

My experiences, the Scott Inquiry, the British Legal System

By Gerald Reaveley James

I am reminded of the very appropriate quote from Edmund Burke (1729-97) “It is necessary only for the good man to do nothing for evil to triumph.”

I am most grateful to Dr Badsha for inviting me and honoured to make this address at this Conference of the Environmental Law Centre.

The Astra case and my case reflect much that has been to the fore in recent years in not only scandals around arms companies like Astra, Matrix Churchill, Ordtec, Forgemasters, Walter Somers, Ferranti and other companies like Polly Peck, BCCI and Maxwell but also in the Scott Inquiry, the BSE Inquiry and the Lloyds of London affair and other scandals. The underlying problem is secret unaccountable government which bypasses Parliament and how the law is administered in the UK, gives aid and succour to such a state of affairs. The most common device is the concealment of evidence and manipulation of cases. There is a tendency when challenged for those in authority to talk of conspiracy theories. My experience is that those who do so are usually part of the conspiracy.

My company Astra gave rise to much of the circumstances which created the Scott Inquiry, the Supergun revelations (we reported it first), the Aitken affair, the murder of Gerald Bull in Brussels in March 1990 and much else.

Background note:

My name is Gerald Reaveley James. Until March 1990 and between 1980 and 1990 I was chairman of Astra Holdings PLC (“Astra”) which became a leading ammunition and weapons manufacturer. By the late 1980’s Astra had factories in the United States (9), Canada (2), Belgium (5), United Kingdom (5) and administrative headquarters in Washington Dc, Brussels and London and employed 4,000 personnel. The story of Astra is too long to recount here but a summary is contained in my book, “In the Public Interest” published by Little Brown UK hardback 1995, Warner paperback 1996, London. Astra became involved in covert weapons and ammunitions operations organised by MI5 and MI6 and the CIA, the MOD, DOD, FCO and the State Department and the DTI. To such an extent was Astra involved with its principal subsidiaries, Walters, Accudyne, Kilgore USA PRB Belgium, BMARC UK; in the covert trade manipulations of Foreign Policy. In 1989/90, following a reappraisal of Foreign Policy in the light of the demise of the Cold War and changing circumstances in the Middle East, where it became apparent the US, UK and EEC had transferred Nuclear, Biological, and Chemical weapons technology as well as conventional weapons to countries like Iran and Iraq, and the discovery Pakistan had the atomic bomb, the whole covert network was reorganised. This involved the collapsing of companies like Astra, Ferranti/ISC, Polly Peck, BCCI, Maxwell Group etc and the prosecution of lesser fry Companies and their directors – companies like Matrix Churchill, BNJ, Ordtec, Euromac, SRC, Forgemasters, Walter Somers are examples. The directors of Astra were to a large extent ignorant of the full range of covert activities carried out in their name but aware of some of these activities and the likely destination of their goods. As

however all operations were sanctioned by the DTI, MOD, FCO, and in the US by the DOD and the State Department and in Belgium by the Belgian Government, not too many questions were raised initially. However, in late 1988 and 1989 it became clear to me as Chairman that the clandestine operations far exceeded anything remotely sanctioned by the full Board and I set out to investigate in depth. I became aware that certain plants were used to secretly store and ship goods; that monies were being transferred to other operations without book records or board approval in secret commission payments; that our paper work and parallel bank accounts were being used to process arms shipments from major UK defence companies like British Aerospace, Royal Ordnance, GEC Marconi, Thorn EMI etc. A leading British Defence Journalist wrote a report which was largely kept secret which indicated £100m was stolen from the Export Credit Guarantee Department (“ECGD”) in a fictitious subcontract for propellant which BMARC, an Astra subsidiary, had secretly obtained in 1998 from Royal Ordnance.

I also became concerned about payments to and business with MI6/CIA front company Allivane which had occurred between 1983 and 1988 via Astra. It also became clear that all our main operations were involved in covert operations in the USA Belgium and the UK, and that Astra, when it acquired these companies, had inherited a hard core of MI6, MI5, DIA agents who operated behind the back of the original directors and who treated them as “useful idiots”. All our main companies were involved with Space Research Corporation (“SRC”) and the late Dr Gerald Bull who was behind the Supergun and other secret projects which Astra companies were also involved in. In 1989 I realised we had a hugely dangerous individual on our main Board and the BMARC Board who was an MI6 agent. This individual, **Stepahnus Adolphus Kock** had high level political connections to Thatcher, Heseltine, Younger, Hanley, etc as well as MI5 and MI6 connections. **It is now clear to me that he was involved in the murder of Dr Gerald Bull in Brussels on 22nd March 1990 and Jonathan Moyle in Santiago, Chile on 31st March 1990.** BMARC was the only company outside the Atomic Weapons research Establishment and Government Arms depots with the capability to store nuclear bombs like Redbeard and WE177.

By early 1990 my probing had become a major problem and a plot was hatched to remove me as Chairman shortly before the Supergun and other revelations and Bull’s murder. A new dummy board led in reality by Kock with two MI6/MI5 stooges ran the company into the ground over the next two years. In order to explain away the destruction of the company with a £350m order book and a market capitalisation of £120m desperate attempts were made to find evidence of malpractice by the original directors. **Gumbley, my Managing Director, who had been with Bull until an hour before he was shot had discussed with Bull suing UK Government and senior civil servants using Bull’s extensive knowledge of high level corruption and illegal operations.** It had been agreed I would return with Gumbley to agree with lawyers how to proceed a week later. I had discussed such matters with Bull some six months previous but no further action had been taken. Gumbley was immediately framed up for corrupting an MOD official and jailed for 9 months and after desperately trying to find something on me and failing, Kock and MI6/MI5 decided to institute through Peter Lilley and the DTI a DTI Inquiry. Lilley was Secretary of state at the DTI at the time.

The DTI Inquiry lasted three years and cost £2.5m plus (as much as the Scott Inquiry). The announcement of the Inquiry and the misleading press statements issued by the DTI and Government ensured the downfall of Astra. Crooks and MI5, MI6, agents or informers were

put in charge of Astra – Kock, Roy Barber FCA and Tony McCann. Barber and McCann whose managerial and industrial competence and experience were negligible paid themselves £330,000 and £280,000 pa respectively. Barber took £100,000 in the first month. Barber's annual payment was more than I received in salary and expenses as Chairman over ten years while I built the company. PRB was sold off immediately for £3m to avoid embarrassing revelations. MI5, MI6 and MOD police and Customs launched 17 raids on Astra premises in order to steal any sales and other documentation incriminating Government. No new orders were obtained in spite of the Gulf War and the company ran on the £350m order book we had left for two years, before it was put into receivership on 2nd February 1992 on the eve of me giving evidence to the House of Commons Trade and Industry Select Committee re Supergun, Project Babylon and arms to Iraq (and Iran etc). Press coverage was hue and adverse. This facilitated, as clearly city interests like Banks and Astra's main shareholders 3i, Prudential and Clerical and medical cooperated with Government for their own interest and purposes against the interests of smaller shareholders (a parallel with Lloyds techniques). Kock had a cover as a consultant in Midland Bank's secret arms department, Midland and Industrial Trade Services ("MITS"). This was staffed by ex service officers, MI5, MI6, agents and intelligence affiliated bankers. Midland with the Bank of Boston were Astra's main bankers and dominated by MI6 CIA agents. Kock was also said to be head of Group 13, the Government's assassination and dirty tricks squad according to Richard John Rainey Unwin, a close associate of Kock himself who was a contract MI6 agent and Consultant to Astra. Kock and Unwin, with Martin Laing Construction, negotiated the £2bn Malaysian defence deal before George Younger, the Defence Secretary even knew of it.

The MOD police arrested several of my colleagues, framed Grumbley up. **I was subjected to harassment, burglaries; I was arrested by Customs, investigated by the Inland Revenue, subjected to surveillance, threats, bugging, telephone tapping (all documented), a DTI Inquiry which lasted 3 years and a DTI prosecution which lasted 4 years.** In addition I had to give copious evidence to the Scott Inquiry over 4 years, 2 DTI Select Committees, Foreign Affairs Select Committee, Defence Select Committee, Public Accounts Select Committee, Public Services Select committee, Police (SOI), a huge law suit in the United States (Dooley case). My family suffered considerably, my two eldest sons army careers suffered, my youngest son's education because of adverse publicity, my brother was killed in an accident never satisfactory explained which could have been intended for me.

In the course of my own experiences I took considerable note and interest in parallel cases like Matrix Churchill, Ordtec, Euromac, Atlantic Commercial, BNJ, SRC, Forgemasters, Walter Somers, Polly Peck, Foxley Ferranti/ISC, BCCI, Maxwell etc. All these cases and others and the Astra case involved the gross abuse of power by Government and its agencies and servants, concealment of key evidence, intimidation, threats, false and selective prosecutions, manipulation of evidence, perversion of the course of justice. It has also been clearly demonstrated that there is no separation of powers within the United Kingdom. Key legal appointments like Lord Chancellor and attorney General, Solicitor General are wholly political. It has also been clearly demonstrated that Parliament has no control of knowledge of events and that a vast apparatus of permanent unelected Government exists. This permanent Government consists of senior civil servants, intelligence and security officers, key figures in certain city and financial institutions (including Lloyds of London), key industrialists and directors of major monopolistic companies, senior politicians. The Lord

Chancellors Office which is responsible for the appointment of Judges, Clerks of the House of Commons select Committees and approval of Chairmen of such committees and the approval of the Queen's Counsel, holds a total control of the legal administrative framework and has strong connections to the security and intelligence services. The last Clerk to the Crown in Chancery was Sir Thomas Legg, KCB QC who had strong links to the intelligence and security establishment and who was responsible for allocating Judges to controversial trials of a political nature where the "national interest" and "national security" (those much abused phrases) were involved, ie the Ponting Case. Legg's successor will have a similar role. Sir Thomas was duly wheeled out to keep the lid on the Sandline Inquiry re the strange events surrounding the FCO, Sierra Leone and real foreign policy as opposed to the sham variety discussed at Westminster. He has been wheeled out again to keep the lid on an inquiry regarding the corruption in the hugely expensive building of new MP's offices opposite Big Ben. The companies involved in this case are Alvis, formerly United Scientific Holdings and its Germany partner in the installation of a £35m contract for copper cladding. United Scientific Holdings is the company where ex Chief of defence Procurement and ex Lord Mayor Sir Peter, now Lord Levene was Managing director (later a Director of N.M. Rothschild) was Chairman. An American competitor alleges irregularities and corruption as it offered to do the work for a much lower price.

The real framework which secretly controls our lives is little understood or studied even by those who work within its musty and murky depths. It has only recently emerged that Appeal Court Judges are secretly briefed making appearances before such luminaries a sham and a joke. The public can thank Mr Geoffrey Scriven for these revelations. Lloyds names can hardly have realised that legislation was secretly framed to prevent wrong doers being sued. (Times Magazine Article 21/2/00).

The other area which is little understood is the Crown. To many the Crown represents the Royal family but we now have a Constitutional Monarchy. The Crown in its constitutional sense is the last home of secret government. Much is done in the name of the Crown which is without the permission or knowledge of the Monarch. Token gestures are made by sending her despatch boxes of "selected" information. The Crown is represented by the Monarch but does not represent the on secret and major issues. The armed forces (the last bastion of institutional integrity) swear their allegiance to the Monarch not to Parliament as do Judges and the Intelligence and security services – the latter are totally unaccountable as is the Lord Chancellors' office which controls Courts and Judges. The Lord Chancellor is unelected as is the Attorney General who although chosen from the ranks of MPs is not elected, like the Solicitor General. The Attorney General holds sway over the Crown Prosecution service, serious Fraud Office, HM Customs (as revealed by the Scott Inquiry) and the Police in respect of sanctioning cases. The Law Officers, the Attorney General and the Solicitor General are the Chief Legal Advisors (assisted by the Solicitor General) has overall responsibility for the work of the Law Officer's Departments:

- ie The Treasury Solicitors Department
- Crown Prosecution Service
- Serious Fraud Office
- Legal Secretariat to the Law Officers

All the duties of the above departments (and HM Customs) are ultimately supervised by the Attorney General.

The Director of Public Prosecutions for Northern Ireland is also responsible to the Attorney General for the performance of his functions. There are also additional responsibilities with regard to civil and criminal law.

The other area which is key to overall secret control outside Parliament is the Privy Council. It is important to note that all main members of the Cabinet become members of the Privy Council as do leaders and sometimes the deputy leaders of the opposition parties.

The Privy Council oath which all members take means they cannot freely discuss any matter they are informed of or told of "Under Privy Council terms". This means that the Cabinet and opposition leaders cannot discuss freely in Parliament or elsewhere any matter told to them on "Privy Council terms". This means in practice that the key MPs cannot discharge their democratic duties. It is in effect a gagging system like Public Interest Immunity Certificates dispensed by Judges on application of Government and its agencies. All senior Judges and Appeal Judges are Privy Councillors as is the Lord Chancellor, The Attorney and Solicitor General and other invited and key persons. This secret unelected body has a wide range of powers. On the surface other permanent secretaries, sometimes the Cabinet Secretary and certain members of the established aristocracy are Privy Councillors. The appointment is for life and Jonathon Aitken is one of the few members to resign.

It should also be remembered Aitken was a Chairman of the Pinay Circle comprised of senior intelligence officers and world leaders who hold secret meeting around the world.

It is widely and erroneously assumed the Cabinet is the Executive of the elected Government whereas in our unwritten ill defined constitution it is in reality the executive arm of the Privy Council.

The Privy Council is responsible for the arrangements leading to the making of Royal Proclamations and Orders in Council for certain formalities connected with Ministerial Changes: for considering application for the grant or amendment of Royal Charters, for the security and approval of by laws and statutes of Chartered Institutions, of the governing instruments of universities and colleges, for the appointment of High Sheriffs and many Crown and Privy Council Nominees for governing bodies.

Under the relevant Acts, the office of the Privy Council is responsible for the approval of certain regulations and rules made by the governing bodies of the medical and certain allied professions.

The President of the Council has responsibility for the working of the Privy Council. A leader of the House of Commons he or she is responsible for supervising the Government's legislative programme. He or she allegedly upholds the right and privileges of the House as a whole and in its capacity it falls to him or her to move motions relating to the procedure of the House. In January 1994 the Privy Council assumed responsibility for the newly formed Central Drugs Coordination Unit. The Judicial Committee of the Privy Council is the highest Court of Appeal for the Commonwealth except the United Kingdom and those countries which had abolished appeals to it. It still can confirm death sentences in certain territories

and in the UK hears ecclesiastical cases and appeals against disciplinary decisions by disciplinary bodies of the medical professions and certain allied bodies. Its more secret and sinister workings are little known and in theory it is the advisory body to the monarch. It appears that the bulk of elected politicians do not penetrate its inner recesses yet can be influenced by it.

The Privy Council allied with the Joint Intelligence Committee (JIC) and the Cabinet and Cabinet Intelligence Unit which is the real control over the security and intelligence services are part of the secret permanent unaccountable Government.

We have seen from the arms to Iran, Iraq affairs, the Sandline affair and other scandals that politicians and Parliament have little or no control and are more like players in a pantomime put on for the general public and gullible public.

The roots of this sinister power are rooted in history, particularly that of the usurping Tudors. The Privy Council and secret services have developed since then and it is wrong to regard MI5 and MI6 as the sole such bodies. As Douglas Hurd told a Commons Select Committee regarding nuclear proliferation they are but two tributaries of the main stream of intelligence. The communication and eavesdropping unit GCHQ works extensively with the intelligence and security services and with those of other countries including the intelligence services and National Security Agency of USA and with the Services of Australia, New Zealand and Canada. Each regularly circumvents domestic laws for the benefit of the others under programmes like “echelon” and agreements between UK and USA. Politicians and civil servants and other leading figures who get out of line can be surveyed or bugged and then threatened, blackmailed, framed up or worse.

Secrecy breeds corruption, secrecy is power, information is power particularly confidential information. There is no accountability and the calibre of MP deteriorates with each Parliament. The young politician with no experience outside is naïve and powerless and many now have a blind loyalty to their party. Ironically the hereditary peers of the House of Lords provided one of the last vestiges of honesty and independence now largely destroyed by self-important and self-deluding figures like Blair and Baroness Jay.

This the background against which decisions affairs like Lloyds of London have been handled and decided.

Secrecy has breed corruption and lack of accountability. Judicial Inquiries are cosmetic and carried out by the Judiciary who are key tools of the “cover up” and the status quo. (ie the Scott Inquiry). London is a key world money laundering centre (£500 billion per annum). Damage to Lloyds’ credibility will damage London and its position as a money or financial centre.

Much of the Uk’s traditional industry is gone. To deal with Lloyds from the point of view of justice, will rock the boat and damage the so called national interest. Privileged persons in politics and the judiciary etc have been protected and the rest do not matter. The policy is to protect Lloyds and cover up. The same arrogant and self serving attitude was evident in the arms trade and the related drugs trade. Those on the inside are only interested in concealment, cover up, and their own on going benefits protected by secrecy and privilege.

Justice does not count. The scandals involving political parties, large companies, the intelligence and security services, and corruption in Germany (Kohl), France (Mitterand/Dumas,etc) Italy (Craxi) are pale shadows of what has gone on in the UK. We have what the late Roberto Calvi of Banco Amrosiano in Italy as described “potere occulto” –secret power.

Ironically the main threat to this secret power is the European Convention of Human Rights (ECHR) Article 6 which overturns Uk legal decisions regularly and has already caused the sacking of deputy Judges, and Magistrates in Scotland while threatening Scottish Judges. Scotland under devolution adopted ECHR in 1999 and England did so in October 2000, although the Lord Chief Justice (Bingham) already recommended as a result of the Kebbilen case that the ECHR should be recognised in England before this.

It is significant that the Home Secretary Shaw is proposing the abolition of juries and magistrates in many and perhaps eventually all cases. This will put further power in the hands of secret and unaccountable Government and corrupt Judges. The ramifications are extremely sinister and serious. Already the rules of evidence have been perverted in favour of secret an unaccountable Government who routinely conceal evidence and pervert the course of justice.

It has never been more vital for people to challenge the views of politicians and opinion formers. We live in an age where much if not most of the media is controlled. The legal mechanism and Judges and the court system need to be beyond reproach. Sadly they are not and the chronicle of abuse and manipulation of cases is appalling. Judges are not independent in most government related cases and are no different to salaried and pensioned civil servants. The independence of the Judiciary is an allusion fostered by the Judiciary. Too often a Judicial Inquiry is a system for cover up and concealment. Too often the courts are influenced by political considerations as in the Scott Inquiry and the recent Lloyds of London case. Perhaps with pressure this can be changed.

We do not want a society dominated by lawyers, accountants and monopoly commercial Interests with the courts administered by Judges who follow directions.

Thank you very much.