
GCHQ boosts arms sales

WITH THE British Army Equipment Exhibition opening last Monday set to boost arms sales, the *New Statesman* has discovered an unlikely source of information used to help British private arms manufacturers find new markets. According to staff from the Government Communications Headquarters (GCHQ), Britain spies on other countries' communications to obtain information for the manufacturers.

These sources say that 'anything of value indicating a potential arms deal', especially contracts being negotiated by other countries, is immediately passed to an authorised official of the Defence Sales Organisation of the Ministry of Defence. But the same is not true of GCHQ intelligence being used to boost, say, civil engineering contracts or sales of other manufactured goods. Only opportunities for *arms* sales are given a high priority in British intelligence 'targeting'.

Major British military manufacturers receive GCHQ intelligence about arms contracts being negotiated by their competitors after it has been 'sanitised' by the Defence Sales Organisation. This is done to protect the source of the information. But the companies can then use the information to undercut or disrupt foreign bids.

GCHQ gets intelligence about prospective arms contracts by intercepting most Western international commercial communications, as well as military and diplomatic signals. Receiving stations have been built specially to eavesdrop on Western commercial satellites. A GCHQ telex interception centre, believed to be called 'UKC1000', is located in central London. The targets are known inside Cheltenham as ILC, or International Leased Carrier communications. Central computers at Cheltenham can now automatically examine thousands of ILC messages daily, looking for key words or phrases in all international messages except telephone calls.

The information is then passed on to 'indoctrinated' — a special security clearance — civil servants in each government department who are authorised to see signals intelligence. The Bank of England also has access to GCHQ economic intelligence.

GCHQ said this week that they wished to make 'no comment' on the allegations that they intercepted details of international arms contracts. A press officer asked 'would you mind identifying the staff who gave you this information?'

Duncan Campbell