

CABINET OFFICE
A 2107
14 DEC 1972
FILING INSTRUCTIONS
FILE No.

To: Prime Minister

From: Lord Rothschild

14th December, 1972.

Following a recent conversation with you I attach Part I of a note which you may find of interest and which, perhaps during January, by when Part II will be ready, I believe might be worthy of an informal discussion.

Copies have been sent to Lord Carrington,
Mr. Robert Carr, Sir Burke Trend and Sir William Armstrong.

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SUBVERSION

Subversion is defined in the Oxford English Dictionary as

"To bring about the overthrow or ruin of a person, people, a country, a dynasty, etc."

It is often thought to refer to espionage, sabotage and disruptive activities, organised and/or carried out on behalf of a Foreign Power.

In the modern world, however, subversion may be of a different form. It may not be organised or controlled by a Foreign Power and may take the form of disruptive activities carried out by an individual who wishes to undermine or overthrow constitutional democracy.

A number of people may well engage in similar activities without any connection between each other, but with the same objective of undermining or overthrowing constitutional democracy.

It is this new activity about which the modern state must obtain as much information as possible with or without the intention of taking any particular course of action; and, of course, about the people engaging in it.

The attached memorandum on subversion, though rather long, is, we believe, well worth study. As will be seen, it is based on Lord Denning's report on the Profumo case.

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SUBVERSION

1. In para. 238 of Cmnd. 2152 (Report on the Profumo case), Lord Denning gives the text of the Directive issued in 1952 by the Home Secretary to the Director-General of the Security Service. This Directive, which Lord Denning in 1963 described as 'the governing instrument today', runs in part as follows:
 - "2. The Security Service is part of the Defence Forces of the country. Its task is the Defence of the Realm as a whole, from external and internal dangers arising from attempts at espionage and sabotage, or from actions of persons and organisations whether directed from within or without the country, which may be judged to be subversive of the State.
 3. You will take special care to see that the work of the Security Service is strictly limited to what is necessary for the purposes of this task.
 4. It is essential that the Security Service should be kept absolutely free from any political bias or influence and nothing should be done that might lend colour to any suggestion that it is concerned with the interests of any particular section of the community, or with any other matter than the Defence of the Realm as a whole."
2. The word subversive is not defined in the Directive. In the context of Security Service operations it is most naturally understood in its normal dictionary meaning, - metaphorically, "that which undermines authority or allegiance". So much at least it must mean, and no preciser definition will be offered at present, in order that the following argument may be immune from the charge of using the term in some special sense not envisaged by the drafter of the Directive.
3. Lord Denning's interpretation of the Directive is given in para. 230 of his Report as follows:

"(The operations of the Security Services) are not to be used so as to pry into any man's conduct, or business affairs; or even into his political opinions, except in so far as they are subversive, that is, they contemplate the overthrow of the Government by unlawful means."

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This interpretation introduces two new points:

- (a) That 'political opinions', as well as 'actions' (to which alone the Directive refers) are, if they are 'subversive', subject to Security Service operations. This, if accepted, has an important consequence; and plainly it should be accepted. Political opinion may be evidence of intent to act in a political way, whether openly or not. If, for example, a man in control of a powerful internal organisation, expresses the opinion that a Communist system would be preferable to Parliamentary government in this country, it is in the interests of the State to watch for evidence of behaviour designed to translate opinion into action.
- (b) The second new point is the definition of 'subversion'. To say that subversion means 'contemplating the overthrow of the Government' does not go far enough; it is not so much 'the Government' (i.e. a particular administration) as 'the system of Government' which is or may be at stake. And to add 'by unlawful means' over-simplifies the issue, as subversion may take forms in which the means employed are, in themselves, not unlawful.

4. The Directive instructs the Security Service to defend the realm against subversive organisations directed from within the country as well as from without. Now, to take an example, a Trade Union is an organisation directed from within the country: suppose that X in control of a Trade Union, employs lawful means, ostensibly for a lawful purpose, but in fact for the purpose of subversion as defined ("contemplating the overthrow of the system of Government"), are his actions, and (accepting Lord Denning's interpretation of the Directive) his political opinions, subject to the operations of the Security Service?
5. The answer to this question is manifestly affirmative. Although it is not unlawful for X to induce men to strike, however damaging this may be to the realm, nor is it unlawful to persuade men to claim high wage increases, however injurious these may be to the national economy; yet, if these measures are taken by X with the intention (whether primary or secondary intention) of undermining the system of Government, then, although his means are lawful, his end is subversive and therefore not lawful. His organisation is, within the terms of para. 2 of the Directive quoted above, being directed to an end which "may be judged to be subversive of the State", i.e. designed to undermine lawful authority and to destroy allegiance. It follows that his actions (according to the Directive)

and also his political opinions (according to Lord Denning) are subject to the operations of the Security Service.

6. This conclusion is not in conflict with para. 4 of the Directive quoted above. There is no question here of political bias. The duty of the Security Service to investigate suspected subversion is absolute, and is not affected by the colour of the suspect's political opinions, whether these are extreme right-wing or extreme left-wing or anything else.
7. It is much easier to show that the Security Service has a duty, under its Directive, to concern itself with subversive activity of the type described above, than to define what action it can profitably take; for the circumstances in the example of X are of a peculiar type. Both the end and the means of X are to a very great extent both openly avowed and lawful. It is publicly stated, and not denied by X, that he would prefer an alien type of regime in this country, with the necessary implication that he would assist, given the opportunity, in the elimination of Parliamentary government as established under the Constitution. There is no secret to be unearthed in this respect, and it is not unlawful to state a preference for an alien type of regime and to work openly to that end; for example, it is not unlawful to be a member of the Communist Party, and there have been Communist members of the House of Commons. Nor are the principal means employed by X (strikes, incitement to discontent, excessive wage claims) either concealed or unlawful.
8. It seems plain that where the true purpose is subversive but the actions and the ostensible end are lawful, proof of subversiveness, in any sense in which a charge could be laid and maintained, will be difficult if not impossible to supply. But in a case where there is reason to believe that an organisation is in fact being directed towards the overthrow of lawful authority and the destruction of allegiance, there are certain questions which a Security Service should seek to answer.
 - (a) Is the organisation, or any person or group within it in receipt of financial assistance, directly or indirectly, from a foreign source?
 - (b) Is the organisation, or any person or group within it, supplied, whether regularly or occasionally, with instructions of any kind from a foreign source?
 - (c) Are there contacts, whether overt or clandestine, between the organisation, or any members of it, and a foreign power, of such a kind that it is reasonable to suspect that information contrary to the interests of the State is being passed?

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9. It is necessary to envisage the possibility that the result of such inquiries may prove to be largely negative; and this may be because the subversive element is of a relatively novel and not easily definable type, fluid and flexible within its own organisation, loosely or not at all coordinated with like elements in other organisations, and indebted to foreign sources for nothing but its ideology. The Security Service will therefore adopt flexible and experimental tactics, adapting its methods to the varieties which actually present themselves on closer inquiry, recognising that the pattern of subversion may be an incoherent patchwork of irregular shapes and sizes and a variety of colours.
10. As the technique of subversion may be much less tangible than (for example) that of a well-organised agency of a Communist group, the results of inquiry may well reflect the subject-matter's lack of concreteness; and even if the results are both positive and concrete, it may be impracticable or impolitic to take proceedings in respect of them. There is nevertheless plainly one advantage to be derived from Security Service operations in such a field - the provision of an 'Early Warning System' for the Government. Methods could be employed to supply the Government continuously with advance information of plans, the fore-knowledge of which could be of great importance. It seems likely that the true value of Security Service operations would be rather in this region than in the areas outlined in para. 8 above.
11. It has been the object of the present note (a) to show that the direction of an organisation towards an end which is known or believed to be subversive, in the sense defined above, exposes that organisation, and in particular the actions and political opinions of individuals or groups within it, to Security Service concern within the terms of their Directive; (b) that, despite certain inherent difficulties, there is at least one product of Security Service operations in such a case which could be of high value to the Government.

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APPENDIX

- (i) The above analysis implies that, in the example taken, the Security Service has the duty to 'pry into the private conduct and business affairs' (Lord Denning's phrase) of individuals; and it is plain that, if the Profumo case is an example of normal interpretation by the Security Service of their Directive, the analysis will be unacceptable.
- (ii) In the Profumo case, the Security Service held it to be 'not the function of the Security Service to find out whether she (Keeler) was his (Profumo's) mistress or not. It was a purely personal side of his life which the Security Service were not concerned to look into,' (para. 260(1)). That is to say, the Security Service was not concerned to look into the question whether a Minister was intimate with a prostitute known to be in close contact with a foreign intelligence-agent. The obvious possibility that a Minister in such circumstances might be exposed to blackmail, for example through compromising photographs taken without his knowledge, appears to have been overlooked or regarded as unimportant. It is asserted in defence that when the Security Service first became aware of the Minister's acquaintance with the prostitute, the foreign agent had just left the country, and therefore 'the present risk had gone' (para. 260 (2)). A layman in these matters might conclude that methods have undergone a surprising change: there was a time when the natural and expected sequel would have been the immediate supply of a successor to Colonel Ivanov in the affections of Keeler, in order to maintain this possibility of pressure on the Minister. The fact that the Russians did not supply a successor (presumably because they guessed that the lid was about to be blown off the kettle) does not justify the Security Service in refusing to inquire whether the Minister's intimacy had gone so far as to expose him to the risk of blackmail in the future.

SHP

File

18th December, 1972

CABINET OFFICE
Ref: A03096
18 DEC 1972
FILING INSTRUCTIONS
FILE No.

... may find of interest ...
... part I will be read, I believe ...
... of ... discussion.

Sir Burke Trend has revised the draft of his minute to Robert Armstrong on Industrial Intelligence, which he sent to Sir William Armstrong under cover of his letter of 11th December, to take account of the points made by Sir Philip Allen in his letter of 13th December (and also to include a reference to Lord Rothschild's memorandum to the Prime Minister of 14th December).

Sir Burke Trend is now most anxious to minute Robert Armstrong and he would be glad to know whether Sir William Armstrong is content. Perhaps this might be discussed at the meeting arranged for Wednesday, 20th December at 9.45 am. if it is not possible to clear the matter earlier.

I am sending a copy of this letter, for information, to Liz Sermon.

B. M. NORBURY

(B.M. Norbury)

J. A. Chilcot, Esq.

CABINET OFFICE
Ref: A03116
21 DEC 1972
MR. ARMSTRONG
FILE NO.

Industrial Intelligence

Sir William Armstrong, Sir Philip Allen and I have discussed your minute of 17th November.

It was very timely to be reminded of the Prime Minister's concern about this matter, since I had it in mind to submit to him in the near future - for possible discussion by Ministers during the Recess - a further progress report on the operation of the arrangements which I proposed in my minute of 7th August. You will remember that in that minute I suggested that we should create, in relation to internal security, an organisation having much the same functions as those discharged by the JIC in relation to intelligence about external developments; that you conveyed the Prime Minister's approval to this proposal on 9th August; that I submitted the first report from this new interdepartmental group (on "The Impact of Subversive Groups on Trade Union Activity") to the Prime Minister on 13th October; and that in your minute of 18th October you said that the Prime Minister wished this report to be circulated to the other Ministers concerned, who should thereafter meet to discuss it. We have tried several times to organise this discussion; but the pressure of other business has so far defeated us. Meanwhile, however, we have reviewed the activities of the group (which is chaired by Mr. Waddell of the Home Office) in the light of the meetings which they have held so far and with particular reference to the need to organise a more regular and systematic service of the "SUBIND" reports about industrial unrest, which at present appear in a rather haphazard way as regards both timing and distribution. The group have found that they are well organised and equipped to produce medium and long term studies of subversive tendencies in industry; and they have already commissioned a provisional programme of work of this kind. It comprises detailed studies of the structure of the NUM and the AUEW; a series of inquiries into the subversive influences which might be involved in major disputes in Fords and the railways in the near future: and, in the rather longer perspective, some research into the "New Left", including its international links. (I hope that the group may

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subsequently extend their activities to include subversion both in the educational world and among the information media. But this raises some rather delicate issues, which Ministers will need to consider carefully.)

It is at the short-term end of the scale that the difficulties arise, since the group is not appropriate for the production of the kind of "instant" situation reports which the JIC produce in moments of international crisis. In particular, it is too large for a purpose which essentially requires a small, compact body, capable of very rapid action. We have considered this problem further; and we now propose that the "SUBINDS", which provide Ministers with the only source of information of this kind (although the Secretary of State for Employment receives his own Departmental briefing), should be replaced by a new series of documents, which would not merely provide "raw" covert intelligence about current industrial disputes but would also attempt to produce a considered assessment of all the information, both overt and covert, available to the Department of Employment, the Security Service, the police and the Department concerned with the industry in question. This will involve creating a small interdepartmental sub-group, able to react very quickly in moments of crisis. Its basic membership should be drawn from the Home Office (who would provide the Chairman), the Department of Employment and the Security Service; and in order to ensure speed of operation it should be geared into the machinery of the JIC and so be free to draw on its resources of servicing, circulation, etc. The circulation list for the product should be, at the minimum, the Prime Minister, the Home Secretary and the Secretary of State for Employment. But it might be extended, if the Prime Minister wishes, to the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Secretaries of State for Defence and for Scotland and the Lord Privy Seal; and reports on individual industries should be supplied, in addition, to the responsible Ministers. They should also be made available, as a matter of routine and subject to the necessary safeguards, to those senior officials who are directly concerned either with particular disputes or with industrial relations policy in general. Both the Home Secretary and the Secretary of State for Employment, who have been consulted informally about this proposal, have approved it (albeit with some reluctance on the part of Mr. Macmillan); and, if it is acceptable to the Prime Minister, I will arrange for it to be put in hand forthwith.

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There remains the question of the scope of the Security Service's activity, which is discussed in paragraph 4 of your minute of 17th November. Sir William Armstrong, Sir Philip Allen and I have discussed this question carefully, with full regard to the Prime Minister's concern about it. The charter of the Security Service (of which I attach a copy) is so drafted as not merely to enable but also to require them to concern themselves strictly with "the security of the State". Moreover, for many of their operations they are dependent on warrants signed by the Secretary of State, who must therefore satisfy himself in each case that the purpose of the warrant falls within the ambit of the charter. In practice "the security of the State" is interpreted as meaning the maintenance of the system of Parliamentary democracy in this country; and the effect of the charter is therefore to restrict the Security Service to the detection of activities which are directed to the overthrow of that system, whether by subversive political action or by force, and to preclude them from interesting themselves in mere "militancy" in industrial disputes unless it has a specifically political implication in the sense defined above. But there is, of course, a "grey" area between these two concepts; and the extent to which the Security Service can properly operate in this indefinable area must inevitably be to some extent a matter of judgment. Fortunately, the newly-appointed Head of the Service is both more aware of, and more sympathetic to, the Government's anxieties in this context than his recent predecessors; and we are pretty confident that, in so far as the balance of judgment needs to be tipped in favour of the Government's interests in any particular case, he will not hesitate so to tip it. He is also devoting considerably increased resources to this aspect of his responsibilities. We doubt, therefore, whether any amendment of the charter is required in order to ensure that we shall secure the information which we need.

More important is the fact that the essential terms of the charter are public knowledge (having been disclosed practically in full in the Denning Report on the Profumo case); and that they have been formally approved, without alteration, by successive Prime Ministers at the outset of each Government's term of office for a good many years. To amend them, therefore, would be a matter of considerable political significance; indeed, we doubt whether it would be either proper or possible to do so without consultation with the Opposition and, probably, some kind of public

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statement. One hesitates before the prospect of the probable consequences. On balance, therefore, we suggest that they should remain as they are but that the Director General of the Security Service should be advised that they are to be so interpreted as to do full justice to the real objects of the Government's concern.

Since our discussions on which this memorandum is based we have seen the Note on Subversion which Lord Rothschild sent the Prime Minister on 14th December. It is described as Part I of a submission, to be followed by Part II in January; and until we have seen the latter we would prefer to suspend judgment, apart from observing that Part I:-

- (a) reflects from time to time a point of view which the Home Secretary might find it difficult to endorse without reservation;
- (b) essentially confirms our own view about the "grey" area mentioned above and does not cause us to modify our views about the way in which we have suggested that that area should be dealt with.

If the Prime Minister would like to discuss these questions before any wider Ministerial meeting about the work of the interdepartmental group, we are, of course, at his disposal.

BURKE TREND

20th December, 1972



CABINET OFFICE
A 2297.....
22 DEC 1972
FILING INSTRUCTIONS
FILE No. <small>GENERAL SECRETARY</small>

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10 Downing Street
Whitehall

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SIR BURKE TREND
CABINET OFFICE

Industrial Intelligence

Thank you for your minute of 20 December, reference A03116, which I have now discussed with the Prime Minister.

He would be grateful if you would proceed directly with the proposal on page 2 of your minute, and if you would arrange for the Director General of the Security Service to be advised as you suggest at the top of page 4 of your minute.

He will want to have a further opportunity of discussing these matters with you and Sir William Armstrong early in the New Year.

REA

c.c. Sir William Armstrong

22 December 1972