



Ref. A09818

PRIME MINISTER

Recent experience has led me to crystallise certain ideas which had been at the back of my mind for changing the intelligence organisation. I have discussed these ideas with Sir Antony Acland and Sir Frank Cooper and with the old and new Chiefs of the Defence Staff, and I think that they will command broad agreement.

2. At a recent private meeting with Lord Franks I told him that I had ideas for changing the intelligence organisation which I should shortly be putting to you. He indicated that this might be an area on which his Committee would wish to comment, and, though he recognised that business must go on, he very much hoped that we should not feel it necessary to make any changes until after the Committee had reported. It seemed to me that it would in any case be prudent not to make changes until after the Committee had reported; not only could we then take account of the Committee's report but it might well be that the changes we had in mind would themselves be an effective response to the Committee's conclusions. Lord Franks was clearly keen that we should not pre-empt those conclusions. I therefore said to him that I did not expect to make changes in the intelligence organisation before the Committee reported. I went on to say that, if for some reason that I could not then foresee we decided to make changes before the Committee reported, I would, before putting them into effect, ask to come and see the Committee and formally tell them what we were proposing to do and why we were proposing to do it. Lord Franks was content to leave it on that basis.

3. The changes which I have in mind are as follows:

- i) I should like to lay on the JIC a more definite responsibility to be alert to and keep watch for developing situations that might threaten British interests. This would be done by adding to the JIC's terms of reference something on the following lines: "to give early warning of developing foreign threats to British interests, whether political, military or economic, and whether direct or indirect".



- ii) The warning responsibility thus laid on the JIC would be laid also on the intelligence assessments staff, who are responsible for preparing draft assessments for the JIC. Each member of the assessments staff would be directly charged with a "watch" responsibility for his own area.
 - iii) The chairmanship of the JIC should no longer be held by the Deputy Under Secretary of State, PUSD, Foreign and Commonwealth Office but should be held by an independent person of Deputy Secretary rank in the Cabinet Office.
 - iv) There should be consequential changes in the membership of the JIC. In particular, your Foreign Affairs Adviser should be a member (or be entitled to attend whenever he wished, if that was what he preferred). The Foreign and Commonwealth Office should probably be represented by the Political Director or his effective deputy, either instead of or as well as the Deputy Secretary, PUSD.
 - v) While the Chairman of the JIC would, for formal purposes and "pay and rations", be a member of the Cabinet Office reporting to me, he would have direct access to you (and of course vice versa).
 - vi) The Chairman of the JIC would be equipped with a Staff Officer, to enable the Chairman of the JIC to have a second opinion on the intelligence, to supplement that of the Desk Officers of the assessments staff.
 - vii) We should continue to recruit Desk Officers for the assessments staff on secondment from the Foreign and Commonwealth Office and the Ministry of Defence; but tours of duty should normally be not less than three years (rather than two years at present). We should also pursue the possibility of recruiting more members of the assessments staff from the intelligence agencies on a similar basis (we already have a few).
4. Even if the role of the Chairman is expanded in the manner proposed, I do not think that it would be anything like a full time five days a week job.

I therefore think that the right course would be to combine the chairmanship of the JIC with the job of the Intelligence Coordinator (most journalists seem to think that that is already the case). It would be for further consideration whether the Staff Officer whom I have in mind to support the Chairman of the JIC should also support the Intelligence Coordinator on his other functions or whether he might need to have two such Staff Officers. My present inclination is to think that, if we could find the right man - and I think we can - one would be enough; and there would be great virtue in the Intelligence Coordinator being supported by the same Staff Officer over the whole of his functions.

✓ 5. I dare say that you will want to discuss these proposals. If, subject to such discussions, you are ready to approve them in principle, I should like then to work them up in detail, and to have your authority to inform the Franks Committee that this is what we propose to do, once they have reported and subject to anything which they may say in their report. It may well be that the Committee will feel able to endorse proposals of this kind as meeting the potential difficulties which they may have identified.

REA

ROBERT ARMSTRONG

21st October 1982