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John Major, MP
House of Commons
London SW1A 0AA

26 June 1995

Prime Minister

As a member of the Society of Labour Lawyers, it is with concern that I am sending you a file of documents which show that over the period 1982 to 1989 the United Kingdom supplied Iran with weapons and military hardware in flagrant breach of international law. It seems a story of double standards where economic and political considerations outweigh your government's duty to comply with international law.

I am instructed by a Dr R. Daswani, who is an Iranian now residing in London. In 1993 Dr Daswani started an action in the High Court against the Ministry of Defence. In 1987 he obtained a contract for Ferranti, a UK company, to supply electronics systems to the value of £43 million to the UAE. He was given a written undertaking by the Sales Director of Ferranti that he would receive a commission of 2% of the gross value of the contract, to be paid into his UK account once full payment was cleared by Ferranti's bankers.

Dr Daswani obtained this contract through his associate, Dr Mohammed Hashemi, who is a US citizen owning companies in the US, UK, Iran and Germany. According to the documents now filed in the High Court: (a) the entire consignment was shipped to Iranian Defence Industries with payment by a bank in Teheran; (b) the contract was negotiated in the US by Daswani and Hashemi with directors of Ferranti, including Sir Derek Alun-Jones, and (c) officials of the UK Ministry of Defence, including Mr Roger Harding, participated in these negotiations and were aware that the electronic systems were in fact being supplied to Iran, with the UAE as an intermediary

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Amongst the extensive documentation supplied by Dr Daswani, is a complete and cross-referenced record of a trail of payments authorised by Mr Dastjerdi of IDI, through banks in Teheran, Geneva, UAE and London, with receipt by Ferranti. However, Dr Daswani never received his commission, despite the assurances given to him by officials of the MoD during his negotiations with Ferranti. He claims that John Bourn, and other officials of the MoD, guaranteed his commission. He has filed statements from two witnesses supporting his claim. At the request of Dr Daswani, on 7 February I wrote to John Bourn, Timothy Renton and Nicholas Soames enclosing one statement made by Dr Daswani dated 12 January 1995. Daswani's statement implicates Bourn (at the time he was a civil servant at the MoD), Renton and Soames who at the time were both MP's and serving as company directors, in receiving a commission on this Ferranti contract, and other specified defence contracts between UK companies and Iran.

Although I received acknowledgements from Renton and Soames, I have heard nothing from Bourn. Consequently, on 3 April I wrote again to all three gentlemen, and also to the Secretary of the Cabinet Office. I am dismayed by the fact that almost three months later I have not had the courtesy of one reply.

Last week you participated in a debate in the House of Commons about the role of BMARC in the sale of military equipment to Singapore, which then sold the consignment to Iran. In view of the matters which were disclosed during that debate, I am writing to inform you of the matters which I raised with the Secretary of the Cabinet Office in my letter to him of 3 April.

I Are you aware that in Ferranti, a UK Company, entered into a set of contracts to supply military equipment to proxies acting for Iranian Defence Industries (IDI)? A list of these contracts dated 1982-1989 is appended herewith (marked RD1) together with financial records of an Iranian Bank (marked RD2) showing payments made to Ferranti on behalf of IDI.

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II Are you aware of the collusion between named officials of the Board of Trade, Ministry of Defence and the FCO regarding the direct negotiation of these contracts with IDI? I enclose herewith (marked RD3) the following documents: (i) a memorandum showing that Derek Alun-Jones, (as chairman of Ferranti) and Roger Harding (Ministry of Defence) were directly involved in these negotiations; (ii) an export licence and papers from the Export Credit Guarantee Department of the Board of Trade relating to electronics systems invoiced to IDI, and (iii) papers showing that advice on granting the export licence was sought from John Bourn, and that the export credits were authorised by David Latham, a Treasury Counsel employed by the Board of Trade to advise them on the issue of export credits.

III Are you aware that the Board of Trade, after consulting the MoD and Foreign Office has issued export licences for UK companies to supply IDI with four motor gunboats, field artillery and ammunition, spares for Chieftan tanks and missile guidance units? Appended herewith is a contract marked RD4 signed by Derek Alun-Jones of Ferranti and M. Dastjerdi of IDI concerning the sale of 1500 inertial guidance units (manufactured by International Signals Corporation) to Iran. An internal memorandum from Ferranti dated 1988 (marked RD5) confirms 1500 units were shipped in three batches to CATIC of the Peoples' Republic of China. The invoices clearly show the end user was IDI, and with payment made by an Iranian government bank. I wish to draw your attention to the fact that this contract is the largest item in the table marked RD1.

IV Are you aware that Ferranti went into receivership in 1989 after amalgamating with International Signals Corporation, because the US government acted to prevent the manufacture and sale of the ISC precision guided missile which incorporated the guidance system?

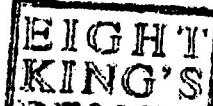
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V Are you aware commissions were paid by Ferranti to John Bourn, Nicholas Soames MP and Timothy Renton MP on the contract filled in June 1988 to supply electronics systems to the UAE (and on to Iran)? I enclose herewith (marked RD6) the complete company records of commissions dated 1985-88 paid by Ferranti, and paid by Astra Holdings PLC (marked RD7), together with the shareholders (marked RD8 and RD9) of certain Cayman Island trusts on those lists.

VI Have you been shown the documentation sent to the MoD on 5 December 1994 by solicitors acting for Dr Daswani confirming that Iranian Defence Industries gave an undertaking in 1987 to pay commissions into seventeen trusts. Amongst the identifiable beneficiaries are Denis Thatcher, whose wife was at the time Prime Minister, Major-General Donald Isles, of BMARC, Alan Curtis, involved with aircraft construction, Stephan Kock, who served as the Cabinet Office liaison with MI5 and Iranian Defence Industries, Akhram Ojeh, a financial consultant, John Bredenkamp, a director of Casalee, the company brokering two of the contracts, and Sir John Cuckney, apparently arranged finance through a company, International Military Services. The exhibit marked RD10 discloses the ownership of these trusts, registered in Cayman Islands, Antigua and Virgin Islands. These details were disclosed by the named employee of Mourants, a company formation agent based in Jersey, CI, with offices in Cayman Islands.

VII Are you aware that Iran purchased military equipment in the UK and US through a series of companies controlled by Mohammed Hashemi, an associate of Ayatollah Khomeini?

VIII Are you aware that in 1979 Hashemi was appointed head of the Iranian Broadcasting Authority, Vice-Minister of Propaganda and effectively took charge of Iranian Foreign Intelligence? His elder brother is Ali Akbar Hashemi Rasfanjani.

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IX Are you aware that Mohammed Hashemi set up companies in the UK, such as Tagell Ltd, of Stag Place, London SW1, with Michael Palmer, a solicitor who advised Margaret Thatcher? Over the period 1982-8, Hashemi had regular meetings with the Thatchers, and also business meetings with those named in VI, above. The exhibit marked RD11 is a list of contracts authorised by the MoD and FCO to supply defence equipment to Tagell.

X Are you aware that the records of commissions paid on Iranian contracts by Ferranti (and ISC-Ferranti), BMARC, Astra Holdings PLC, Royal Ordnance and ICI implicates Hashemi, his brother Rasfanjani, together with officials in the UK, including politicians and civil servants? The exhibits marked RD6, RD7, RD8 and RD9 serve to confirm this allegation.

XI Although the UK supplied military equipment to both Iran and Iraq during the war between Iran/Iraq, the largest contracts are Iranian. According to the bank records, Hashemi, Rasfanjani and a small clique around them received benefit in the form of commissions from these contracts, as did UK politicians who received payments of £millions. Two payments to Denis Thatcher are recorded as being through a dealer, Wafik Said, a Syrian banker based in London, and acting for Saudi Arabia in negotiating defence contracts with Royal Ordnance.

XII Dr Daswani states that in his view the only reason for the very large payments (purportedly commissions) paid by the companies named in X, above, to Iranian officials, who include Rasfanjani, Hashemi and other ministers and army officers, is to compromise them to enable the UK and US eventually to exert control over the government of Iran.

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I am enclosing herewith the set of exhibits referred to above. These demonstrate not just the weight of evidence supporting Dr Daswani's claim, but the pervasive and opportunistic corruption within the UK arising from the supply of defence equipment to Iran. May I suggest that Sir Richard Scott's enquiry should encompass Iran, as well as Iraq?

*Yours sincerely,
Derek Willmott*

cc: Peter Archer, QC

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