



Prime Minister:

Foreign and Commonwealth Office

London SW1A 2AH

18 February 1980

You have already replied to
 (attached)
 Mr Courtney's letter but you may
 like to this commentary on the
 points he makes.

ms. ms.

Ans, 18/2

Dear Michael,

You sent me on 5 February a copy of a letter to the Prime Minister from Commander Anthony Courtney and requested a commentary on the points Commander Courtney makes and an account of our present policy on the level of Soviet representation in this country.

We have the following comments on Commander Courtney's proposals (following his numbering):

1) Following the expulsion of 105 Soviet intelligence officers when Lord Home was Foreign Secretary in 1971, we have maintained strict ceilings on the size of the official Soviet community in the UK. The ceilings are:

Soviet Embassy (Diplomatic Staff)	47
Soviet Embassy (Non-Diplomatic Staff)	46
Soviet Trade Delegation	47
Ancillary Organisations (eg journalists, Aeroflot, etc)	106
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The ceilings were not set arbitrarily: they represent the number of officials left in each category after the 1971 expulsion of all identified intelligence officers. We do not think there is a case for further reductions at present. Although the Security Service consider that about 20% of the Soviet official community in the UK are now either identified or suspected intelligence officers, the present numbers are modest compared to the size of the official Soviet communities in other comparable Western countries. The Soviet Embassy in Paris, for example, has 82 diplomatic staff and 86 non-diplomatic staff. There are also 60 Soviet trade representatives and a further 25 consular staff in Marseilles, whereas we have never agreed to Soviet proposals that a Soviet consulate be established outside London. Further expulsions would bring Soviet retaliation

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against our Embassy in Moscow, which would undermine the UK's ability to do the important tasks of reporting on and analysing developments in the Soviet Union. This is not to say that further reductions in the size of the official Soviet community could not be imposed in the future if there was a strong security case for doing so. We also of course have the option of expelling individual intelligence officers if they represent a particular threat. Moreover, we have a general policy of withholding visas to would-be members of the Soviet community who are known intelligence officers, and have turned down a number of such people since 1971, most recently in 1979.

2) HMG and the Governments of the Soviet Union, Czechoslovakia, Bulgaria and Hungary concluded agreements in 1956 under which comprehensive personal immunity was extended to the non-diplomatic staff of the Embassies of these countries in London, and to their personal servants. The same immunity was extended on a reciprocal basis to the non-diplomatic staff of our own Embassies in Moscow and the Eastern European capitals concerned. These special arrangements were confirmed in Section 7 of the Diplomatic Privileges Act of 1964. We believe that we gain at least as much as we give by these arrangements: a greatly increased security risk would arise if our non-diplomatic staff in the countries in question were no longer protected by the personal immunity they presently enjoy, and the prospect of the junior members of our Embassy staff in Moscow being vulnerable to legal action by the Soviet authorities would be a very worrying one.

3) Commander Courtney's proposal for a general amnesty for communist agents is not primarily a matter for the FCO and those more directly concerned would want to take the lead in commenting if you wished to explore the idea further.

4) The status of the Soviet Trade Delegation in London is defined in the British/Soviet Temporary Commercial Agreement of 16 February 1934, which is still in force. Article 5 says that the Trade Delegation shall consist of 'the Trade Representative of the Union of Soviet Socialist Republics and his two deputies, to form part of the Embassy of the Union of Soviet Socialist Republics'. These three persons are therefore granted diplomatic privileges and immunities. The Agreement also says that 'no member of the staff of the Trade Delegation, other than the Trade Representative and his two deputies, shall enjoy any privileges or immunities other than those which are, or may be, enjoyed in the United Kingdom by officials of the state-controlled trading organisation of other countries'. We are therefore of the opinion that the Soviet Trade Delegation does not enjoy 'corporate diplomatic immunity'. However, the Russians maintain that Article 5 of the Temporary Commercial Agreement describes the whole of the Soviet Trade Delegation as forming part of the Soviet Embassy and that all its staff are therefore entitled to diplomatic privileges and immunities.

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On this basis, they have refused, for example, to pay rates on the Trade Delegation's main office building in Highgate. As a result, Camden Borough Council may soon decide to pursue their claim in a court of law. If so, the court will no doubt be required to make a ruling on the disputed question of the Trade Delegation's status.

5) 'Their Trade is Treachery' was a booklet compiled and edited by the Security Service, published by the Civil Service Department, and printed by the Central Office of Information in 1964. It contained case histories of individuals who have spied for the Russians. A revised version entitled 'Treachery is Still Their Trade' was produced in 1974. I enclose a copy. The booklets are not classified but are marked 'for official use only'. They are used by a number of Government departments in security education programmes. Subject to the views of the Civil Service Department and to further consideration of the legal implications there would not appear to be any reason in principle why the booklets should not receive a wider distribution inside and outside Government, since all the individuals named in them have been successfully prosecuted. However, such an operation would be expensive and might not be cost-effective since most of the case histories in the booklet are now widely known and the booklet's appearance might not have much of an impact.

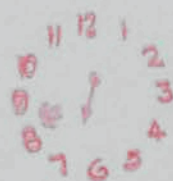
Y. M. Walden
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(G G H Walden)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
London

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20 February 1980

Commander Anthony Courtney

The Prime Minister has seen your letter to me of 18 February commenting on the points made by Commander Courtney about Soviet representation in this country. She has taken note of the analysis in your letter. She has not asked that any further action should be taken ~~etc~~ about Commander Courtney's proposal for a general amnesty for Communist agents.

M. O'D. B. ALEXANDER

G G H Walden Esq
Foreign & Commonwealth Office

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Soviet Union

B/K 12-2-80

5 February, 1980.

I enclose a copy of a letter to the Prime Minister from Commander Anthony Courtney. The Prime Minister has sent Commander Courtney a brief acknowledgement, and does not intend to carry the correspondence any further. However, she would be grateful to have a commentary on the points Commander Courtney makes, and an account of our present policy on the level of Soviet representation in this country.

I am sending a copy of this letter and enclosure to John Chilcot (Home Office).

M. O'D. B. ALEXANDER

G.G.H. Walden, Esq.,
Foreign and Commonwealth Office.

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MR. ALEXANDER
after despatch

JFH



10 DOWNING STREET

THE PRIME MINISTER

4 February 1980

Dear Anthony,

Thank you very much for your further letter of 8 January which I have read with great interest. I am grateful to you for setting out your views so clearly.

You will, I know, not expect me to respond in detail to the points you make. But you can be confident that they are much in mind. The threat you describe is under constant review.

Yours sincerely
Raymond Storer

Commander Anthony Courtney, OBE,

JS



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10 DOWNING STREET

PRIME MINISTER

You asked me to look at an earlier draft from you to Commander Courtney and suggested that Commander Courtney's letter might need a more detailed reply.

Neither Clive nor I think it would be right to send a detailed letter to Commander Courtney.

However I will, if you agree, get a background brief on the points he makes after you have despatched the attached acknowledgement.

Back to me

after despatch.

Phms

1 February 1980

Phms 4/2



10 DOWNING STREET

22nd January 1980

Dear Anthony,

Thank you very much indeed for your further letter of 8th January which I have read with great interest.

I am grateful to you for expressing your views as clearly and as forcibly as ever.

I know, but expect me to respond in detail
You will ~~understand~~ why I cannot say anything definite in my reply to you but I hope that the policies of the Government will take account of some of the things which you set out in your correspondence.

to the points you make. But you ^{may} be confident that they are much in ^{my} mind.

Commander Anthony Courtney OBE

~~I think Michael A. should see this. It may require a more detailed reply~~
out

P.C. ANTHONY
COURTNEY James Con MP

RR.

Rt. Hon. Mrs. D. Thatcher
P.C. M.P.,
10 Downing Street,
London,
S.W.1.

MULBERRY HOUSE
URCHFONT
DEVIZES
WILTSHIRE

Chirton 357

8th January 1980

RR
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Dear Margaret,

Thank you for your letter of 21st December replying to mine of 11th December on behalf of the Wiltshire Monday Club. We fully support the sentiments expressed in your speech of 21st November, and are glad to know that you share our feelings concerning the involvement of the Queen in matters of this kind.

Since I wrote, two things have happened. Another influential traitor, Mr Cairncross, is now known to have been given amnesty from prosecution in return for information, and the Soviet Army has invaded Afghanistan. It seems to me a suitable moment, therefore, to raise again the necessity, as I see it, of correcting the situation which has been allowed to develop over the years, by which the Soviet Union enjoys special diplomatic privileges and immunities which it abuses flagrantly to our great national disadvantage.

It is surely now generally accepted that the Soviet Embassy in London is the principal channel of communication between the K.G.B.'s

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British agents and Moscow. I have made a close study of this problem, and I believe that it was because of my activities in this field that the Russians took the unprecedented step of publishing the scurrilous broadsheet which led to the loss of my seat in the Commons and subsequent removal from the political scene in 1965/66. May I set out briefly the measures which I have advocated for many years past, dating from early in 1959 when I went to see Mr Harold MacMillan on the whole subject in company with two Conservative parliamentary colleagues, Monty Woodhouse and Lynch Maydon.

1. A drastic reduction in numbers of Communist diplomats, trade representatives and other officials stationed in London. Not only do their official activities not match up to the actual requirements of trade and diplomacy, but it is known that a high proportion of these individuals are engaged in intelligence work. My own "Diplomatic Privileges Bill", introduced under the 10-minute rule and given a First Reading in early 1966, is still applicable to this situation.
2. Cancellation of the "special arrangements" made with the Soviet and other Communist Governments in the 1950's by which their nationals enjoy an extra-ordinary degree of diplomatic immunity in this country.
3. A general Amnesty, for which there are now precedents, for all Communist agents who are prepared to come forward under conditions of

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absolute secrecy. The Declaration of such an Amnesty would, at least, produce a complete distrust of all existing agents in the eyes of the K.G.B. "Resident" and must disrupt their existing networks to a considerable extent.

4. Cancellation of the "corporate diplomatic immunity" enjoyed by the Soviet Trade Delegation and dating from the "Temporary" Trade Agreement of 1934.

5. The re-publication and circulation on a wide scale of an up-dated version of the official publication "Their Trade is Treachery". This has been done once already, in 1974, but to a restricted circle of readers on account of "legal difficulties".

All the foregoing measures are likely to be opposed strenuously by the Foreign Office for various reasons, including the fear of "reactions" by the Soviet Government. There was no significant reaction to the expulsion of 105 "diplomats" by the Conservative Government in 1971, and I believe that it was the danger of the introduction of some such measures that impelled the K.G.B. to take their unprecedented course of action against me personally in 1965.

May I ask, therefore, that these suggestions be given urgent consideration. I am convinced that they are necessary for reasons

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of national security, they would have great popular appeal in present circumstances and, more important, they would really hurt the K.G.B.

Needless to say, I am available to give any assistance that may be required in working out an appropriate course of action. In any event, I can assure you of the continuing support of the Wiltshire Monday Club.

With all good wishes.

Yours sincerely,

Anthony