Zircon: Why MPs didn't want to know

As the dust of Zircon settles, DUNCAN CAMPBELL reveals how MPs colluded in being deceived by the government over the central issue of democratic accountability. He further argues that the Labour opposition's failure of nerve over 'national security' has brought Britain to a critical watershed for free speech

IN THE COURSE of just this one year, the BBC and *New Statesman* endured raids and writs against the press unprecedented this century, the government tried to overturn parliament's centuries-old independence of the courts, and a series of judicial pronouncements has created a new civil law of official secrecy more powerful and intimidating than its criminal counterpart.

These events did not begin with Zircon, nor have they ended since the Attorney General announced last month that there would be no prosecutions. But the gag orders of the last two weeks against me and, separately, the BBC, are telling evidence of the rapidly growing confidence of our official censors. After the Labour leadership's first highly-defensive response to the Zircon affair, they now feel secure that they may safely disregard protests on behalf of civil liberty.

Very little of the parliamentary debate that has occurred has taken note that the purpose of the original BBC *Secret Society* programme disclosing Zircon's existence (*NS* 23 January 1987) was not to 'blow' the technology of the planned new British electronic monitoring satellite. Instead, the article described a 'parliamentary bypass operation' — whereby the £500 million cost of the satellite was entirely concealed from parliament and its Public Accounts Committee (PAC). This was a direct breach of instructions given by the PAC in 1982. After the concealment of £1,000 million expenditure on the Chevaline nuclear missile system, all such costly defence projects were to be reported to the PAC in the form of a (confidential) Major Projects Statement.

Neither the government nor Defence Ministry have formally denied the concealment, taking refuge instead in the intricate language of the agreement with the PAC, or referring to non-existent 'national security' exemptions. (Non-existent because the exemptions were invented, after the fact, in January 1987; the Major Projects Statement procedure was in fact designed to deal with the most highly-classified projects of the day, such as Chevaline.)

In 1983, officials from the Defence Ministry, at the request of GCHQ, made a specific approach to the Comptroller and Auditor General, Sir Gordon Downey, to request that details of the Zircon plan not be disclosed to the PAC. The very fact that the approach took place was evidence enough that the Defence Ministry were well aware that the project *should* have been reported. Had the Attorney General opted to prosecute last month, it would have been extremely difficult for the government to have prevented the deception being exposed.

A strident, although unsubstantiated, chorus alleging damage to national security distracted parliamentary attention from the central issue of democratic accountability. So, although parliament spent two days debating the raids on the BBC and the censoring of MPs, there has never been a formal debate about Zircon and defence accountability. The two parliamentary committees directly concerned in the scrutiny of defence accounts — both Conservative-dominated — have refused to take evidence from us.

But the January police raids on the *New Statesman*, the BBC and my and two other reporters' homes were not part of a proper criminal investigation of damage to national security. The government had known since July 1986 that I was making a programme involving Zircon, following interviews with former defence chiefs. If a police or security investigation was needed, it could have been launched then; or, later on, when they obtained their own copy of the BBC film. Even in the week that the BBC ban was announced, when it was clear that a row would ensue, the Special Branch were not alerted. This only happened *after* the Prime Minister had been embarrassed and infuriated by the failure of her attempts to prevent the story being reported.

> ***'All the Leader of the Opposition could find to say on day one of the Zircon row was to condemn the Prime Minister for being insufficiently timely or harsh in the speed or quality of her oppression'***

When she discovered that the *New Statesman* had published the story, and so nullified the effect of the ban on MPs seeing the original programme, she condemned us as 'people more interested in trying to ferret out information which is of use to our enemies than in preserving the defence interests of this country . . . people who use freedom in order to destroy freedom'. That the *New Statesman* was a 'left-wing publication' was 'very significant'. On Monday the same week, the Foreign Secretary and Defence Secretary had contented themselves with bickering about whose department was responsible for the leak (if either). But now the temperature in Downing Street rose to incandescence. The next day, the Special Branch *were* sent in.

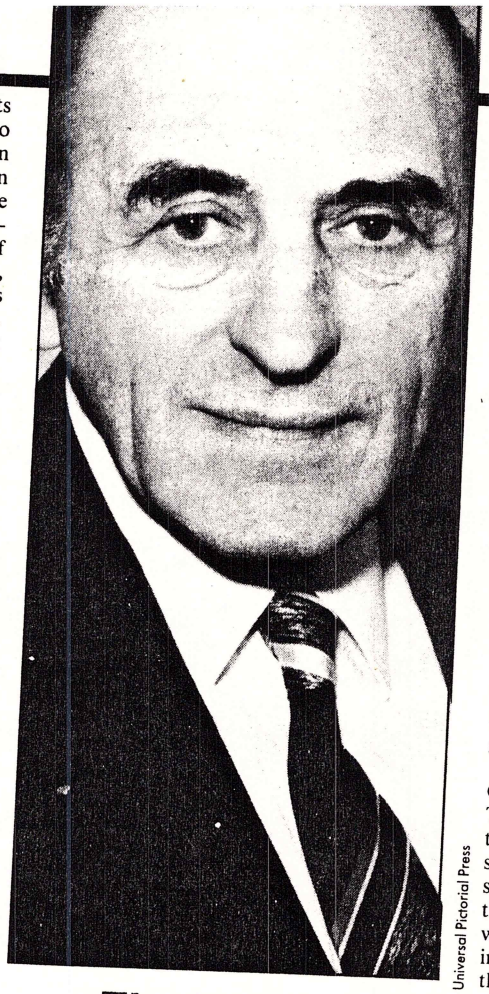
The character of the Special Branch inquiry became all too plain a month later, when the gumshoes called on Jonathan Miller, a media reporter on *The Times*. Miller had made his own quite separate revelations about Zircon. Detective Superintendent Hilton Cole, leading the investigation, was asked if he was thinking of prosecuting *The Times* as well as the *NS*. 'No', said Cole, he didn't want to 'have a witch-hunt against journalists'. 'Just Duncan Campbell?' said Miller. Cole concurred, unprepared for American Miller's characteristically terse response: 'Well, I want to be a martyr, too'.

Bludgeoning journalists

After the Secret Society row was over, the former BBC Assistant Director General, Alan Protheroe, attacked the government's use of the Official Secrets Act against journalists as a 'bludgeon . . . [The act] is an affront to contemporary society . . . an overt intimidation of the concepts which underline the ideal of democracy.' If BBC management had been able to hold to this view from the beginning, the Secret Society row, triggered by the BBC's own self-censorship, would not have happened.

In the event, the BBC very nearly did transmit Zircon; that the programme came within a hair's breadth of being shown as scheduled was much to the credit of Alasdair Milne, then the Director General. From the moment the Secret Society series was first announced in the autumn of 1986, he had been put under enormous pressure by some of the BBC governors to ban the entire series. Most of the pressure came from Somerville principal Daphne Park, Scottish governor Watson Peat, and ex-diplomat Sir Curtis Keeble. They maintained that it was wrong in principle to permit a journalist like me to make BBC programmes.

Eventually, Milne himself was ousted. His sacking did not improve the BBC's ability to handle conflicts between the state and broadcasters. Indeed, the Corporation's centralised journalistic vetting system has been enormously intensified. A honeymoon period in which the incoming DG, Michael Checkland, promised that decentralisation of editorial responsibility would be a key feature of his reign has been brief indeed. Since then the government has obliged on the occasions the BBC has not operated self-censorship, the banning order on the *My Country, right or wrong* radio series being the most recent example.



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The Labour watchdog who won't bark

NOT ONLY has the Public Accounts Committee not held any formal enquiry into the Zircon issue, the chairman, Robert Sheldon (right), tried to have his interview withdrawn, in effect cancelling the programme even before the BBC ban took effect. As custodian of the five-year-old agreement about the disclosure of major defence projects to his committee, Sheldon might have been expected to express righteous indignation on learning about Zircon. During an interview, he appeared to do this. But immediately afterwards, he became angry — not with the Ministry of Defence for deceiving him, but with me and the BBC for finding out and proposing to announce the news.

Until now, it has not been relevant to the Zircon affair to explain why Sheldon (who has consistently refused to meet us or discuss these issues) may have personal reasons for not wishing to agree with the BBC or the *New Statesman*. But it was quite clear to the BBC team in October 1986 that our uncovering of Project Zircon had deeply embarrassed Sheldon. He started the interview by boasting, at considerable length, of how effectively he personally had got the Defence Ministry under control: 'We made sure that this [Chevaline] doesn't happen again. I've taken a number of steps to ensure that'. Then when I asked him about Zircon, he first implied that he *did* but couldn't talk:

> *Campbell:* Has the committee been informed about Project Zircon?
> *Sheldon:* Well, I can't go into any detailed individual projects. These are matters that come before us in the normal way and I wouldn't like to discuss any of those at this stage.
> *Campbell:* Is that one that you are aware of, however?
> *Sheldon:* It, it, I, I wouldn't like to go further on that.
> *Campbell:* Can you tell me if the Committee is aware of this project at all?
> *Sheldon:* No, I can't go further on that one at this stage.

When the camera ran out of film, Sheldon immediately asked what Zircon was. He'd never heard of it. Would we agree not to use the first interview, and refilm it? We agreed to ask the questions again. He then gave us a different (and rather more accurate) answer.

I asked Sheldon about Zircon in particular, explaining what the project was, and what it cost. He said that he didn't know about Zircon — and if our facts were right, it was a 'very serious' matter. But when filming stopped a few minutes later, Sheldon was embarrassed, enraged and loudly abusive. He demanded that the interview be scrapped entirely, and then tried to pressurise the BBC to that end — not on grounds of national security, but because he felt that it had been conducted improperly, as he wasn't forewarned of the Zircon question.

Within a few hours, Sheldon had complained to Broadcasting House and to Alasdair Milne about our conduct of the interview. His complaint was rejected. Sheldon angered Milne considerably by intervening through the new BBC Vice Chairman, Lord Barnett, a personal friend, in an attempt to lean on Milne. Soon after, Sheldon contacted the Controller and Auditor General, Sir Gordon Downey, and established that Zircon did exist, as alleged.

Naturally resentful that Milne had refused his demand to drop the interview, Sheldon subsequently refused to discuss the issue at all with the producer of *Secret Society*, Brian Barr. When the story finally broke, Sheldon assiduously tried to suggest that he had known about it all along. On 20 January, Sheldon told newspapers that 'I have no evidence that parliament has been deceived . . . I made thorough checks to ensure that the procedures were being properly carried out, and I was satisfied.' He told *The Times* that 'he *did* know about the [Zircon satellite]' — but omitted to mention that he only got details of the project *after* the BBC interview. Later forced to acknowledge this, he asserted that reporting it to him had not been necessary as Zircon was still in its project development stage. When it was pointed out that projects as costly as Zircon had to be reported to him as soon as £10 million had been spent on project development (and about £70 million had by then been spent), he changed tack again, and claimed that there was a get-out clause in the agreement with the MoD. He told fellow MPs on 26 January that 'projects may be omitted from [the Major Projects] list on grounds of national security'.

But during the BBC interview the preceding October, Sheldon had said the exact opposite. The MoD, he then confirmed, were not allowed to leave 'anything at all off the list . . . We make sure that everything is on that list'. What about secret projects, I asked? 'We know exactly how the money is being spent, and it's quite right that we should'. What about a major defence project in its initial stages, I asked? 'We are able right at the very earliest stage to examine . . . how it is proposed that they be carried out'.

But when he learned that Sir Gordon Downey, with whom he works closely, had indeed concealed Zircon from him for three years, he changed his account of events several times, as more facts emerged. Sheldon's conduct, and that of the British Public Accounts Committee, thus stands in stark contrast to the normal behaviour of the US Congress in similar circumstances, which would have aggressively challenged any such government deception. The fact that Sheldon refused to acknowledge that Project Zircon raised a real issue of accountability directly helped the government to deny legitimacy to the *Secret Society* programme. But inside the BBC the strongest (and justified) criticism made of the Zircon programme was that I and producer Brian Barr had been 'too kind' to Sheldon by omitting his evasiveness, embarrassment and contradictory answers from the programme. □

The canard of damage to 'national security' was repeatedly raised, but never justified, in the course of the Zircon affair. As the first row broke, on the day the *NS* went on sale, the government had been trying to stop MPs from seeing the *Secret Society* programme, planned for the same afternoon. That morning, there was hectic activity throughout the Commons as Mrs Thatcher asked Neil Kinnock to allow an emergency motion to ban the showing (he agreed without question); attempted to get the High Court to injunct a pre-lunch Commons showing arranged by ITN (the judge refused to make the order); cajoled the Speaker into banning the ITN showing instead (the Speaker agreed but was reputedly infuriated that he was not informed that the Zircon story had by then been published); and invited Kinnock to a special security briefing prior to the afternoon debate (Kinnock agreed).

Rows over 'national security'

At 11am Kinnock, Healey, Hattersley, and John Smith went to the Foreign Office for a briefing with Sir Clive Whitmore, the Ministry of Defence Permanent Secretary. Whitmore's job was to explain why the Zircon revelation damaged national security, and to convince the opposition leadership to support the government's motion to ban the film from the Commons. The meeting was on 'Privy Council terms' — meaning that Kinnock and his party had to agree not to discuss what was said with outsiders. But at the meeting, Kinnock did not see the Zircon film (which he has still never seen). He then refused to have himself or any of his advisers briefed on how the relevant security issues had actually been dealt with.

He thus agreed to hear only the government's side of the argument — a critical error, since the most important feature of such arguments about security is not what is said, but what is omitted. Most importantly, arguments about possible Soviet countermeasures to a satellite of which they

are forewarned fail when it is realised that the US and USSR have operated dozens of such satellites against each other over the last 14 years.

But when, from a House of Commons office and in the presence of many Labour MPs and one of the front bench defence spokesmen, I offered the answers to any criticism GCHQ had made of the Zircon programme, I was asked not to continue telephoning his press secretary, Patricia Hewitt, in his offices a mere hundred yards away. This was on the grounds that Tory MPs might hear of the calls and criticise him — as they had done in the Peter Wright affair — for permitting his staff to speak to the country's 'enemies'.

Kinnock later announced that he had done what he could 'to uphold the government view that [showing the film] would prejudice national security . . . I would have prevented the film being shown.' But he hadn't seen the film — which was, and is, its own best defence against arguments of 'national security'. The film starts with Sir Frank Cooper, the former MoD Permanent Secretary, explaining that even schoolkids can spot spy satellites like Zircon. Before giving his interview, Sir Frank had insisted on knowing exactly what the programme was about — and was told. Knowing the difference between national security and political embarrassment, Cooper went ahead with the interview. But all that the Leader of the Opposition could find to say on day one of the Zircon row was to condemn the Prime Minister for being insufficiently timely or harsh in the speed or quality of her oppression. Kinnock later backtracked and stated that 'whether it [the disclosure of Zircon] jeopardised national security is a matter yet to be demonstrated'. But his incautious acceptance of the national security case, presented in a one-sided briefing by a far from disinterested government anxious to shield its own embarrassment, gave Mrs Thatcher far more room for manoeuvre than she ever deserved.

Before the Commons sat, Labour defence spokesmen Martin O'Neill and Kevin McNamara, both of whom *had* seen the film first, freely gave their view to the media that they could not see any damage in its contents. But after Kinnock pronounced, they were silenced, and such views could no longer be expressed from the party's front bench. It is extremely doubtful that the government would have dared to be so heavy-handed with the *New Statesman* and the BBC had not most of the Opposition been so effectively muzzled in advance.

Breach of accountability

A second, major reason that the breach of parliamentary accountability never received proper public attention was the attitude during the Zircon row of Robert Sheldon MP, the (Labour) chair of the Public Accounts Committee. It was Sheldon and his committee who had been deceived by the concealment of the planned expenditure on the spy satellite. But he didn't want to know (see box). The committee subsequently went out of its way to repudiate the specifics of the *NS* report, finding in April that although 'a formal process of accountability . . . is at present lacking':

> There are no grounds for supposing that the Zircon project should have been included in the Major Projects Statement as submitted to us . . .

But the committee added the qualifying words, '*given the present rules for the compilation of that Statement*'. The committee again refused to hear evidence from outside, and quotes no evidence on which its view was reached. Nor did it publish the 'present rules' of the Statement. Indeed, the rule under which Zircon was excused disclosure had never been heard of prior to January 1987, and is wholly contrary to the letter and spirit of the Chevaline agreement. It is probably not inconsequential that two members, Winston Churchill and Edward Leigh, already knew that they were to be accused in another (still untransmitted) *Secret Society* programme of involvement in a ruthless campaign against CND. The Defence Committee thus combined with the PAC in assisting the government to cover up the key subject-matter of the whole Zircon row — the deception of parliament.

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Perhaps the most chilling memory of these events is not of Special Branch raids (now regrettably, a periodic occurrence) but from visiting the House of Commons during the long afternoon debate on the raid on BBC Scotland. I watched from an upstairs gallery as David Steel and Roy Jenkins condemned the government tactics; Jenkins calling it the work of a 'second-rate police state'. Labour MPs smiled their support; one Conservative came up quietly to offer his support too.

Lord Barnett, Vice Chairman of the BBC Governors, came into the Commons gallery a few rows away. The previous summer, at tea in the House of Lords, he had been briefed by me about the Zircon programme, and had agreed to take part. Barnett had preceded Sheldon as the chair of the Public Accounts Committee, and had been the instigator of the Chevaline agreement. He agreed that deception was serious, but had to withdraw from an interview when he became, for a while, the acting chairman of the governors.

Now he saw me, and didn't smile. He looked scared, which was astonishing. Here was a man of power, dignity and prestige, whom I had known amicably for six years. He was now Peer of the Realm, Privy Councillor, Vice Chairman of the BBC Governors, as well as a socialist and the Labour Party Treasury spokesman in the House of Lords. He was well-to-do, with nothing to fear from the press, and no further need of Mrs Thatcher's patronage.

Yet as I got up he rose quickly, ran up, out through an arch and down the stairs, leaving behind as quickly as possible the Chamber of the House of Commons. Before and since, he has refused all phone calls and letters, and press and TV invitations to discuss the importance of the agreement he once made about government honesty to parliament. Barnett was not alone in fearing to challenge the Prime Minister. The *Guardian* called Kinnock's performance 'pitiful', adding that 'MPs ought to be pressing for details and explanations, not scuttling for cover as soon as the Prime Minister starts unfurling the flag'.

Failing in courage and judgment, Neil Kinnock, Robert Sheldon, and others opened the door to the invasion of their own liberties and rights, as much as ours. The effective result of the Secret Society affair has been that instead of consolidating investigative journalism as an important part of television production and media specialism, it has once again been marginalised. In the new BBC, Secret Society has become the history of how *not* to do things — a failure to control programme-makers and wild-eyed journalists from the far north, rather than a failure to fight the BBC's ground for independence from government, and against such disgraceful events as the unlawful search warrants that were used against BBC Scotland. BBC Scotland has still not been permitted to take sue the Special Branch for damages for the search, despite being advised by the doyen of Scottish lawyers nine months ago that a claim for £50,000 could be pressed.

An absurd scene

As the great molehunt came to an end last spring in an upstairs room of Kings Cross police station, Superintendent Hilton J. Cole of the Special Branch did look miserable. He rubbed his cropped white hair in growing frustration, and leaned forward. It was evident that he would feel much more at home in *The Professionals* than in bandying words with a tiresome pinko journalist and his clever-clever lawyer. He sighed. Finally, he said that he believed that I was 'on record as claiming to be a patriot. How do you reconcile that with shielding a traitor?'

I didn't comment. But Cole's number two, Detective Inspector Jim Williams, then loosed a volley of questions that owed more to oratory than to the gumshoes' search for leakers of government secrets; dare we deny, he asked, that:

> Bringing it (Zircon) out into the open was hardly likely to be in the best interests of the country? How can the disclosure of the existence of Project Zircon be anything but useful to a potential enemy? Do you deny that the interests of this country were prejudiced by its disclosure?

We do — but Williams moved in for the clincher:

> The Leader of the Opposition accepts that Zircon is a secret project affecting national security which has to be protected. Why do you reject his opinion?

Here, surely, we had one of the more absurd scenes in British socialist history — a left-wing journalist being harangued by the Special Branch for failing fully to share the opinions of the Leader of the Labour Party. The failure of the Opposition to establish a credible but critical position on national security issues opened the door, then and since, to an unprecedented wave of censorship and a diminution of parliamentary authority. In making the Zircon programme, we set out to show how parliament has been deceived. But we omitted to note that the watchdogs were asleep. □