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Retired spy claims cover-up in Steven Erlanger. British service

By Steven Erlanger... Globe Staff

LONDON - Prime Minister Margaret Thatcher tried to revive the flagging spirits of her Conservative Party last week by stating that as her govern-ment had steadfastly fought "the enemy without" in the Falklands, so it would fight "the enemy within." which was just as dangerous to liberty.

Thatcher had in mind the long miners strike and the challenge to her government of the National Union of Mineworkers, but some who listened to her thought it an unfortunate turn of phrase. Only a few days before, a disgruntled, retired officer of Britain's counterintelligence service, Mi5, had appeared on television to claim that the service was still covering up the extent of Soviet penetration.

Peter Wright, a 69-year-old "mole hunter" for 15 years, broke his oath of secrecy from his retirement home in Australia to accuse a former chief of MI5, the late Sir Roger Hollis, of having been a "long-term Soviet penetration

Wright said that four inquiries into Hollis, who ran MI5 from 1956 to 1965 and died in 1973, left him "99 percent certain, intelligence-wise," that Hollis was a major Soviet spy.

Wright, who suffers from a heart condition, said he was prepared to come to Britain and risk prosecution under the Official Secrets Act in order to give evidence of the continuing damage done to MI5 by its refusal to clean its own house. He said he has prepared a 150-page dossier describing MI5's failure to root out Soviet moles, which he claims includes an unwillingness to weed out disinformation in its files.

Sir Anthony Kershaw, chairman of the House of Commons Foreign Affairs

Committee, has called for a close look at Wright's dossier, saying: "Wright does seem more solidly based than some of the characters involved, and I have some private information." Some Labor Party members of Parliament are also expected to press Thatcher this week for a new investigation.

For years, the gradual exposure of "Stalin's Englishmen" - most notably H.A.R. (Kim) Philby, Guy Burgess, Donald Maclean and most recently, in 1979, Sir Anthony Blunt - has captivated Britons but deeply embarrassed

the security services. MI5 is responsible for counterintelligence and internal security, and Mi6 (now known as the Secret Intelligence Service), is responsible for spying abroad.

The hold such tales of upper-class betrayal have over Britons is exemplified by the success of John le Carre's novels, and most recently, the long-running play, "Another Country," just turned into a film, that fictionalizes Burgess' time at Eton. Last year, British television showed a teleplay, "An Englishman Abroad," that starred Alan Bates as a lonely Burgess trying to keep up his standard of life in Soviet

All are dead except Philby, who lives in Moscow, but the reverberations of their collective betrayal continue, so much so that US intelligence is said to remain skeptical of the British services.

Even after the 1979 public exposure of Blunt, many MI5 investigators felt the trail continued, and pointed to Hollis. Wright, by going public, is only continuing a 30-year battle within British intelligence - which began as soon as Burgess and Maclean fled to Moscow in 1951 – over whether the costs of full investigation and disclosure outweighed the damage that would be done by such a witch-hunt.

For the most part, the "damage-containment" forces have won, and as late as 1981, Thatcher told the House of Commons that Hollis had been thoroughly investigated and cleared. But Wright alleges that Thatcher misled the Commons, that Hollis did not receive "a clean bill of health," and that Thatcher had been "advised by the security service, who were anxious that there shouldn't be a high-level independent inquiry.... That might drag skeletons out of the cupboard.'

Hollis was head of MI5 in 1963 when Philby, apparently alerted of his impending arrest by a high-level mole, disappeared from Beirut to re-emerge in Moscow, where he was later promoted to general's rank in the KGB.

Wright, who was leading an investigation of Hollis, said Hollis called him into his office in 1965 and asked: "Why do you think I'm a spy?"

Wright said he summarized the evidence and "pointed out that he was by far the best suspect. His reply to that was, 'Peter, you have the manacles on me.' He said: 'I can only tell you that I am not a spy.' I shrugged my shoulders and that was that."

Hollis was called back for additional questioning in 1970, and still another investigation, which Thatcher relied on in 1981, finally concluded that Hollis had not been a spy.

Still, in a 1983 book called "The Circus: MI5 Operations 1945-72," which was only published in uncensored form in America. Nigel West examines the Hollis case in significant detail. One of his important sources, identified only as "Peter W.," is clearly Wright. West goes through the Hollis evidence, which is substantial, though only circumstantial, on both sides.

West draws no conclusion, but suggests an alternative explanation: that the Soviets may have used Hollis as "an innocent dupe ... to distract the mole hunters away from the real culprits.'

And MI5's inability positively to identify its remaining spy, if indeed there was one, West suggested, "actually leaves MI5 worse off than other security organizations, which have been penetrated and have recognized the fact." Without knowing the true extent of the damage, there can be no confidence in "damage-control assess-

That is Peter Wright's concern, too. "I have spent the best years of my life trying to defend the security of my country." he says. "I have spent many years trying to get this [Hollis case] looked into. I did this while I was in the service and since. Now I am prepared to go public.