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10 DOWNING STREET

*From the Principal Private Secretary*

SIR ROBERT ARMSTRONG

INTELLIGENCE ORGANISATION

The Prime Minister discussed with you this morning the proposals in your minute of 24 December (A082/0637) about certain changes in the organisation for handling intelligence matters. Since your minute was received, the Prime Minister has seen the report of the Franks Committee.

The Prime Minister's main concern is that she should be able to have the close contact with the intelligence machinery which she thinks necessary. After discussion with you, she is satisfied that the best way of meeting all the relevant considerations would be that the Chairman of the JIC should be a member of the Cabinet Office who would have direct access to her and that the Foreign and Defence Affairs Advisers in this office should have access to all assessments and be able to attend meetings of the JIC as observers. She therefore has approved the proposals in your minute of 24 December which should be the basis for the Government's announcement of its response to the recommendations of the Franks Committee on this subject.

F.R.B.

7 January 1983

SECRET