

Unaccountable empire building

Duncan Campbell reveals for the first time the pyramid of official committees that 'control' Britain's spying activities

THE JAILING of Geoffrey Prime, last week, for a 14-year career of undetected espionage has led to predictable calls for the intelligence services to be made properly accountable.

Organisation charts for the superstructure of the British intelligence services, shown here for the first time ever, indicate the extent to which the supposed responsibility of the Defence, Foreign and Home Secretaries is cut across by the centralised intelligence agency in the Cabinet Office, answerable to the Prime Minister.

The Committee system by which the agencies are run has long been as much of a mystery as the agencies' own operations. The *New Statesman* first disclosed the existence and title of the ultimate top body, the PSIS (Permanent Secretaries Committee on the Intelligence Services) last month (NS 29 October), together with details of the internal organisation of Government Communications Headquarters (GCHQ) in Cheltenham where Geoffrey Prime worked. Attention has focussed on the central role of the Joint Intelligence Committee and the Cabinet Office's Co-ordinator of Intelligence and Security (presently Sir Anthony Duff) in the British intelligence community. Until now, however, a third major committee escaped attention. This is the Overseas Economic Intelligence Committee (OEIC), which directs each of the four intelligence services in the gathering of commercial and economic information, some of which — 'sanitised' — is fed to key British companies whose commercial interests are thought to be identical with the 'national interest'.

OEIC is chaired by Russell Barratt, a Treasury Deputy Secretary in charge of overseas finance. According to classified American and Australian reports obtained

by the *New Statesman*, Mr Barratt, with Sir Anthony Duff (the Co-ordination) and Sir Anthony Ackland (the Chairman of the JIC) make up a ruling intelligence 'triumvirate'. Like the better known JIC, the heads of the four intelligence services also sit on the Economic Intelligence Committee, together with officials from other interested civilian departments, Trade, Industry and Energy. Officials specialising in economic intelligence are located in the Department of Trade, the Treasury, and the Ministry of Defence Intelligence Staff, where there is a Directorate of Economic Intelligence.

The Joint Intelligence Committee, too, has an extensive staff, located in the Cabinet Office. The *Assessments Staff* is responsible for providing longer term intelligence estimates for policy making, while a series of geographically based *Current Intelligence Groups* (CIGs) look at day-to-day incoming intelligence. JIC, and a network of sub-committees, most meeting weekly, are responsible for the production of British 'national' intelligence on foreign and defence affairs, combining information from each service, allied intelligence agencies and open sources. OEIC does the same for economic intelligences.

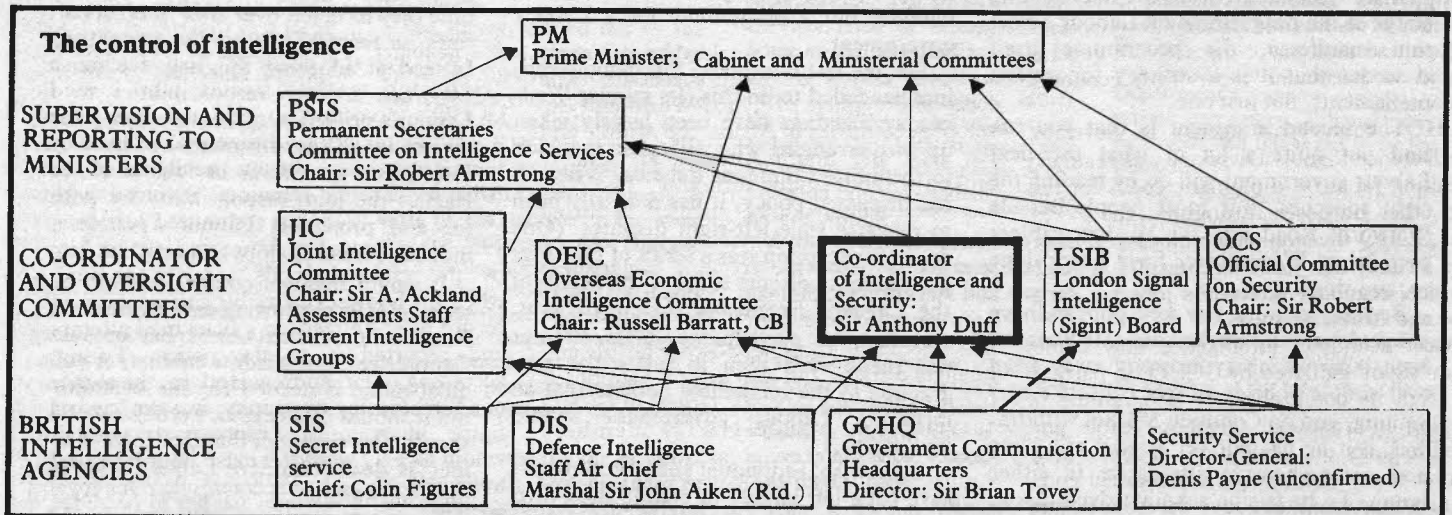
JIC operates in some ways like a fifth intelligence agency. There are JIC representatives abroad in Washington, Ottawa and Canberra, in addition to the 'ambassadors' of the other four secret services. Because of the special intelligence-sharing agreements in operation between the English-speaking governments, it is normal for the CIA's station chief in London, or his representative, to sit in on JIC meetings. Occasionally Canadian and Australian counterparts are also present. These representatives withdraw for what is somewhat coyly described

as 'domestic' business.

While the JIC and OEIC assess and analyse intelligence, the Co-ordinator of Intelligence examines long-term plans and priorities. The Co-ordinator is responsible to the Cabinet Secretary for checking the intelligence agencies' budgets. He reports to JIC and to PSIS, for which an annual review of the functioning of British intelligence is prepared. The Co-ordinator also maintains five-year forecasts for the development of the intelligence agencies and their 'assets'.

Two further overseeing committees are concerned with specific intelligence services. The London Signal Intelligence Board (LSIB), which directly supervises GCHQ, is apparently a continuation of a wartime arrangement whereby the Chief of SIS (the Secret Intelligence Service) maintained the upper hand over the codebreakers of GCHQ. Whitehall rumour for many years has suggested that GCHQ had long since ended its subordination to SIS — electronic espionage was said to be on top. But details of the London Signal Intelligence Board are set out in the current edition of a manual on British intelligence, issued by the US National Security Agency. GCHQ officials were said to have been annoyed when details of the setting up of the Board were published in a recent history of wartime code-breaking, *The American Magic*, by Ronald Lewin.

The Official Committee on Security, chaired like PSIS by the Cabinet Secretary, is the supervising committee for MI5, the counter-espionage operation. This group bear the direct responsibility in cases such as Prime's and OCS subcommittees, concerned with Personnel Security and Security, Policy and Methods (under Sir Anthony Duff), administer the policy of 'positive vetting' to



which anyone given access to Top Secret material is subjected. Events have shown that 'positive vetting' is of dubious effectiveness.

MEMBERS OF PARLIAMENT would be justified, in looking at this jungle of committees, in thinking that there is responsibility to everyone *except* Ministers or the House of Commons. The 'output' of the system is distributed widely. Officials in virtually every department, including the Ministry of Agriculture, Fisheries and Food, and the Bank of England, are cleared to see secret intelligence from SIS or 'sigint' from GCHQ. But the distribution also goes outside Whitehall, particularly to 'certain industrial confidants' of the Departments of Trade and Industry. These include major companies like ICI, BP or Rio Tinto-Zinc (RTZ). One example of such a report containing secret commercial intelligence about Brazil was discovered in 1975. It had been sent by a Cabinet Office intelligence officer, John Evershed, to researchers at the right-wing Institute for the Study of Conflict. It was among papers that were leaked to the London magazine *Time Out*.

Current major economic intelligence targets are Japan, and the oil-producing countries, as well as all Soviet bloc countries. According to a top secret report

The 'Oversight' Committees

Permanent Secretaries Committee of the Intelligence Services (PSIS)

Cabinet Secretary (Chair); Permanent Under-Secretaries of Foreign and Home Offices, Defence, Treasury, Trade and Industry, Chief of Defence Staff, Co-ordinator of Intelligence and Security.

Does not include chiefs of intelligence agencies; approves budgets, overall priorities and plans; concerned with direction of intelligence gathering rather than analysis.

Joint Intelligence Committee

Deputy Under-Secretary, Foreign Office (Chair); Foreign Office Counsellor; Chief, SIS; Director-General, Security Service; Director, GCHQ; Director-General of Intelligence (MoD); Deputy Chief of Defence Staff (Intelligence); Chairman, Assessments Staff, Cabinet Office; Deputy Chairman, Assessments Staff, Cabinet Office; Co-ordinator of Intelligence and Security, Cabinet Office

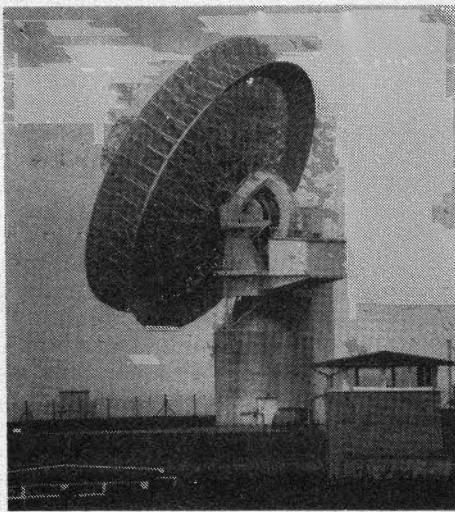
on 'sigint' economic targets in the mid-1970s, then current priorities for economic intelligence included:

- diplomatic messages related to international oil negotiations and investment of oil revenue by producer countries;
- diplomatic messages covering world currency problems and national responses;
- Japanese diplomatic messages in general, and in particular those with economic content.

GCHQ's counterpart agency in Australia, the Defence Signals Division, was regularly breaking Japanese diplomatic codes for this and other purposes throughout the 1970s. The GCHQ division which employed Geoffrey Prime, the Joint Technical Language Service, regularly advertises jobs for Japanese and Arabic linguists.

Most economic intelligence now comes from 'sigint' gathered by GCHQ, in particular from its comprehensive programme of tapping international telephone cable and satellite links out of Britain. A major new station to tap the Intelsat commercial communications satellites above the Atlantic and

New Statesman 19 November 1982



'Pat' or 'Louis': one of GCHQ's Bude aeriels.

Indian oceans was built at Morwenstow, near Bude in Cornwall in 1970. The operational justification to the United Kingdom for building this station was thin, as the then Director of GCHQ, Sir Leonard Hooper, admitted in a private letter to the Director of the American NSA, General Marshal S. (Pat) Carter. (The letter was discovered by a US author, James Bamford, while researching a recent book about NSA.) Sir Leonard wrote:

I have leaned shamefully on you, and sometimes taken your name in vain, when I needed approval for something at this end. The aeriels at Bude ought to be christened 'Pat' and 'Louis' (after the Director of the NSA and his deputy). . . .

GCHQ, LIKE THE rest of British intelligence, has made ferocious attempts to preserve its total secrecy from public, Parliament and press. It has been far more successful at this than in protecting itself from KGB penetration.

One of the ironies of the Prime case is that in fact GCHQ is not much good at breaking Russian codes. Only a few per cent of important Soviet signals, if that, are ever read and understood. Prime ended his career as a section head in the group concerned with the analysis of those few signals which were broken. Most of the centre's Soviet bloc 'J' Division staff are employed in fact to listen to and transcribe interesting portions of Soviet telephone calls, scooped up by spy satellites.

Cheltenham's other worldwide electronic snooping efforts are more successful. The codes and cyphers of Third World and developing countries in Africa, the Middle and Far East and South America are usually broken without undue difficulty. The *New Statesman* would not be justified in listing countries whose diplomatic signals can be read like a book (the cracking of Japanese and Argentine diplomatic codes has already been revealed elsewhere). But 'sigint' 'targets' include not just supposedly hostile and unaligned states, but also Britain's supposed friends and allies. Specific targets of GCHQ surveillance include NATO members Greece and Turkey — as well as Saudi Arabia, with which the government has recently signed a pact for intelligence co-

operation, including the exchange of 'sigint' gathered by the Saudis' own new counterpart of GCHQ.

A questionmark must hang over the relevance to British interests of these international successes. As several Cheltenham specialists have put it, the data may be 'interesting and entertaining' but it is now really only 'of prurient interest' to a power like the UK.

Often the value of the intelligence gained is even more questionable, because by virtue of the way it is gathered, it is too secret to be used — and certainly too secret to show to ministers. For example, while he was Secretary of State for Energy, Tony Benn was completely ignorant of the fact that his officials were regularly getting secret intelligence bulletins on energy developments and prices from GCHQ and other sources.

Also, during the last Labour government, information about South African military activities in particular was actively suppressed by the JIC and its analysis teams. The 'justification' was that they didn't want the government to see such information 'with people like Benn in the Cabinet'.

WHATEVER HAPPENS AS a result of the Prime case, GCHQ's security will not be achieved by 'positive vetting'. The last spy in 'sigint' caught in Britain, like Prime an RAF NCO, had also passed all his 'PV' checks. He was Douglas Britten — who was jailed for 21 years in 1968. His case provided a graphic demonstration of the worthlessness of the Security Commission, the high-sounding but ineffective body to which the Prime case has also been referred. The Commission reported on the Britten case in December 1968, after Prime had gone to work at GCHQ, having left the RAF and having been on a KGB spying course in East Berlin. 'We find', the Commission wrote then, 'that there has been no neglect of duty or failure to apply RAF security procedures'.

On this occasion, the Security Commission will have little choice but to report that MI5 — the Security Service — failed to detect the servicing of 'dead-letter' drops by Soviet diplomats and agents; that GCHQ failed to notice the series of flights to Vienna and elsewhere booked and taken by Prime; and that its own past reports have had little or no value in stopping spies.

They might note also that one consequence of the introduction of positive vetting in 1952 was the death of Alan Turing, a celebrated mathematician who joined GCHQ's forerunner in 1938 and during the war broke the critical Enigma codes used by the German navy during the Battle of the Atlantic. Turing remained involved with GCHQ after 1945, but committed suicide in 1952 after intense pressure was put on him by the establishment's security division, when his homosexuality became a matter of record after he resisted a blackmail attempt and reported it to the police. Turing, according to Dr Andrew Hodges, the author of a forthcoming biography, was the 'central figure in scientific cryptanalysis without whom GCHQ wouldn't exist'. But it proved too small-minded to accommodate his loyal service. □