

The "Special Relationship": How We Got Spying Wrong

Written by Reggie

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by Montag

I've been musing about how the NSA and the GCHQ got so chummy, and [this opinion piece](#) also made me wonder about how our own system evolved over time in the way it did. Based on the anecdotal evidence, it seems that the U.S. has always been dependent in some ways on the British scheme of intelligence, as structured in government. We forget nowadays that, in the longer view, the FBI, the CIA, and the NSA are all fairly recent constructs--the FBI is a little more than 75 years old (although it grew out of the earlier BOI--Bureau of Investigations--created about 25 years previously). The CIA is only about 65 years old, and the NSA, a mere stripling at 60 years old.

To a considerable degree, we've followed the British model of organization. The FBI is the analog of MI5, the CIA that of MI6 (thus purportedly separating domestic and foreign intelligence pursuits), with GCHQ originally handling signals intelligence and cryptography for both the military and civilian government, as the NSA has done for much of its existence (the notable exception being that NSA has its mandate as a military operation, with military leadership and funding from military budgets).

We've also followed the British tendency of taking its prime intelligence recruits from elite institutions--Cambridge, Oxford, Eton, Sandhurst, and the like, as our intelligence services are fond of Yale, particularly, and Harvard, and for a time during the Cold War, from elite Catholic universities such as Fordham and Notre Dame, most likely because idealistic young Catholic students might reliably become good Cold Warriors in the fight against godless Communism.

However, if we've borrowed from and adopted and adapted British means and methods, have we also brought along several hundred years' worth of British imperial baggage? I don't think many would dispute that British intelligence had its roots, first, in protection of, literally, the Crown. The King needed to be protected from palace intrigues and all manner of internal revolt. After the defeat of the Spanish Armada in 1588, the sea lanes to the East opened up to the British, and the British East India Company, the Crown and Parliament shared in the military and intelligence demands of controlling colonies throughout South Asia and the Far East and North America, mostly through the co-optation and control of local officials, often through the use of carefully collated and codified personal intelligence which could be used against upstarts.

This same method, not coincidentally, was honed to near-perfection in the Philippines after the turn of the last century by Col. Ralph Van Deman, acknowledged as the American "father of military intelligence." And it was Van Deman who adapted the old methods of the British to new tools* --liberal use of compromised or collaboration-minded local spies, photography, the

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typewriter, the telegraph and cross-indexing, all for the purposes of blacklisting and political blackmail--and then brought the whole packaged system to Washington in 1911 as a domestic counter-intelligence operation, where it was used against union radicals, socialists and war dissenters during WWI, and then after the war, in coordination with the BOI, in the Palmer Raids and, generally, the "Red Scare" campaign.

It was only after the India Mutiny of 1857 that the British government assumed full political control of the colonies through its Colonial Services (previously, the British East India Company had operated as what today we would call a public-private partnership, and it was an open secret that both the Crown and many members of Parliament had shares in the company and were quite willing to do its bidding when there was financial gain in doing so). After 1857, however, it no longer had its own military or its own intelligence operatives. Once that happened, the influence of the British East India Company waned, until it was dissolved in 1873. But, British intelligence had been shaped by the near-300-year existence of the British East India Company. The British government and the Company had mutual aims--protecting and expanding the Empire, for personal and national gain--and British methodology was indelibly shaped by the need to economically and politically control many colonies around the world with as few people as possible, in order to funnel raw materials to the maw of the British industrial engine--and produce profits.

By the turn of the last century, British control of its colonies was declining--self-determination was ascendent. It had lost the Americas, the six colonies of Australia had formed a federation and (effectively, though not completely) declared independence with a new constitution in 1901, and the political atmosphere in a host of other colonies and protectorates, especially Egypt and India, was becoming more fractious. Its response, guided by Winston Churchill, was to close ranks on information, first with the Official Secrets Act, which Churchill rammed through Parliament in just days in 1910 (and which Wilson emulated a few years later with the passage of the Espionage and Sedition Acts, using wartime as an excuse). And its methods of control were becoming less nuanced and more brutal after the four years of WWI. Churchill, for example, was advocating the use of poison gas to suppress uprisings in Iraq.

At the same time, the U.S., on the ascent, began to adapt British methods to its dealings in the Philippines, the Caribbean, Central and South America, using small amounts of people to politically and economically control large economic regions--first through Dollar Diplomacy, which promised aid in exchange for stability, but which, in fact, was a way of putting Americans in charge of customs receipts, a primary way that American investors could be first in line for debt repayment after loading up corrupt governments with debt, as in the Dominican Republic, and later, with contingents of Marines controlling the banks and customs houses of countries such as Nicaragua.

But, the first indications of close intelligence cooperation came during WWI, between the Royal Army and the American Expeditionary Forces, where both countries cooperated on cryptology, and this alliance was revived during WWII. Both countries were technologically adept, having mastered the elements of radio, radar and machine cryptography at roughly the same rates, and formed a close operational team at Bletchley Park between Britain's Government Code and Cypher School (later to grow into GCHQ) and the U.S. Signal Intelligence Service (which would

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eventually be folded into the NSA) which was dedicated to spying on not only the Germans, but other enemies, allies and neutral countries, presaging current practices.

And it was Churchill again who was the moving force behind the postwar agreement to share intelligence with the U.S. through GCHQ (relocated to Cheltenham), effectively joining Great Britain's signals intelligence with four of its most stable former colonies, the U.S. (through the National Security Agency), Canada (through its Communications Security Establishment), Australia (via its Defense Signals Directorate at Pine Gap) and New Zealand (Government Communications Security Bureau). In that way, Churchill could be assured that the UK--burdened by war debt and still enduring food rationing--would be able to maintain its control over information by piggybacking onto the services it most trusted and in which it had a common history and language, and a common goal of denying the Soviets access to both the international banking system and natural resources. Churchill was determined to keep the Empire alive, even if it meant doing so in the shadow of the U.S.

Ever since, the U.S. and the Brits have been exporting trouble to each other. The Brits, with a long-abused work force demanding better pay and services, gradually began to disinherit the Industrial Revolution, abandon industry, foment labor unrest, and put its resources into reviving the City of London financial district, a process that it helpfully exported to the U.S., beginning in the '70s. Margaret Thatcher borrowed, rather liberally, from right-wing Chicago School economists, including James Buchanan, for ideas on how to crush labor, to power through privatization of government services, and importantly, how to deregulate the British banking system and cut taxes on the wealthy, thus encouraging Reagan to make his first moves a signal to labor by firing PATCO employees, rapidly deregulating the savings and loan system and cutting taxes on both wealthy corporations and wealthy individuals.

When Thatcher saved her political bacon by a war with Argentina in the Falklands in 1982, the Reagan team knew that invading Grenada was, after mediocre polling and a political horror developing in Lebanon, a tested, sure-fire way of recharging positive opinion. And when the American stock market crashed in 1987, the British stock and money markets crashed shortly after--both systems had adopted similar deregulation, and both had invested heavily in computerized trading. Even politics were affected. When Clinton managed to win in 1992, his "New Democrats" approach so appealed to the British Labour Party that it became New Labour. Tony Blair even sent over political analysts to copy Clinton's triangulation schemes and to observe his polling practices in 1996--isolating swing voters and then using them in focus groups to shape the campaign message, a practice immediately adopted by Tony Blair, with electoral success and governance disaster.

When 9/11 happened, the intelligence/security/surveillance gates swung wide open in both countries, almost simultaneously, and Blair was more than eager to ride on Bush's coattails into

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conflict after conflict, causing great increases in the UK defense budget, and prompting further calls to restructure services, just as happened here. The British economy took a dive even before ours did, when Lehman Brothers employees in the UK were summarily dismissed because the British branch had sent all its operating cash to the U.S. parent, which then crashed the day after. At this very moment, the Brits are pushing an austerity budget that the U.S. is trying, mightily, to emulate.

Now, I can't be sure about who's been influencing whom at every juncture of history--the "special relationship" is very symbiotic. Some of this has to do with a common language and the obstinate American tendency to think that English is singular and paramount--ours is not a country which of necessity learns other languages. Some of it has to do with the shared experiences of WWI and WWII. But, our elite educational institutions were in some ways modeled on those of old England, and they have played similar roles in the intelligence business. In some very subtle ways, the British have been offering us tricks and tips about espionage that they have learned over centuries, ones we've adopted. And yet, the lessons gained--particularly in the 20th century--have not been that useful. They didn't prevent--and may have accelerated--Britain's loss of status, precisely because they were developed over time as a means of perpetuating empire and were unsuccessful in doing so. To the extent we adopted those lessons, we emulated empire, though we still vociferously deny it even today.

Today, our intelligence services protect themselves and the shadow government, in the same way that British intelligence grew out of the need to protect the King. Both services in effect and action sought to preserve and expand the influence of an economic elite by using the tools of empire (it's no accident that the CIA's casual moniker is "The Company"). Both saw enforcement of domestic stability as essential to preserving the system that made wealth accumulation by the few possible, and both governments used similar methods overseas to control indigenous populations and resources. (Let us not forget that it was the British who came to us begging for help in overthrowing Mossadegh--and nascent Iranian democracy--in 1953 because they simply didn't have the money to do it themselves, for which our multinational corporations took their cut of Iranian oil resources.)

This shared knowledge may have trained us in the tools of empire, which we have adapted to changing circumstances as something best described as neo-imperialism. But, it hasn't made us any more secure in any functional way. The CIA has become adept at coups in countries much smaller than ours, but it hasn't fulfilled its mandate of providing early warning of big geopolitical shifts or impending disaster. It has, instead, led us into myriad wars, both by proxy and directly, with enemies more ideological or economic than urgent. Equally, the NSA has now become the American equivalent of the GCHQ, vacuuming up as much as possible while effectively operating under the aegis of an Official Secrets Act. So, how much of this shared history of global rapine is due to culture (or shared genes), and how much of it is due, rather, to shared intelligence and methods? Maybe Ed Snowden will give us some further hints.

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* Van Deman's techniques in both the Philippines and the U.S. are exhaustively recounted in Alfred McCoy's *Policing America's Empire*.¹ *The United States, the Philippines and the Rise of the Surveillance State*.