

The Truth About Westminster

- [Acknowledgements](#)
- [Introduction](#)
- [Chapter 1: MPs Available for Hire](#)
- [Chapter 2: Buying and Selling MPs on a Large Scale](#)
- [Chapter 3: MP Fiddles and Some Reluctant Lords](#)
- [Chapter 4: The Power of Patronage](#)
- [Chapter 5: The Truth About Party Funding](#)
- [Chapter 6: Sex, Money and Power](#)
- [Chapter 7: Whipping and the Death of Conscience](#)
- [Chapter 8: Secrets of Ministers and Civil Servants](#)
- [Chapter 9: Trade Scandals and Arms Deals](#)
- [Chapter 10: The Changing Culture](#)
- [Chapter 11: Rebuilding the House](#)
- [Chapter 12: Christians in Politics](#)
- [Notes](#)
- [A Short Bibliography](#)

'We have reached the stage where every man and woman in this House is an object of suspicion.' Sir Edward Heath (1916-)

'An MP is someone who stands for what he believes others will fall for.' Anon MP

'The greater the power, the more dangerous the abuse.'
Edmund Burke (1729-1797)

In November 1992 a High Court Judge became increasingly concerned about a case he was trying at the Old Bailey. Every day he was being presented with more evidence against three men from a company called Matrix Churchill who had been charged with selling arms-related equipment to Iraq, in breach of strict government controls.

However the public perception was that the government was taking elaborate steps to withhold a large number of important documents vital to the defence of the three. The Scott Report found this impression was unfair. Ministers had signed special secrecy certificates in good faith, seeking public immunity from legal proceedings, although the final decision about release remained with the Judge.

In the Matrix Churchill case the men faced almost certain prison sentences, but if the documents proved them innocent, the public scandal would rock the government to its very

foundations. The men claimed that they were trading with secret government backing, in co-operation with military intelligence. There was a risk of a serious miscarriage of justice.

Eventually the Judge became convinced that these men were correct in what they were saying. The prosecution case collapsed. However it would be several years before the whole truth was exposed by the Scott Inquiry, not just about Matrix Churchill, but about failures and mis-judgements at many levels of government as well as within the civil service. By the time the report was published, many of the key players had moved on from government to other things. There were no resignations and very few apologies of any kind.

In order to understand what happened, we need first to look at the events leading up to the prosecution. Most of the many recent scandals involving massive overseas contracts have been to do with arms or oil or both. It is disturbing that one of our biggest exports is the killing industry: weapons designed to slaughter humans, maim, injure, destroy. It is even more disturbing that the buyers are often non-democratic states with a terrible track record of human rights abuse.

The root of the problem is imperialism: the dying British tradition of being a great military power able to span the globe. The reality is that our own arms purchases are now far too small to keep British manufacturers in business. Defence budgets of some £23 billion continue to fall, with a 22 per cent cut in the strength of the armed forces by the mid 1990s. 191

The sensible thing perhaps would be to buy arms from the US, and encourage these enterprises to diversify into non-military production. Instead government-owned arms producers like British Aerospace have been privatised (BA sale raised £390 million) and we see Prime Ministers promoting British arms exports at every opportunity. The reason is that arms sales are one of the largest contributors to our balance of payments.

British Aerospace is just one of many arms producers, and is Britain's third largest manufacturer with a turnover of £10.5 billion a year. It is also one of the three largest arms manufacturers in the world, and in 1992 exported three-quarters of its military production. For example in 1992 a £5 billion order was made by Saudi Arabia for forty-eight Tornado bombers. 192

The argument goes that other countries are going to get lethal weaponry or other military equipment from somewhere so they might as well buy it from us. This is the reason for the Iraqi arms scandal. There was a formal ban on Saddam Hussein buying British arms but since other nations were willing to sell to him, and as the potential orders were so huge, Ministers took a relaxed view of discrete exports of items that were not strictly lethal weapons.

In fact there would later be great debate about how 'arms' were defined; for example, radar and radio communications equipment, or night vision equipment or components of weapon systems, or complicated machine tool equipment capable of being used to make arms locally.

The security forces realised that Saddam Hussein's 'shopping list' would make interesting

reading. What was he short of? How many missiles did he really have? So the three men from Matrix Churchill were recruited. Not only were they told that they could break the embargo, but they were also assured that they would be doing the country a huge service, by relaying back priceless military intelligence.

But then the trouble started. Customs and Excise were unaware of who these men were and were also unaware of the encouragement they had been given. They uncovered the secret trade and arrested the businessmen. A huge outcry followed the collapse of the trial but who was to blame? There were rumours that the trail led right into the very heart of the government.

Lord Justice Scott's inquiry began in 1992. It took more than two-and-a-half years to unravel the complicated maze of half-truths and deceptions by members of the government and civil servants alike. He was quickly buried under an avalanche of paper: 200,000 pages of documents and submissions from 278 witnesses, of which 81 were invited to attend a hearing. This was not a criminal investigation, nor a civil suit, but a public inquiry, and it cost almost £2 million.' 193

The issues were so complicated that Sir Richard realised that if he allowed lawyers to cross-examine every witness in an adversarial process, the inquiry would slide into oblivion with countless detailed diversions, and might have taken until well beyond the millennium.

So instead, each witness was interviewed in an inquiry, the aim of which was to establish the facts. Each was allowed a legal adviser present, and legal assistance was given to people so they could comment on drafts. People were also allowed if they wished to make an application to cross examine any witness who had made damaging statements about them. However no one took up the offer.

Sir Richard Scott has been much maligned by senior Conservative politicians. In particular he has been accused repeatedly of unfairness to witnesses, who it is said were unable to defend themselves properly against statements made by others.

My own view is that Scott took every possible effort to be fair to all, within the constraints of a three-to-four-year timescale for the whole process. A full legal process would not have been in the public interest - we would have had to wait until beyond 2000 for a verdict on events which took place in the late 1980s.

Scott's method was to study documents in great depth, and then question witnesses where he needed clarification. In many cases people were surprised that he appeared to have a firm view on what had happened before he had spoken to those involved. The reason is that he felt that the written records often spoke for themselves. Indeed, they were perhaps a more reliable and complete source than the memories of witnesses for events many years ago.

Christopher Muttukurnaru assisted Lord Justice Scott throughout the Inquiry. He wrote afterwards in the Report of the difficulties they had faced. 'How were we to break into Whitehall's magic circle? How could public concerns about what was alleged to be a covert government policy to relax defence sales policy best be allayed? How could the Inquiry meet

the concerns of those who alleged that, having brought prosecutions, the Crown had sought to prevent disclosure of material that would assist the accused men to establish their proper defence? It was plain that we had to go back to basics.

'There is a paper-trail in Whitehall whenever important decisions are taken, whether at ministerial level or official level. The Inquiry began a paperchase to reveal decisions that were taken and the basis for them. The papers came in boxes, in triple-sealed envelopes and even in sacks marked "HM Diplomatic Service". And once the paper mountain had built up (some 200,000 pages of documents) there began the process of sifting and analysing the material. The trail led us to a labyrinthine complex of committees and subcommittees ...

'The Inquiry had an unrivalled insight into the whole picture. This kind of insight was not even available to the participants in the drama themselves, who would only have been aware of part of the picture. The documents often contained very good evidence of the facts.'

A complete set of the transcripts of oral evidence alone fills a shelf some six to eight feet long. However it is fascinating to read, whether the questioning of Lady Thatcher, John Major, William Waldegrave or other well-known politicians. Senior civil servants also found themselves being taken through memos and letters they had written, line by line, by detailed and probing but courteous interrogation.

The first confidential draft of the Scott Report was so damning of a number of Ministers and civil servants that publication was delayed for several months to allow their own legal advisers to argue the case for changes. Prestigious legal firms were employed at public expense to defend the Ministers and civil servants, and there were a number of key changes in legal representation at the last minute, which caused yet more delays as new legal teams caught up with events.

The legal bill for representation had already reached £568,000 by June 1995. ¹⁹⁴ The trouble is that with every month of delay the public memory faded and the chances increased that there would be no justice. Month after month of a tedious inquiry inevitably led to boredom and confusion about the real issues and the public lost interest.

The normal punishments in these sorts of cases are Ministers being forced to resign from office and humiliation in the House of Co

mmons. But if Ministers have already moved on, and perhaps are no longer even MPs, then such sanctions become meaningless. There are rarely sanctions against civil servants. Until the Scott Inquiry, their work was so well sheltered by official secrecy that it was almost always impossible to tell which named official had been responsible for advice or action taken.

Tory back-bencher David Amess said before the Scott Report was published that 'no one in my constituency could give a jot about it - what this chap Scott has found, however many millions of pounds it has cost to take evidence. It's a waste of time.' ¹⁹⁵

However, despite many delaying tactics, the contents of the Report began to leak out from several sources, causing great outrage from those criticised who felt that they had not been able to defend themselves properly.

One reason the process took so long was that the Inquiry uncovered no fewer than twelve similar cases to Matrix Churchill where prosecutions were brought or considered. 196

Here is a summary of the main ones.

Summary of Main Cases

Matrix Churchill 197

In 1991 Paul Henderson and two other directors were charged with sending equipment to Iraq, knowing that it was almost certain to be used to make shells and missiles. The £55 million turnover company was Iraqi controlled 198 and employed 700 people but went into receivership when the three directors were charged. They said that the trade was approved and they were working with British intelligence. Before the trial at the Old Bailey in 1992, Public Interest Immunity Certificates (PIICs) were signed in good faith by Michael Heseltine, Malcolm Riffind, Tristan Garel-Jones and Kenneth Clarke. 199

On 4 and 5 November 1992, Alan Clark, former Defence Minister, was cross-examined. He admitted in court that they had been 'economic with the actualite and the trial collapsed. He later described the whole prosecution as 'dotty'. He said that he had made no secret of his view that Britain should sell as much conventional military equipment to Iraq as possible, and that the implementation of the guidelines had indeed been subtly changed. 200

Ordtec 201

In 1992 Paul Grecian, Bryan Mason and Stuart Blackledge were convicted at Reading Crown Court for sending artillery fuses to Iraq via Jordan. They received suspended prison sentences while Colin Phillips, from the trucking firm EC Transport, was also fined. They pleaded guilty. Public Interest Immunity Certificates were signed in good faith by Kenneth Baker and Peter Lilley.

Paul Grecian had also been supplying intelligence data to the British.

Euromac 202

In June 1994 Ali Dagher and Jeanine Speckham had their convictions dismissed by Lord Taylor, after they had been found guilty for exporting electrical capacitors said to have been suitable for 'nuclear triggers'. Lord Taylor said that the original Judge had misdirected the jury.

Sterling 203

In 1985 Reginald Dunk and Alexander Schlesinger were fined for trying to smuggle 200 Sterling machine guns into Iraq via Jordan. Staff at the British Embassies in Jordan and Iraq went back on their assurances that they would speak up if there was trouble, so the men were left without any defence. However, the Scott Inquiry found clear evidence that embassy staff had been told to keep quiet by Foreign Office officials assisted by Customs and Excise.

BSA 204

In November 1991, Keith Bailey was charged at the Old Bailey with supplying shell-making equipment to Iraq in 1988-89. However just three days after the collapse of the Matrix Churchill case all charges were withdrawn.

There were further delays in final publication after the sensational eleventh hour 'discovery' of vitally important documents held by the Ministry of Defence Police. They related to the arms company BMARC. Those involved in running the Inquiry were furious at what seemed to be another attempt to delay things. One Minister commented: 'You can hardly blame Whitehall for fighting back and trying to throw a spanner in the works. 205 There was some antagonism between Scott and senior civil servants. The Permanent Secretaries were said to be horrified at the way relatively junior civil servants had been dragged into the public arena, breaching all previous codes of anonymity, and risking a politicisation of the service.

During the delays there was a hostile campaign by a number of political figures against the Inquiry, pointing out what they saw as fundamental weaknesses in the approach Scott had taken. They said repeatedly that an adversarial approach would have been fairer. As the publication date drew nearer, the negative comments grew louder and more strident. Lord Nolan's Inquiry into standards in public life had suffered a similar fate.

The government strategy seemed to be: if criticised heavily, set up a formal inquiry and build up great public confidence in the process; then string out the inquiry itself and delay publication of the report for as long as possible and at the last minute launch a hard-hitting attack on every aspect of the inquiry; if all else fails, then be ready to move those about to be criticised out of office as fast and unobtrusively as possible.

The final Report was published in early 1996. The main text ran to no fewer than 1,800 pages with an extra 450 pages of appendices, 2,250 pages in total. A bargain perhaps at just £45 a copy for members of the public, but who was going to bother to read such a massive thesis? Most who actually did so were surprised to find no executive summary at the beginning and it was extremely hard to try and work out what Sir Richard Scott's conclusions were.

Although summary paragraphs were scattered throughout the text, they were often expressed in confusing or contradictory language. Indeed the language of the Report as a whole is densely written, with tortuous sentences and clumsy phrasing. Many verdicts on the actions of individuals are interwoven with the main narrative, and are expressed in convoluted terms.

Because there had been so many leaks of the early drafts over the previous eight months, and because there was such a breakdown of trust between leading members of the main parties, the government decided not to let opposition MPs see a single word of the Report until minutes before an official statement was made to the House of Commons, indicating the government response to the Report.

There was a concession. After a huge row, the government agreed that designated members of the opposition could see it earlier in the day, so long as the person was guarded in a room with no telephone or fax and no visitors whatsoever. In the event, only one opposition member was willing to accept such strict conditions.

In stark contrast, senior members of the government received their own copies a week before, giving them urgently needed time to digest the Report thoroughly, reflect on the large number of criticisms, and prepare an aggressive damage-limitation exercise.

I was in Parliament on the day the Report was published. I watched John Major sweep smiling into Westminster precincts in a packed black limousine at high speed from 10 Downing Street. I felt the tension among MPs and Peers of all parties as they gathered in the corridors. I saw and heard their anger as they were each handed their own copies of the green-covered six-volume Report, large enough and heavy enough for two briefcases. I watched them as they marched into the Debating Chambers carrying the reports stacked high in both hands. There was a palpable feeling of disgust. The whole performance seemed to indicate only one thing: that the government had been scared stiff at the damage Sir Richard Scott's words could do.

I listened to the official statement as it was given to packed Upper and Lower Chambers simultaneously. And then I watched a feeble opposition response. Television networks that night carried a full-blooded Conservative attack, dismissing Sir Richard Scott's greatest criticisms out of hand, but there was very little opposition comment of substance.

Having read 1,500 pages of the Report, my own view is that the government summary that day was shockingly poor and dangerously misleading, and to my mind bore little relation to the actual contents as a whole. Media reporting was also very confusing, then and in the days following. It was a prime example of the parliamentary adversarial system at its very worst. Both the main parties quoted selected passages out of context and the balance of the Report was almost entirely lost as a result.

So what did Sir Richard Scott actually say, and what were his conclusions? What was his verdict after such a colossal review of the way government had worked?

The Scott Report

The Report is very disturbing reading. The difficulty is doing justice to it all in a book of this length. Sir Richard Scott not only summarises the evidence and his verdicts, but also contains pages of original documents, letters, memos and other records. It is a very important historical record of how government works. Rather than form a bland digest of the entire Report, I have reproduced sample extracts to give some flavour of what it is like to sit down and read it. The

paragraph lettering is exactly as it appears in the Report, and each extract is in Report order. The facts speak for themselves.

In September 1980, Iraqi forces invaded Iran and so a war began which continued until August 1988. There were massive casualties, Iraq used chemical weapons, and Iran armed children as infantry soldiers. When the war started, Britain took a position of strict neutrality in the absence of any United Nations embargo on defence sales.

From 1980 to 1984 the government in Britain found itself watching as large arms contracts were fulfilled for Iran, tender agreements dating from the time of the Shah of Iran, before the Iranian Revolution in 1979. When the Islamic Republic came into being that year there were still seventy- contracts outstanding.

A big question in the early 1980s was whether to allow these contracts to proceed. Then there was the crisis over A American hostages in Iran, and over four British hostages, as well as tense relations between neighbouring countries such its Saudi Arabia and other Gulf States. All this made the trading climate perilous and controversial, although exports of all goods to Iran still totalled £700 million a year in 1984.

In contrast the traditional arms purchases by Iraq were from the Soviet Union and other Eastern bloc countries. When war broke out Iraq became a huge potential market; it seemed less likely that sales to Iraq of military technology would land up in the Soviet Union and sales were encouraged by the British government.

(D 1.10) As early as 1981 a Cabinet Committee agreed that although lethal arms and ammunition would not be sold to either- side, 'every opportunity should be taken to exploit Iraq's potentialities as a promising market for the sale of defence equipment; and to this end "lethal items" should be interpreted in the narrowest sense and the obligations of neutrality as flexibly as possible'. Scott adds: 'It is a question whether this attitude to defence sales in Iraq was consistent with the public stance of impartiality and even-handedness.' So even in 1981 we see the beginning of a gap between actuality and public statements on this matter.

In 1984 the so-called Howe Guidelines were introduced, covering arms sales to Iran and Iraq, introduced when the two were still at war. How the Guidelines were interpreted, particularly after the war ended in August 1988, is the heart of the whole affair. But how do you define what arms are anyway. Sir Richard Scott gave his own description as follows.

(D1.1) 'The word "arms", in a military context means weapons. The "arms trade" is, strictly, a trade in weapons ... But the ability to conduct war ... requires a wide variety of equipment and facilities which are not "arms" in the strictest sense ... tank transporters, mine detection and mine clearing apparatus, computers to guide missiles . . .'

He pointed out that 'defence' usually has a wider meaning than 'arms' and 'defence-related' is the widest of all, applying also to 'dual-use' items where there could be a function for civilian purposes. These are subtle but vitally important differences which led to the huge rows and allegations of deception.

(D 1.11) Lord Howe explained to the Inquiry: 'It was very important that we should not be perceived in Iraq or Iran or elsewhere in the world as having departed, consciously or inadvertently, from a position of neutrality, impartiality and even-handedness. Any such perception would have been extremely damaging to foreign relations with a number of countries.'

(D 1.27) Scott is critical of the way questions of Ministers by MPs on arms exports were met with a standard blocking reply: 'It has been the practice of successive governments not to make public details of export licence applications.' He said of such a typical reply given in 1984: 'Failure to supply in broad terms at least ... information, cannot be justified.' However, such answers were certainly in keeping with previous practice over the years.

There was a major disagreement between Scott and Ministers over whether a subsequent relaxation of the application of the Guidelines in favour of Iraq, and a tightening against Iran, was a policy change. Scott is clear: by any common sense view of government, there was a change in what was allowed for exports and what was forbidden as a result of decisions taken, decisions which were not made clear to the public.

Indeed, a decision had been made to keep the Howe Guidelines as far from the public eye as possible in the first place. In the event they were only announced in October 1985, having been agreed in 1984.

A new argument began to emerge: while nothing should be done to prolong the war, perhaps there was nothing wrong in evening up the two sides, so if one was short - say - of small boats, then export permission might be given to redress the situation. Again these sorts of discussions were not made public.

(D3.19) In 1988 a draft paper was submitted to Lord Howe outlining various changes, which he was reluctant to put forward, because of the publicity it could have attracted, according to Scott.

'Lord Howe's objection to the draft paper (1988) and the recommendations for a more relaxed application of the Guidelines was not taken on substantive grounds. Lord Howe's objection was presentational. He did not want it to "become known" that the line on arms sales to Iraq had been relaxed ... His objection that "it would look very cynical if, so soon after expressing outrage over the Iraqi treatment of the Kurds, we were to adopt a more flexible approach on arms sales", was no more than an objection to the new approach becoming known. He was prepared for the new approach to be adopted but not for it to become known ... Lord Howe's mistrust of the public and unwillingness to run the risk that public debate might embarrass government policy was consistent with his evidence ... that there was "nothing necessarily open to criticism in incompatibility between policy and presentation of policy".'

(D3.34) When it came to Matrix Churchill and machine tool exports, a briefing for Lord Trefgame in December 1988 said, 'Intelligence sources indicated that the lathes were to be used for making shells and missiles.' We will follow this strand of Scott's Inquiry later.

(D3.42) A letter from William, Waldegrave's office to Alan Clark's office on 7 February 1989

said: 'Mr Waldegrave is content for us to implement a more liberal policy on defence sales, without any public announcement on the subject.'

(D3.47) However, William Waldegrave said that he would not have expressed it quite that way, and referred to a 'fine modulation' of an existing policy. Yet Scott argues: 'Contemporary documents make it impossible in my opinion to quarrel with the expression "a more liberal policy" as being a fair and accurate description ... Mr Waldegrave did not find the phrase jarring at the time. He did not do so for the simple reason that the words, "a more liberal policy", describe in ordinary and common sense language the reality of what he and his colleagues were discussing.'

(D3.115) A Ministry of Defence Minute dated 18 November 1992 recorded: 'They agreed to change the Guidelines to take account of the ceasefire [between Iraq and Iran]; and at the same time that their application would be relaxed. They also made a conscious decision (set out most clearly in a letter from Mr Waldegrave) not to make any announcement. Their reasoning seems to have been that any announcement, however carefully drafted, would upset somebody. Arguably this was not misleading Parliament, but it may be represented its culpably failing to inform Parliament of a significant change to the Guidelines of October 1985.'

(D3.123) Scott describes Waldegrave's viewpoint as 'one that does not seem to correspond with reality'. He goes on, ---176 describe this revised formulation as no more than an interpretation of the old is, in my opinion ... so plainly inapposite as to be incapable of being sustained by serious argument.'

(D3.124) However, before one becomes too critical of Mr Waldegrave, Scott adds: 'I accept that Mr Waldegrave and other adherents of the "interpretation" thesis did not ... have any duplicitous intention.' Nevertheless, 'the description of it at decision as being merely a flexible interpretation, or flexible implementation, of the Guidelines is bound to be misleading to anyone who does not know the substance of the decision'.

(D4.3-7) Then there was the question of answers given to MPs which were 'untrue'. From May to July 1989, William Waldegrave signed twenty-six letters containing the words: 'British arms supplies to both Iran and Iraq continue to be governed by the strict application of guidelines which prevent the supply of lethal equipment or equipment which would significantly enhance the capability of either side to resume hostilities.' Also, 'The Government have not changed their policy on defence sales to Iraq or Iran.'

Scott condemns these letters as 'not accurate'. He explains: 'The inaccuracy should have been noted by Mr Waldegrave, who had been one of the midwives at the birth of this new formulation ... The statement, "the Government have not changed their policy on defence sales to Iraq or Iran" was untrue ... Mr Waldegrave knew, first hand, the facts that, in my opinion, rendered the "no change" policy untrue.'

However, once again, in case you feel too critical of Mr Waldegrave, Scott adds: 'In his evidence to the enquiry, he strenuously and consistently asserted his belief, in the face of a volume, to my mind, of overwhelming evidence to the contrary, that policy on defence sales to

Iraq had, indeed, remained unchanged. I did not receive the impression of insincerity on his part.'

(D4.15) '[Mrs Thatcher] had received and read the MOD paper dated 20 July 1989 on the Hawk project in which references were made to the "more flexible interpretation of the guidelines for Iraq [but not Iran]" and so can be said to have been placed on notice that a more liberal approach to defence sales to Iraq was being adopted than had previously been the case. But the paper had been concentrating on Hawk [aircraft] and I do not think Mrs Thatcher can be blamed if, when signing the letter of 21 August 1989, she did not recall the implications of the references to the Guidelines.'

(D4.16) 'Mr Major said: "I think the government's approach was impartial . . ." However on 25 July 1989 he received his first brief as Foreign Secretary . . . : "Since the ceasefire in August 1988, the Guidelines have been applied with greater flexibility for Iraq [but since last February with much greater rigidity for Iran ... I our public presentation of-our policy on arms supplies to both countries has, however, stayed broadly the same. . . ." This briefing did, as it seems to me, put John Major on notice that Iraq was receiving more favourable treatment than Iran so far as export licensing was concerned, a state of affairs that, in my opinion, calls into question a continuing stance of impartiality.... In any event, the briefing was directed to the Hawk project, and as with Mrs Thatcher, I do not find it very surprising that Mr Major did not avert to all the implications of the briefing on other issues. I do not doubt Mr Major's evidence that he signed the letters believing the statements they contained to be accurate, but I do not accept that they were in fact accurate.'

(D4.22-23) William Waldegrave wrote to MPs saying: 'It is untrue to suggest that Britain is selling arms to Iraq,' and again 'Britain is not selling arms to Iraq,' and again, 'Britain does not sell arms to Iraq.' Scott points out that these are technically correct if you consider only lethal weapons, but not if you include general military equipment. However, other letters signed by him said the following or similar: 'We (to not supply arms to Iraq; strict guidelines were introduced in 1985 to prevent the export of military equipment to Iraq and Iran while the Gulf conflict was taking place.'

Scott says: 'The suggestion is, to my mind, clearly conveyed in the three letters in question that no military equipment had been sold by Britain to Iraq during the Gulf conflict and that none was being currently sold The assertion . . . could not truthfully have been made Officials ... should have noticed the inaccuracy. I think it in the highest degree likely that Mr Waldegrave did not notice.... But I think he might have noticed, particularly as many of the members of the public whose letters he was dealing with were not confining their complaints to the sale of lethal weapons.'

Others also signed misleading or inaccurate letters but Scott concluded that many of them were unaware of the changes that had been made to exports allowed.

(D4.42) Scott goes on: 'The answers to parliamentary questions in both Houses of Parliament, failed to inform Parliament of the current state of government policy on non-lethal arms sales to Iraq. This failure was deliberate and was an inevitable result of the agreement between three

junior Ministers that no publicity would be given to the decision to adopt a more liberal, or relaxed policy, or interpretation of the Guidelines ... Having heard various explanations as to why it was necessary or desirable to withhold knowledge from Parliament and the public of the true nature of the government's approach to the licensing of non-lethal defence sales to Iran and Iraq respectively, I have come to the conclusion that the overriding and determinative reason was a fear of strong public opposition to the loosening of the restrictions on the supply of defence equipment to Iraq, and a consequential fear that the pressure of the opposition might be detrimental to British trading interests.'

(D4.58) Scott was damning of the whole system of statements which only disclosed part of the picture, whatever the subject might be. 'The withholding of information by an accountable Minister should never be based on reasons of convenience or for the avoidance of political embarrassment and should always require strong and special justification.'

(D4.61) The trouble is that in an adversarial political system, the asking of questions and the giving of answers becomes a political game. Sir Michael Quinlan told the Scott enquiry that it was seen as a competitive activity between the opposition whose function is to give the government a 'hard time' and to 'seek to extract information which they can use to portray the government in a bad light'. Therefore, 'the reactive purpose of the government is to avoid having a hard time.... The game has been played in essentially the current way by every government and opposition in living memory. And though the participants may sometimes be blame-worthy, the fact that the competition works to the detriment of balanced public understanding rests less with individuals than with the dynamics ... of the Westminster system itself.'

(D4.62-63) However, Scott rejects the notion of a game utterly. 'Government statements made in 1989 and 1990 about policy on defence exports to Iraq consistently failed, in my opinion,, to comply with the standard set by . . . 'Questions of Procedure for Ministers' and, more importantly, failed to discharge the obligations imposed by the constitutional principle of ministerial accountability.'

The same disturbing patterns of behaviour are found when looking at Hawk aircraft sales, the sales and a host of other related issues. On almost every page of the lengthy Scott Report there are indications of multi-layered confusion, lack of openness and sometimes of error, at every level of government operation examined. Let us look for example at the proposed sale of Hawk aircraft to Iraq, and other matters

(D6.27) ' . . . in the letters to which I have referred of the government's decision on Hawk to the Guidelines is a very good example of the FCO's preference for the presentationally convenient, as opposed to the factually accurate.'

(D6.98) 'This was the second FCO submission to Ministers which contained important inaccuracies.'

(D6.102) 'The content of the submission to the Minister was not, I conclude, a subject to which he gave any close attention. This inattention was consistent with his general approach to line management.'

(D6.103) ' . . . failed to put before the Minister a balanced recommendation . . . The Minister was ill-served on this occasion.'

(D6.120) 'Mr Waldegrave, in my opinion, should have been told about it.'

(D6.133) More seriously for the Matrix Churchill case, the DTI took the view that they had never been informed of the intended use of the machine tools to make military goods. This was based on a 'misleading' summary of an intelligence report, which had contained ample evidence of probable military use.

(D6.135) 'The submission [to the Secretary of State of DTI] was . . . highly unsatisfactory.'

(D6.182) 'It is an unfortunate fact that the ... report did not come to the attention of. . . .'

Scott concludes that there was an ongoing conflict between the DTI, keen to preserve a Midlands-based machine tool industry, and the Foreign Office, concerned with political and presentational consequences of sales to Iraq. Between them was the Ministry of Defence whose recommendations about individual orders often swayed the approval process. The culture within the Ministry of Defence changed when Alan Clark was a Minister, as we will see, and became more relaxed about arms exports to Iraq in particular.

(D8.9) When it came to export licences for machine tool manufacturers Scott said: 'In a number of cases it was known to the would-be exporters that the intended use of the machines was the production of armaments or munitions. In these cases the imprecise statements in the application forms constituted a deliberate concealment of the known intended use. This deceptive practice was attributable in part to the belief by manufacturers that they had been encouraged by Mr Alan Clark, in his remarks to them ... to stress, when applying for licences, the potential civil purposes to which the machine tools could be put. The deceptive practice was attributable also to a belief by the manufacturers that the government was aware that the likely use of the machines would be munitions production and was complaisant about that possibility.'

(D8.11) Scott describes 'Nelsonian use of a blind eye' in the light of the 'cumulative volume of intelligence'.

(D8.16) 'The failure of the government to be forthcoming in its public statements about its export policy to Iraq precluded public debate on this important issue.... Parliament and the public were designedly led to believe that a stricter policy was being applied than was in fact the case.'

Then there was the case of the Iraqi supergun: Project Babylon was an-almost unbelievable project, the aim of which was to build a vast high-velocity gas-driven gun Capable of launching massive artillery shells into the upper atmosphere.

The first (smaller version) would have a range of 600 miles. The original design was by Dr Bull of the Space Research Corporation who was mysteriously shot dead on 16 March 1990. Ten tapering sections of the giant barrel were made in Britain. One of the clues to the real purpose of these immense tubes was the extremely tight tolerances used in making the bores, and the

unusual finishing of the internal metal surface, using techniques associated with artillery production.

The question is when the government knew about it, was enough action taken, and was Parliament properly informed? In the event the tubes were seized just before they left the country, but do the facts fit with what Ministers told Parliament? Scott devotes a great number of pages to answering these questions.

(F4.26-27) On 18 April 1990, Nicholas Ridley made a statement to the House of Commons describing the seizure of eight large tubes at Teeside, as they were about to be shipped to Iraq. He said: 'Until a few days ago my Department had no knowledge that the goods were designed to form part of a gun. If my Department had known, then it would of course have advised that licences were necessary, and they would not have been granted.'

(F4.28) Scott says: 'First the statement that the government had "recently" become aware of the Iraqi project to develop a long-range gun was a far more elastic use of the word "recently" than was warranted by the facts. The project had been known to the intelligence services since at least September 1989. Moreover, information about the project had been disseminated to government Departments [in] intelligence reports on 30 November and 5 December 1989.'

(F4.29) 'Mr Clark accepted in evidence ... that the use of the word "recently" was an "exaggeration".'

(F4.40) 'The text is consistent with an attempt to avoid criticism of the government for not acting sooner than it did.'

However Scott was unable to discover all those responsible for drafting the statement, particularly who added the word recently'. This sort of problem was common.

Often a Parliamentary Written Answer would have been drafted and redrafted by many different people sometimes including legal advisers. Any one of them might change a word or a phrase. A common source of error was when one person made a very minor change, subtly altering the meaning in a way which was very important, although the significance was not realised at the time by the person concerned. Each subsequent alteration was not always vetted again by all those who had previously approved the wording.

(F4.80) So how did the supergun parts come so close to slipping through the net in spite of intelligence reports? Scott concludes: 'There were omissions. There were failures.... Muddle undoubtedly had a part to play. But it went even further than muddle.' Proper records were not kept of various briefings and there was poor communication. ' . . . There is clear evidence that, some time before October 1989, government officials had had clear information which raised the suspicion that Walter Somers' tubes were probably intended for use as artillery gun-barrels.... The evidence indicates suspicion that an Iraqi long-range artillery weapon with unusual features was in contemplation. Parliament should have been told this.'

Nevertheless, what actually happened was that Ministers were not properly informed and

statements were not made.

Then there is the vexed issue of the Public Interest Immunity Certificates signed by various Ministers. Were they trying to prevent the truth about the Matrix Churchill case from coming out in court?

(G10.11) Scott says: 'A Minister ought not to sign a Certificate unless satisfied that the production of the documents or the giving of the information in question would cause significant damage to the public interest.'

(G10.15) But there were other ways in which the Matrix Churchill defendants could have had difficulty with their defence. For example, documents could be moved from one Department to another in an attempt to hide them from the public gaze. Andrew Leithead of the Treasurer Solicitor's Department wrote on 22 August 1991: 'It is likely to be easier to prevent the disclosure of these documents if they are in the hands of the DTI . . . who could resist a witness summons on "Cheltenham Justices" grounds as well as public interest immunity [than] it would be if the documents are in the hands of Customs and Excise as prosecutors who have to obey the Attorney General's guidelines.' He explained that the view was that the documents referred to were in any case irrelevant to the defence case.

(G10.19) Scott asked Andrew Leithead: 'Was it not in fact the aim here that you and Mr Hosker were trying to achieve, to make it harder for the defendants to obtain the documents?'

'Yes.'

'Even though the position was that the prosecution had the documents?'

'Yes.'

'Yet there is a duty under the Attorney General's guidelines to give copies of prosecution documents, unused, to the defendants, apart from the exceptions in PIV'

'Yes.'

'This was a way not to be bound by that duty?'

'Yes. . . ' He added: 'It was thought to be the right way of dealing with it at the time.'

(G 10.2 1) However, Andrew Leithead later sought to alter his oral evidence in a written submission. Scott remarked: 'He should, he now says, have answered "No" instead of "Yes" to the relevant questions cited in paragraph G 10. 19 above . . . [He] has also in his written comments said that certain passages of his letters are incorrect.' Mr Leithead wrote later: 'I regret that I wrote in such incorrect terms.... With hindsight and the experience of the years that are now passed, I can clearly see that these paragraphs are wrong.'

(G 13.32) On one of the PII certificates signed by Tristan Garel-Jones were the words 'un-quantifiable damage' that could be caused if certain documents were released. Scott was very concerned about the misleading impression given by this phrase.

'in his evidence to the Inquiry, Mr Garel-Jones explained

. . . "un-quantifiable damage" . . . as covering both "un-quantifiable large" and "un-quantifiably small".' He said: * 11 could be a mixture of both. I mean there could be some information where the damage would be un-quantifiably large may be leading to someone's death, and another instance where the damage could be un-quantifiably small.'

'Minuscule in other words?' asked Scott.

'Yes, and there could be a mixture of both in the same document

---the judge would read that, do you think, as covering

'I think he certainly would. I think judges are well practised in knowing when words can be interpreted in two different ways, I would guess...'

As a judge himself, Scott disagreed. 'I suggest the suggestion that the references would be understood to cover damage that was "unquantifiably small" as risible.'

(G 13.33) Scott quotes from a letter between government officials about Michael Heseltine, President of the Board of Trade. Unlike some other Ministers, he had 'needed a great deal of persuasion to sign the certificate. At first he refused to sign any certificate. He seemed to think it would be unjust to the defendants. It was of course pointed out to him that [the judge] would decide whether or not, the claim would be upheld. But Michael Heseltine was only finally persuaded after he received a stiff letter from the Attorney General saying that it was his duty to sign.'

(G 13.46) In comparison, Malcolm Rifkind acted exactly as advised and signed a certificate, saying to Scott afterwards: 'I understood the rules to be quite straightforward and to be very, very longstanding, that if a Minister was satisfied that certain papers came within the category of "advice to Ministers", or ministerial documents or departmental papers, or intelligence papers then he was obliged to sign the certificate to that effect.'

(G 13.54-57) Michael Heseltine said to Scott: when I first read the submission ... I said "Up with this I will not put. .

I was being asked to sign a document which would deny these documents to the proper trial ...I did not know the details of the defence case; but I could not believe that this was not relevant to it.'

(G 13.76) Sir Nicholas Lyell, the Attorney General, gave firm advice to Ministers on signing the certificates. Scott remarks: 'He did not read any of the documents that it was suppose Mr Heseltine's certificate should protect. Indeed, at the time he gave oral evidence to the Inquiry, 24 and 25 March 1994, he had still not read any of the documents.' Instead, he relied on the briefing of another colleague that 'there was nothing in the documents that in any way called into question the fairness of the prosecution'.

(G 13.84) Michael Heseltine was asked to sign a supplementary certificate. He complained that he was about to leave the country and had been unable to consult with other Ministers. 'I realise the pressure,' he wrote at the time, 'but it is quite intolerable to present me with these issues when I have no time to explore them more fully.' In the event, none of Michael Heseltine's concerns was adequately communicated to the judge.

(G 13.123-125) Scott writes: 'Major responsibility for the inadequacy of the instructions to Mr Moses (QC) must, in my opinion, be borne by the Attorney General.... I accept the genuineness of his belief that he was personally, as opposed to constitutionally, blameless.... But I do not accept that he wits not personally at fault. The issues that had been raised lvy Mr Heseltine's stand on the PII certificate did not fall into the category of mundane, run of the mill issues that could properly be left to be dealt with by officials in the Treasury Solicitor's Department without the Attorney General's supervision.... These are difficult questions. The answers are not obvious ... I would not have expected Mr Heseltine, 4% non-lawyer to have articulated them. But I would have expected the Attorney General to have done so.... There wits, in my opinion, an absence of personal involvement by it the Attorney General that Mr Heseltine's stance ... had made necessary.'

(G 17.29) The Matrix Churchill trial collapsed after Alan Clark gave damning evidence, not of Matrix Churchill involvement, but of government behaviour and attitude. Scott reviews what Alan Clark said under cross-examination in court: 'You knew the Iraqis would not be using the current orders [for machine tools] for general engineering purposes but would be using them to make munitions?'

'The current orders, yes,' replied Mr Clark.

'If you had said of course the Iraqis will be using the current order for general engineering purposes that could not be the case to your knowledge?'

'I do not see that the fact that they are using them, were using them, for munitions, excludes them using them for general engineering purposes more than the other way round.'

'But here the writer of this minute [ie the DTI note of the 20 January 1988 meeting] is attributing to you the statement the Iraqis will be using the current order for general engineering purposes, which cannot be correct to your knowledge.'

'Well, it's our old friend being economical, isn't it?'

'With the truth?'

'With the actualite there was nothing misleading or dishonest to make a formal or introductory comment that the Iraqis would be using the current orders for general engineering purposes. All I didn't say was "and for making munitions", if I thought that they were going to say that . . .'

'You knew that the machine tools would be put to, were currently being put to, a munitions use and that the follow on orders so long as the war lasted were likely to be put to a munitions use?'

'Could be put, yes.'

'. . You invited the companies to agree a specification, ie. get something in writing, the customer to highlight the peaceful use to which the machine tools would be put, even though to your knowledge it was at least so long as the war lasted, very unlikely they would be put to a peaceful use?'

'Yes I would agree with that.'

Later the exchanges continued as follows.

'You didn't want to let anyone know that at this stage these m u n itions and their follow up orders were going to munitions factories to make munitions?'

'No.'

'And the emphasis on peaceful purposes and general engineering and so on would help keep the matter confidential'

'I do not think it was principally a matter for public awareness I think it was probably a matter for Whitehall cosmetics.'

'A matter for Whitehall cosmetics to keep the records ambiguous?'

'Yes, yes.'

Later again they continued:

'So the signal you are sending to these people is: "I am a minister (sic), I will help you get through these orders and the follow ups through the rather loose guidelines and the rather Byzantine ways of Whitehall. Help me by keeping your mouth firmly shut about military use"?''

'I think that is too imaginative an interpretation. I think it was more at arm's length than that.'

'But in any event it was how they would help, by not, as it were, making Whitehall cosmetics run, rather by keeping quiet; stating nothing military?'

---'They got it by implication?'

'Yes, by implication is different. By implication they got it.'

(G18.1-12) Scott concludes that the Matrix Churchill trial was 'a trial that ought never to have been brought'. He lists a considerable number of criticisms and weaknesses of several Departments. However he does not conclude that there was a conspiracy to allow innocent men to be sent to gaol, despite widespread speculation and accusation in the media and by opposition MPs.

(G18.54) Scott also expressed concerns about the blanket way in which PII certificates were used. He attacks the idea that Public Interest Immunity should always be invoked even when a Minister believes there are overwhelming reasons why documents should be disclosed in the public interest, particularly as in this case, to ensure fair justice. He points out that there is little precedent for the use of such certificates in criminal cases.

(G18.104) 'Class claims were made which were not, in my opinion, warranted by authority, and which ought to have had no place in a criminal trial.'

The overwhelming impression gained by studying the oral evidence, and the Report itself, is that Ministers often have only a partial understanding of what their own Departments are up to, that Ministries are bad at talking to each other, and that individual civil servants also tend to have only a partial picture. It is also very clear that much time and effort are given to how a course of action will be presented publicly: will it be explained at all, or in part, or dressed up as something slightly different?

Ministers are given complex briefings, but so many of them, on so many different issues, that they are unlikely to read them all word for word, and even less likely to recall all of them in any detail some months later without help.

It is clear that the risks of being a Minister are huge. You are vulnerable to criticism all the time, signing letter after letter prepared by others. A key issue is responsibility. How can a Minister possibly hope to keep a grip on a Department when almost every person in it is a civil servant who may have his or her own agenda and failings? The volume of work is far too large to allow proper scrutiny. The issues are too complex. The system is too powerful.

A major error can be made in seconds; in the signing of a single letter, sitting there among hundreds of others. How can a Minister be held fully responsible for an inaccuracy if the letter has been drafted by three or four civil service 'experts' and is referring to a highly specialist area? It is particularly difficult where Ministers are shunted around from one Department to another after only short periods in Post. Ministerial turnover is dreaded by many civil servants because it takes so long for a new person to 'come, up to speed' regarding - say - every aspect of the health service. However, turnover also means less oversight, less leadership, and greater control by departmental officials.

But if Ministers in today's complex system of government cannot reasonably be held responsible for all the decisions they take and for the accuracy of statements they make, then who can be? Are we moving to a form of government which is wholly unaccountable, or are we going to have to move to a situation where senior officials advising Ministers are also held publicly responsible?

If I ever found myself running a Department, and had the power to do so, the first thing I would do is hire several of the highest calibre executives I could find, paid to help oversee policy development, check advice, probe, ask questions, and generally make sure that every statement made and every letter signed is a true and fair reflection of the facts. In turn they would be expected to be publicly accountable for their own errors. This means that they have to accept responsibility for advice given.

In my view, politicisation of the civil service is inevitable and necessary, although it will continue to be fiercely resisted. But as we have seen, the current system is no longer working and is unsuitable for twenty-first-century government. It encourages 'buck-passing', yet the buck all too often lands up in the murky anonymous world of 'official advice'.

But anonymity will never be the same after the Scott Inquiry. A civil servant from now on will always know at the back of his or her mind that a private and confidential note written today may become part of a very public inquiry tomorrow, and all those whose names are on that note could well be called as witnesses for detailed interrogation. The days of impartial and secret advice are over.

Of course, Scott also identified a number of other situations where Ministers were far from ignorant, only too well informed of what was going on, and where a deliberate decision was made to mislead the public with partially truthful statements.

Despite all the criticisms in the Scott Report, not one person resigned, nor was there any apology for the way in which the public was misled. On the contrary, speeches were made which vigorously defended the government's position, making it abundantly clear that Ministers felt that they had the absolute moral right to disagree with Scott, and to reject as many of his conclusions as they liked.

But if that was the case, what was the point of getting him to do three years' work in the first place? A very expensive exercise for nothing. If the Cabinet were going to make their own verdict binding as regards future action, then they should have announced their own final

decisions years before. Of course, the reason they did not dare to do so was that there would have been public outrage. There was an urgent need to reassure people that there was not going to be a cover up.

In that regard it was unfortunate that the government gave itself such a long time to study the report, and allowed so little access to anyone else. It made its position far worse in the eyes of the public. It would have been far better to have allowed both government and opposition leaders equal access for a far shorter time before official publication, even if opposition members had to submit to some sort of controls to prevent leakage.

My own view is that the criticisms levelled by Scott against William Waldegrave and against the Attorney General, Sir Nicholas Lyell, are so serious that they should have resigned on the day the Report was published. I believe that Scott's conclusion that the Attorney General was at fault made his position untenable.

Mr Waldegrave may not have had any 'duplicious intention', but his descriptions of the interpretation of guidelines were 'bound to be misleading to anyone who does not know the substance of the decision'. To me, this indicates a lack of the public perception that it becomes a government Minister.

Alan Clark should also have resigned (if still in government for being economic with the actuality. However, he was no longer even an MP when the Report came out. Others were also criticised, but in less serious ways.

Without doubt, Sir Richard Scott did a great service to the nation. He took to pieces the whole business of government, exposed its shabbiest features to public gaze, and also revealed some of its greatest strengths. He raised many questions and challenged the prevailing culture of arrogance and half-truths.

The lesson is that the British public do want to know in some detail what government is up to, especially over areas affecting the public conscience such as arms sales to dictatorships. The nation's elected representatives ask thousands of written questions every year, and deserve accurate, clear and informative replies. However, it is also true that long inquiries and weighty reports can create confusion and boredom.

Unless there is a rapid move towards far greater openness, there will be irresistible moral arguments for legal measures such as Freedom of Information legislation. I do not believe that the British people will tolerate the politics of deception much longer. Politicians in power who fear a Freedom of Information Act had better start communicating more fully.

In exchange, opposition MPs need to treat information with greater maturity, rather than using every snippet as out-of-context ammunition to score cheap points, when they know full well that the real issues are complex and the choices are rather limited for whoever is in government.

That is the reality.

The Truth About Westminster

- [Acknowledgements](#)
- [Introduction](#)
- [Chapter 1: MPs Available for Hire](#)
- [Chapter 2: Buying and Selling MPs on a Large Scale](#)
- [Chapter 3: MP Fiddles and Some Reluctant Lords](#)
- [Chapter 4: The Power of Patronage](#)
- [Chapter 5: The Truth About Party Funding](#)
- [Chapter 6: Sex, Money and Power](#)
- [Chapter 7: Whipping and the Death of Conscience](#)
- [Chapter 8: Secrets of Ministers and Civil Servants](#)
- [Chapter 9: Trade Scandals and Arms Deals](#)
- [Chapter 10: The Changing Culture](#)
- [Chapter 11: Rebuilding the House](#)
- [Chapter 12: Christians in Politics](#)
- [Notes](#)
- [A Short Bibliography](#)