sheldon. Mr Sheldon echoed MIS DIRECTOR (DCI) concern about information being given to the tribunal which would not be in the interests of the intelligence services. He was also concerned about what would be said about secret work very close to extreme Protestant organisations, and close therefore also to some politicians. If these activities were to be revealed - through a leak if not through a public session of the inquiry - there could be a brisk reaction. He pointed out the political embarrassment to be caused to the Secretary of State by any such revelations, quite apart from the difficulties they might cause those engaged in secret work. He accepted of course that the method of the tribunal's operation would directly affect the risks; for example, whether certain

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material was heard only by the Chairman, by all the members, by its counsel, by other people's counsel etc

4. Mr Sheldon therefore took the view that, if there had to be a public inquiry at all, its terms of reference should (a) preclude the submission of evidence which was merely gossip, since it was not in any event a proper function of a judicial inquiry to listen to unsubstantiated rumours for 2-3 years; and (b) concentrate on the child-care aspects of the affair as well as on such criminal and police matters as were left unresolved by the HCC reports to the DPP and Sir George Terry's report. Any other matters, such as what public servants or political leaders did with allegations or rumours concerning homosexual activities, raised questions of professional or moral obligation which did not warrant a judicial inquiry. And these questions would have serious implications for the Security Service, which had never acted on the basis that they were obliged to see that all allegations which came their way were investigated by the police or other enforcement agencies. He set out for Mr Sheldon the difficulties of too limited an enquiry, and the wide aim of lessening grounds for suspicion it has in the Secretary of State's mind.

5. Mr Sheldon also raised the following points:

i. If evidence about intelligence matters were to be offered to the tribunal, whatever its terms of reference, the Treasury Solicitor should be able to discuss the handling of that submission with the Tribunal Chairman and the Tribunal's Counsel. It would be better for those discussions to exclude the other two tribunal members, especially if members of the Security Service were then to be seen. (But Mr Sheldon hopes, of course, that the latter situation can be avoided altogether).

ii. The Security Service would prefer a GB judge. If the Secretary of State wished to press for an NI judge, the LJC(NI) would have to be fully apprized

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of the difficulties over evidence-taking (once the Attorney General and Lord Chancellor had accepted that course) so that the best man for the job could be appointed.

iii. If immunity from criminal prosecution were to be granted, it would be important for the range to be limited and clearly defined so as not to allow people to escape from the requirements of the Official Secrets Act.

6. All these aspects will of course need to be aired with the Secretary of State when the time comes to submit the matter to him. This must at a minimum await receipt of the Terry Report. But I felt you should be aware of the points Mr Sheldon raised at this stage. He certainly would see them as bearing directly on the Secretary of State's own long-term interests in Northern Ireland. I have no doubt this is right. I assume he will take steps to ensure that they are exposed to the Home Secretary and the Attorney General. He might want to suggest to them either an inquiry limited to the child-care aspects (presumably therefore under the NI Powers, not the 1921 Act) or a 1921 Act inquiry with terms of reference limited in the way suggested above.

7. I expect that all these issues will therefore also feature in the exchanges between Ministers in due course, and we will need to consider them in the discussion I am sure we will be having before we go to the Secretary of State. For the moment, I do not suggest we can take them further, but you may want to reflect on them in the meantime.

S.W. Boyd Smith

S W BOYD SMITH

30 June 1983

DELICATE SOURCE SECRET

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 level²⁵⁷, 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).

File: 80444

From: Major-General H.E.M.L. Garrett CBE



Director of Security (Army)
MINISTRY OF DEFENCE

Metropole Building, Northumberland Avenue, London WC2N 5BL

Telephone (Direct Dialling) 01-218 2637

Our Ref:
CPS/O/18371 (Switchboard) 01-218 9000
Pt II Sy 1a(A)

Mr. J.C. Wallace
[Redacted]

1 June 1983.

Dear Mr Wallace,

Thank you for your letter dated 29 April 1983.

You mention the possibility that you may be provided with legal advice and assistance, and you draw my attention to the security implications of this. I am grateful to you for bringing this to my attention, and note what you say.

I must re-affirm the advice I have already given you: that you may communicate classified appropriate information to the two nominated RUC officers; but not to any third party.

Yours sincerely

[Handwritten signature]

Document 11



COMMITTEE OFFICE
HOUSE OF COMMONS
LONDON SW1A 0AA
071-219 3280 (Direct Line)
071-219 3000 (Switchboard)

DEFENCE COMMITTEE

12 December 1990

1. At its meeting today the Committee considered in detail your letter of 30 November answering the Committee's 31 October requests for information relating to the case of Mr Colin Wallace.
2. In response to the paragraph headed "Clockwork Orange", which was in response to Question 2 of the Committee's 30 October questions, and Question 1 on the attachment to the letter of 14 February, the Committee would wish to make a further attempt to clarify the phrase in the Secretary of State's letter of 2 February to Mr Livingstone (MO 19/3/19L) deposited in the Library of the House which reads:

"The initial examination of this material began in the early part of 1989..."

The Committee now understands that the material referred to included the General Staff Secretariat file on which the reference to Clockwork Orange was first found. But it is still not clear how the reference to initial examination "in the early part of 1989" relates to Mr Heyhoe's reference to work being undertaken in response to points raised by Mr Dalyell on 8 June.

3. In response to the paragraph headed "General Requests", the Committee would wish to be provided with a copy of the two following documents, with the principal references to them in Mr Heyhoe's Report shown in brackets:
 - A. The original paper identified in July 1989, containing a reference to Clockwork Orange, and described by the Secretary of State on 1 February, HC Deb, col 467, as "a background paper seeking to justify expenditure on a further information officer in Northern Ireland Headquarters": [Heyhoe 1, 9 &c].

/cont...

- B. The "source document" in 2 PUS folders, of which A was an extract, containing information on Mr Wallace's job description and a reference to Clockwork Orange, stating that the project was not cleared [Heyhoe 1, 3, 9].

As I mentioned in my letter of 14 February and as referred to in Question 1 as forwarded on 31 October, the Committee remains happy that the papers should be provided if necessary under the usual conditions governing the Committee's access to classified papers.

4. The Committee would like to be able to consider the response to this letter at its meeting on 6 February, so that I would be grateful to have it by noon on 4 February.

David Natzler
Clerk of the Committee

Miss S J Ambler-Edwards
Private Secretary to the Secretary of State
Room 6164
Ministry of Defence
Main Building
Whitehall SW1

HOUSE OF THE BINNS
LINLITHGOW EH49 7NA

29/07/14

Telephone: 01506-83-4255

Dear David,

In the 1980's and 1990's, I was immersed in the case of Colin Wallace, a cause célèbre at the time.

After all these years, I can reveal that one of the reasons I was so sure that Wallace had been unjustly treated was that I had talked to my friend, the late Sir Maurice Oldfield. Tony Cavendish, another senior member of the Intelligence Community was equally uncomfortable, as was Field Marshal Sir John Stanger. (I knew them well, and wrote both their obituaries for the Independent).

I know you say on TV "I will get to the bottom of this". Actually, I'm very sympathetic to you on these matters, as disentangling events of 30 years ago is exceedingly difficult. I happen to think that Ministers such as Archie Hamilton and Tom King acted in good faith.

I enclose Wallace's dossier. It might be helpful if you asked a civil servant involved in "getting to the bottom" to SEE Wallace. He is not unreasonable, and not after money - simply an acknowledgment that he acted honourably in the interests of our country. He went to the Press at the behest of Sergeant Sir Peter Leary. If Leary and Wallace's allegations had been acted upon, many children would have been spared abuse.

(170 West Lothian 1962-2005)

Yours
Tom Dalyell

Typed copy of original handwritten letter to The Prime Minister, The Rt Hon David Cameron

██████████ ██████████ ██████████ ██████████ ██████████

Telephone:

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Yours sincerely,

Tam Dalyell
MP West Lothian 1962-2005

Document 13

Note: This letter was copied to other Govt Departments, some of which, such as the MoD, knew that what the Prime Minister had said to Mr Higgins – i.e. that I had only one 'job description'. That was also made clear in a report by MI5 in 1975 (see attached extract). Some of the Govt Departments, such as the MoD, would have known that what Mrs Thatcher said in her letter to Terence Higgins MP was untrue.



Dear Terence,

I wrote to you on 12 March about the letter from Mr. Colin Wallace of 26 May 1986 and a number of associated papers which you forwarded to me on 5 March. These have now been considered by the Ministry of Defence and the other Departments involved. I understand that the allegations contained in Mr. Wallace's letter are well known to us as he had also copied the letter at the time to Austin Mitchell MP, who had raised the matter with the Home Secretary and Nicholas Scott, the Minister responsible in the Northern Ireland Office. In addition, Michael Marshall MP, in whose constituency Mr. Wallace was serving a sentence for manslaughter, also dealt at some length with the Ministry of Defence about this subject.

Most of Mr. Wallace's letter is devoted to the circumstances surrounding his resignation from the Ministry of Defence. Mr. Wallace's job as a Senior Information Officer in Northern Ireland was to brief the press on military operations and terrorist activities in the Province. As is customary, it would have been necessary on occasions to give such briefings on an unattributable basis, but it was not part of his job to hand over classified documents to the media or to spread false information as he alleges. Indeed, shortly after he left Northern Ireland for a new post in Great Britain it was discovered that a classified document had been delivered by Mr. Wallace to the London home of

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Robert Fisk, a journalist on The Times. Mr. Wallace was suspended for handing over the document, and it was decided that he should be dismissed from the Civil Service.

His case was subsequently considered by the Civil Service Appeal Board in 1975. Mr. Wallace's claim that the job description used during the disciplinary proceedings against him was different from the one which applied to his job is incorrect. The job description submitted to the Civil Service Appeal Board was the only one applicable to Mr. Wallace's job. Mr. Wallace was disciplined for releasing a classified document without authority. The Civil Service Appeal Board accepted the Ministry of Defence argument that Mr. Wallace was bound by the security regulations and that he had no authority to release classified information; the offence was a premeditated and wilful misuse of the access to special knowledge which he had gained from his appointment as a Senior Information Officer in the Province. In the light of this, the Board agreed that Mr. Wallace could not remain in the Civil Service but found that, in view of his previous good service, he should be allowed to resign rather than be dismissed.

Mr. Wallace refers to the Kincora Boys Home, alleging that both the Army and the intelligence services knew of homosexual activities there long before the matter became public and that rather than reporting these criminal activities they sought to use the information for their own ends. The Kincora affair has been extensively investigated - by the RUC, by a team led by Sir George Terry which investigated allegations of criminal misconduct in connection with Kincora and, finally, by a Committee of Inquiry under the chairmanship of Judge William Hughes which examined the way in which Kincora and other children's homes in Northern Ireland were administered. At no stage was any evidence found to support Mr. Wallace's allegations, and although Mr. Wallace claimed to have information of relevance he chose not to assist either the Terry investigation or the Hughes Inquiry. This was despite written assurances from the

Ministry of Defence granting authority for him to disclose any relevant information to both Sir George Terry and Judge Hughes.

Finally, I can assure you that there is no substance in Mr. Wallace's belief that the authorities have conducted a campaign against him since he left the Ministry of Defence. There is nothing to suggest that Mr. Wallace's job prospects have been interfered with nor has any evidence been found to support his claim that he was falsely convicted of manslaughter in an effort to discredit him.

Yours ever
Raymond

The Rt. Hon. Terence L. Higgins, MP.

