

TRANSCRIPTION
of the
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'Project Babylon: The Iraqi Supergun' (1991)
Intelligence Summary (Pages 23 – 25)

Intelligence Summary

Supergun: A Unique Diversionary Vehicle

Albeit not envisaged as such at the time of its inception, an extraordinary development, Project Babylon emerged as a unique diversionary vehicle. As the Secret Intelligence Service (MI6) shared reports about the Iraqi supergun with us, they realized that it held the capacity to limit damage to the UK government and shield the White House in the event of political exposure of UK covert arms deals with Iraq, a country whose leader Saddam Husayn, we saw as a potentially stabilizing influence in the region. (S NF NC)

Covert Arms Deals with Iraq

The situation that made Project Babylon feasible began in 1981, as UK Prime Minister Margaret Thatcher sought to grow the British economy through covert arms deals with Iraq, then at war with Iran. In 1982, at the outbreak of the Falklands conflict, Thatcher sought assistance from the US administration and subsequently, we provided intelligence support. Consequently, in 1983, directed by White House strategy, we coordinated covert operations with MI6 that eluded Congressional precincts and projected UK rules that sustained arms sales to Iraq via global covert routes established by the UK. In alliance with MI6, we set up Allivane International, at the core of covert deals with Iraq. Its ultimate owner, Chilean arms dealer Carlos Cardoen, received funds from the UK and played a key role. He used false end user certificates that disguised true consignment destinations, as his company shipped arms to Iraq via Chile and Jordan. Our strategy accelerated, via the British Embassy in Washington, when we advised UK arms producer Astra, whom we saw as pivotal to our strategy, to share offices in London, England, with the Institute for the Study of Conflict, headed up by UK Security Service (MI5) agent Brian Crozier. It enabled us to monitor and coordinate Astra's projected covert deals. (S NF NC)

In 1984, the UK issued guidelines theoretically intended to limit arms sales to Iraq, intentionally flexible, as the deals flourished, in 1985, Thatcher signed the Jordan Defense Package with King Husayn: it initiated a conduit to Iraq, and subsequently, Thatcher announced the arms to Iraq guidelines to Parliament. In 1986, Stephan Adolf Kock joined Astra from the UK Midland Bank secret defense department. Kock led an MI6 strategic infiltration into Astra to conceal covert deals, while MI5 enrolled Mark Gutteridge as export manager for Iraqi-owned Matrix Churchill, a 'dual-purpose' tooling producer based in the UK. In 1987, Saddam Husayn desired indigenous arms production with help from Matrix Churchill and Astra consultant Roy Ricks. Subsequently, Technology and Development Group, subsidiary of Al-Arabi Trading run by our mole, Husayn Kamel Hassan al-Majid in Baghdad, acquired Matrix Churchill. This move helped Cardoen build a missile factory in Iraq. Meantime, Astra bought Waher Group, which produced fuses for Iraq through our agent Jim Guerin of International Signals Corporation (ISC) based in the UK, subsequently merged with Ferranti. As Iraq became the UK's major customer, the Iranian procurement office in London, England was closed down. (S NF NC)

In 1988, Husayn Kamel, head of Iraqi procurement, met Gerald Bull in Baghdad, and Iraq funded Bull's supergun, subsequently. Project Babylon executive Christopher Cowley approached UK engineers Sheffield Forgemasters and Walter Somers to produce barrel tubes for the supergun and shortly, they began work on the project. Meantime, Iraq invited

Bull to Saad 16, Iraq's top-secret military-industrial center engaged in missile production with nuclear potential. (S NF NC)

As Astra acquired BMARC, its executive unaware of BMARC's covert deals via conduit countries to Iraq, Kock conceived a strategy against potential exposure. Meantime, when Astra approached Belgian company Société Général de Belgique (SGB) – Gechem, to acquire Poudreries Réunies Belgique (PRB), they blocked Astra's proposal due to a review of US-UK pro-Iraq policy as Pakistan acquired nuclear capability. (S NF NC)

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As the UN initiated a ceasefire in the Iran-Iraq War, and the UK relaxed arms to Iraq guidelines, Allivane and the Ministry of Defense (MoD) used new covert routes to conceal irregular arms consignments. Frank Machon, based in Scotland, had shipped huge consignments of fuses produced by Royal Ordnance, and subsequently, the trucking agent shipped smaller consignments of fuses disguised as automobile components and a test consignment of Bull's supergun propellant disguised as chocolate destined for packaging by Unipac based in Cyprus, before shipment to Jordan. Subsequently, the Royal Air Force shipped similar covert consignments to Jordan via Cyprus. (S NF NC)

In 1989, as BMARC accepted a covert deal between Ordnance Technologies (Ordtec) and Bull's Space Research Corporation (SRC) for fuses bound for Iraq, Astra CEO Gerald James's awareness of such deals risked exposure of Kock's objective. As Kock endeavored to eject James from the Astra executive, he hired Thatcher's Conservative party lawyers to advise him on a strategy to shield Astra's covert deals. (S NF NC)

Subsequent to the US-UK policy review, as we thwarted Bull's attempts to buy PRB, it vetoed exposure of covert deals, and instead, via SGB-Gechem, we proceeded to sell PRB to Astra. As James closed the deal it gave Kock control of PRB. Meantime, the UK Department of Trade and Industry (DTI) backed Astra and twelve more UK arms dealers to attend Iraq's arms fair in Baghdad, which exhibited a model of Bull's supergun. Meantime, Iraq coveted extended-range Scud missiles with help from Matrix Churchill and Bull's ingenuity. (S NF NC)

The UK pledged Bull funds to buy carbon fiber plant Learfan in Northern Ireland; it formed part of Iraq's nuclear missiles program. Pressure from US and Israel reversed the proposition. Bull's dissent ended when Kock informed him via the UK Foreign Office, that he could meet with an "imminent accident". (S NF NC)

Upon closure of the PRB deal, Kock discovered that James and his chief executive Christopher Gumbley had examined PRB deals, and had found the supergun propellant contract and other covert Iraqi arms deals. Consequently, Roger Holdness (MI6) discussed the supergun propellant contract with James and Gumbley and ordered the PRB consignment to proceed, once again, disguised as chocolate but this time shipped by the Belgian Air Force. (S NF NC)

As Thatcher informed Parliament that supplies of British defense equipment to Iraq continued to be governed by UK guidelines introduced in 1985, intelligence of UK covert deals via PRB epitomized a powerful political weapon. Consequently, Kock needed to know if James had discovered that Bull's SRC had made a superior offer for PRB. As Holdness questioned James, he reported to Kock that the Astra CEO seemed ignorant about that aspect of the deal. However, in an endeavor to sustain his position, James

provided further evidence to the MoD relating to the supergun propellant deal. Consequently, as Kock executed the endgame, the UK Special Air Service (SAS) destroyed the PRB supergun propellant plant at Kaulille, Belgium. (S NF NC)

The Endgame Strategy

In 1990, as Kock accelerated the endgame, a whole host of UK executives and businesses connected with covert arms deals were arrested or imploded to prevent exposure. Consequently, Kock arranged a summit with MoD-MI5-MI6 to plan strategy approved by Thatcher's lawyers to shield Astra's covert deals and counter threat posed by James and Astra executive. Meantime, as Kock kept them under surveillance, Gumbley learned that Bull was gathering intelligence about the covert UK deal that compelled SGB-Gechem to sell PRB to Astra. (S NF NC)

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As Sir John Cuckney (ex-MI5), onetime chairman of UK state-owned International Military Services (IMS), supported Kock: he finally forced James to resign as Astra CEO. Kock brought in Roy Barber (MI5) to replace James and appointed new lawyers, hiring MI6 agent Robert Burrow, a partner with SJ Berwin, London, England. He began work concealing Astra's covert deals via Unipac. Meantime, Gumbley resigned from Astra, ultimately. Kock forced all the remaining Astra executives aware of PRB deal to resign. (S NF NC)

As Gumbley traveled to Brussels to meet Bull, Kock maintained surveillance and discovered that they planned a lawsuit to expose UK covert deals. Consequently, Kock hired Ian Jack and Terry Hardy, (SAS) to eliminate Bull. Subsequently, MoD police arrested Gumbley. He served 9 months in prison on fabricated corruption charges. Meantime, as we coordinated an MI6 set-up, alleged nuclear capacitors shipped from US by Euromac for Iraq was seized at Heathrow Airport, it led to the arrest of CEO Ali Dagher and Jeanine Speckman. Meantime, Kock found that defense journalist, Jonathan Moyle, possessed evidence of UK covert deals. Consequently, Kock and Holdness eliminated him in Santiago, Chile. (S NF NC)

Kock manipulated Project Babylon to divert media attention from the covert arms deals, and tipped off UK Customs. They raided a port in Middlesborough, England, and seized the final supergun consignment of barrel tubes. Kock believed that the media would leap upon the supergun story. As Bull's project engaged the public imagination, it concealed from them the true extent of UK-approved covert deals. Although Bull had informed the UK about the true purpose of the barrel tubes from the outset, Secretary of State Ridley told Parliament that the UK had only just become aware of Project Babylon. (S NF NC)

As the UK continued to deflect responsibility, Kock arranged the arrest of supergun project manager Cowley and Walter Somers CEO Peter Mitchell, along with several Forgemasters and Walter Somers personnel. UK Customs raided Matrix Churchill, and arrested three executives, while MoD police arrested Ordtec and SRC executives connected to BMARC deals; the (mostly MI6) BMARC executive was protected to avoid exposure. Kock requested the DTI hold a public inquiry into Astra. Subsequently, Kock arranged the arrest of Unipac CEO Asil Nadir via the UK Serious Fraud Office. However, charges against Cowley and Mitchell were dropped for fear of exposure of UK deals with Iraqi supergun. As the Conservative Party sought to avoid defeat in the upcoming UK election, they lost

confidence in Thatcher and forced her to resign. (S NF NC)

In 1991, incoming Prime Minister John Major told Parliament that for some considerable time the UK had not supplied arms to Iraq. Meantime, Kock had covert deals informant Lionel Jones eliminated. As the DTI Select committee Inquiry into arms to Iraq began, BCCI, based in London, England, involved in arms, drugs deals and donations to Conservative party funds, was closed down. As Kock completed his strategy, he had former Belgian Deputy Prime Minister Andre Cools eliminated as he was about to investigate the sale of PRB to Astra. IMS, involved in covert deals through PRB, ceased trading and all records destroyed. As the DTI repeated Thatcher's assurance of 1989, to Parliament: "Our examination of the records shows that the policy announced in Parliament (in 1985) was adhered to both in the spirit and the letter." (S NF NC)

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