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Prime Minister

Agree in principle the 3

changes recommended by Sir

Robert Armstrong and invite him

to discuss with FCO and MoD,

will a view to being able to respond

quickly after the Franks Report is

Ref. A082/0637

PRIME MINISTER

We have dismitted

Intelligence Organisation

TERB 24.12

In the light of discussions which have been proceeding among officials, and of several discussions with you, I am now putting forward proposals for certain changes in the organisation for handling intelligence matters. You will not want to take final decisions before you have seen the report of the Franks Committee. But I suspect that their minds have been moving in a similar direction, and it may help us to respond quickly to the Franks Report if we have thus clarified our own thoughts in advance.

- 2. The objective of the proposed changes would be to improve the capability of the official interdepartmental machinery to give early warning of threats to British interests. It has hitherto been regarded as primarily the business of the departments of state (particularly the FCO and the MOD) to draw the conclusions from intelligence assessments, in terms both of identifying threats and deciding upon action to meet them. The changes I have in mind would not absolve the Departments from those responsibilities, but they would provide an additional source of advice on the identification of threats and a spur to decision-making and one which was not bound by the policy preoccupations of any particular Department.
- 3. Thus these changes would add a further dimension to the intelligence assessment apparatus, which would be specifically charged to be alert to and keep watch for such situations and to make timely assessments as they developed.

- 4. To this end, I recommend as follows:-
 - A. The JIC should be expressly given a monitoring role, to watch for and warn upon possible emerging threats to British interests. The JIC's terms of reference (copy attached) would be amended by adding something on the following lines: "to give early warning and to monitor the development of foreign threats to British interests, whether political, military or economic, and whether direct or indirect."

or attented B.

- The Chairman of the JIC should be, not an official of any Department, but a senior official in the Cabinet Office. He should be expressly charged with ensuring that the JIC's monitoring role is discharged effectively.
- 5. The watch responsibility laid on the JIC would devolve also on to the Assessments Staff, each member of which would be directly charged with a watch responsibility on his own area.
- 6. The reason for bringing the Chairman of the JIC into the Cabinet Office would be

to remove him from the distraction of an operational and policy making Department;

preoccupations; The he should be no my of the Assessments

to tighten his direction of the work of the Assessments Staff;

to enhance the ability of the interdepartmental Joint Intelligence Organisation to identify developing threats and to bring them into assessment.

7. Even with these responsibilities the position of the Chairman of the JIC would not constitute a full-time job. The chairmanship should therefore be combined with another position in the Cabinet Office. I believe it should be combined with that of Intelligence Co-ordinator, though other possibilities are conceivable.

- 8. If these recommendations were adopted, there would be certain consequential changes in staffing arrangements in support of the Chairman, but the chain of command within the Cabinet Office would remain the same: that is, the Intelligence Co-ordinator (and the Chairman of the JIC, if different) should continue to report to the Secretary of the Cabinet, but should have direct access to the Prime Minister as necessary and appropriate.
- 9. There would also be changes in the membership of the JIC itself. First, with the change in chairmanship, the FCO would have to consider how best to arrange their representation. Second, the MOD would appoint, in addition to the representatives of the Defence Intelligence Staff, an officer from the Central Staff; we believe that this would improve the ability of the JIC to respond to military preoccupations, and the Central Staff's understanding of the work of the assessments machinery. Third, the OD Secretariat should be represented on the JIC.
- 10. There are two further connected matters:
 - (1) We should make arrangements to ensure that you and your staff were kept properly informed on all intelligence matters. On this, I think that your foreign and defence affairs advisers should have access to all assessments and be able to attend meetings of the JIC as observers. You will also want to have frequent and regular meetings fortnightly if not weekly with the Intelligence Co-ordinator/Chairman of the JIC at which your advisers will no doubt also be present.
 - (2) I think that it would be right to instruct the Intelligence Co-ordinator/Chairman of the JIC to draw attention specifically to assessments that appeared to require operational, planning or policy action; and to lay on the Head of the OD Secretariat in the Cabinet Office the responsibility to look at all JIC assessments with a view to ensuring that the Departments of State were

SECRET taking such action, including contingency planning, as might be required. But it would be for Departments - and of course in the end for Ministers - to decide what action should be taken, and to put it into effect. ROBERT ARMSTRONG 24th December 1982 4 SECRET

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CABINET

JOINT INTELLIGENCE COMMITTEE

COMPOSITION AND TERMS OF REFERENCE

COMPOSITION

1. The composition of the Committee is as follows -

Chairman; Foreign and Commonwealth Office

Deputy Chairman: Director General of Intelligence, MOD

Members: Deputy Chief of the Defence Staff (Intelligence), MOD

PUSD, FCO

Director General, Security Service

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Director, GCHQ

. Intelligence Co-ordinator

Chairman, Economic Assessments Sub-Committee

TERMS OF REFERENCE

- 2. The Joint Intelligence Committee is charged with the following responsibilities
 - a. under the broad supervisory responsibility of the Permanent Secretaries' Committee on Intelligence Services to give direction to, and to keep under review, the organisation and working of intelligence as a whole at home and overseas in order to ensure efficiency, economy and prompt adaptation to changing requirements;
 - to approve and present at agreed intervals statements of intelligence requirements and priorities covering the Committee's field of responsibility;
 - c. to assemble, evaluate and present such intelligence on events, situations and problems relating to external affairs, defence, scientific and technical matters, and foreign economic (including commercial) affairs as may be required by the Cabinet, Cabinet Committees, Ministers, Departments, the Chiefs of Staff, or as the Committee may deem necessary;

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- d. to maintain and supervise liaison with appropriate intelligence organisations overseas, and to consider the extent to which its product can be made available to them;
- e. to monitor and, where appropriate, co-ordinate and oversee the activities of the United Kingdom joint intelligence organisations overseas and to consider such matters as may be referred to it by these organisations;
- f. to keep under review threats to security at home and overseas and to deal with such security problems as may be referred to it.
- 3. The Committee may constitute such permanent and temporary Sub-Committees and Working Parties as may be required to fulfil its responsibilities.
- 4. The Committee will report to the Secretary of the Cabinet except that, in order to meet the special requirements of the Chiefs of Staff, assessments of a mainly military nature shall be submitted direct to them in the first instance.

Signed ROBERT ARMSTRONG

Cabinet Office 22 July 1980