



Trust and Verify

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Machine Tools to Iraq

Controversy has surrounded the role of the British Government in exports to Iraq following the collapse of the trial of three men associated with the Matrix Churchill machine tools company.

The trial was halted on 9 November after Alan Clark, a former Minister of State at the Department of Trade and Industry, acknowledged in court that the Government had been aware of the military uses of the exported equipment.

A key part of the controversy is a meeting between Alan Clark and members of the Machine Tools Association in January 1988. It was at this meeting that Mr Clark said that they should emphasise the peaceful purposes to which their equipment could be put when applying for export licences.

Use of the technologies

A paper prepared by the Ministry of Defence and released by the court gave a list of export licence applications up to May 1989 which 'in retrospect ... could contribute to the setting up of an indigenous arms industry.'

Evidence cited in this document to support such a conclusion included an assessment that the lathes supplied to Iraq could be capable of producing 500,000 155mm shells per year.

Nuclear Weapons

The *Independent* newspaper has quoted 'highly-placed United Nations sources' as saying that Special Commission inspectors had discovered Matrix-Churchill computerized numerical controlled (CNC) machine tools being used to make components for the Iraqi uranium enrichment centrifuge programme.

One of the court documents shows that when the export of such machine tools was being considered it was noted that these machines had legitimate uses 'but could also be employed in armaments manufacture, or even uranium enrichment.' William Waldegrave, a Foreign Office Minister, wrote on this minute 'screwdrivers are also required to make H-bombs.'

Article I of the Non-Proliferation Treaty states that nuclear-weapons states undertake 'not in any way to assist, encourage, or induce any non-nuclear-weapon states to manufacture or otherwise acquire nuclear weapons ...'

The Scott Inquiry

On 10 November the Attorney General made a statement to the House of Commons, announcing the establishment of an independent judicial inquiry under Lord Justice Scott.

Editorial Comment

The testimony of Alan Clark at the Matrix Churchill trial has a great significance for those interested in arms control.

The fact that the British Government was content to breach its own publicly stated policy over the sale of military-related equipment to Iraq raises questions about the other areas of export policy.

Chemical Weapons Convention

The Chemical Weapons Convention (CWC), that is currently proceeding through the approval mechanisms of the United Nations, places an obligation on each state to establish a 'National Authority' to oversee that state's compliance with the Convention.

A state's National Authority may not only have to prove that that state has not produced chemical weapons, but that it has not encouraged or assisted any other state to acquire such weapons or the means to deliver them.

It is likely that some of the technologies exported by Matrix Churchill and BSA could have been utilised in

Iraq's chemical munitions programme, or their delivery systems. Some appear to have been used in the nuclear programme.

The United Kingdom's National Authority

In the United Kingdom, a Cabinet decision has been taken to have the National Authority within the Department of Trade and Industry — the department at the centre of the 'arms to Iraq scandal'.

The credibility of the United Kingdom's export control policies has been severely damaged. For the National Authority to have credibility, it must also involve personnel from outside the Government, for example in the form of a Parliamentary oversight committee or a panel of academics or non-governmental organizations with access to all relevant data.

Verification and credibility go hand in hand. One cannot exist without the other.

The Chemical Weapons Convention has taken many years to negotiate; it must not be allowed to be weakened by the lack of credibility in the export control policies of states.

Richard Guthrie

On 16 November the Scott inquiry's terms of reference were widened to include the export of components in support of Iraq's 'super-gun' project.

The establishment of the inquiry has been criticised, not only in Parliament, but also by Lord Denning, former Master of the Rolls (President of the Court of Appeal). Many of the critics have called for an inquiry under the 1921 Tribunals of Inquiry (Evidence) Act.

Denning himself was the judge involved in the inquiry into the Profumo affair in 1963, established under the same procedure as the Scott inquiry.

In 1966, the report of the Royal Commission on Tribunals of Inquiry (the 'Salmon report') was published. It criticised the form of the Denning inquiry into the Profumo affair. It stated that there was a defect in procedure in this type of inquiry 'since everything takes place behind closed doors, the truth may not be generally accepted.'

The Salmon report added: 'If, however, there is in reality an evil to be exposed and any of the allegations or rumours causing the nation-wide crisis of confidence are true, it is extremely difficult, if not practically impossible, for the report to establish the truth.'

The Salmon report concluded: 'No government in future should ever in any circumstances whatsoever set up a tribunal of the type adopted in the Profumo case to investigate any matter causing nation-wide concern. We are satisfied that such a method of inquiry is inferior to, and certainly no acceptable substitute for, an inquiry under the Act of 1921.'

Trial Documents

Approximately 500 documents had been given Public Interest Immunity certificates, signed by ministers. The trial judge decided that the certificates should not stand, and made some of the documents public.

Within the released documents are clear indications that many Government departments had been aware of, or highly suspicious of, the military applications of the exports to Iraq.

VERTIC has not seen the released documents, though many of them have been quoted widely in the press. Here are some examples:

- 'The licences should not for the moment be revoked ... but if it becomes public knowledge that the tools are to be used to make munitions, deliveries would have to stop at once ... the companies should be warned of the falling guillotine and urged to produce and ship as fast as they can.' [Foreign Office, Middle East desk, no date given]
- 'We agreed that we should continue to interpret the [export] guidelines more flexibly in respect of Iraq, as we have done in practice since the end of last year; but that we should revert to a stricter interpretation for Iran, along the lines which operated before the ceasefire.' [letter from Waldegrave to Clark, 27 April 1989]
- particular machine tools were 'apparently destined to be incorporated into a chemical weapons factory'. [Export Credit Guarantees Department, no date given]

Gonzalez inquiry

Matrix-Churchill, and companies associated with it in the United States, have featured in the investigations into the dealings of the Banco Nazionale del Lavoro (BNL) by the US House of Representatives Banking Committee, chaired by Mr Henry Gonzalez.

Gonzalez has accused the Bush administration of covering up the Matrix-Churchill affair. The company had been a client of the Atlanta branch of BNL.

Matrix-Churchill

Matrix-Churchill was part of the TI group of companies until it was purchased by an Iraqi company, TDG. The company subsequently became a linchpin in Iraq's military procurement programme.

Export Control powers

British export control law is based on secondary legislation in the form of the Export of Goods (Control) Order. This order is amended and updated as required. Every few years a new order is made, incorporating the earlier amendments. The last order was made in 1991 and is expected to be replaced with a new one soon.

The British Government's power to make these orders derives from the 1939 Import, Export and Customs Powers (Defence) Act, which became law as the Second World War started.

Section 1, paragraph 1 of the 1939 act reads as follows: 'The Board of Trade may by order make such provisions as the Board think expedient for prohibiting or regulating, in all cases or any specified classes of cases, and subject to such exceptions, if any, as may be made by or under the order, the importation into, or exportation from, the United Kingdom or any specified part thereof, or the carriage coastwise or the shipment as ships' stores, of all goods or goods of any specified description.'

These were sweeping powers that were granted for wartime control of trade. Paragraph 9(3) of the act stated 'This act shall continue in force until such date as His Majesty may by Order in Council declare to be the date on which the emergency that was the occasion of the passing of this Act came to an end, ...'

Paragraph 9(3) of this act was repealed as recently as 1990 by the Import and Export Control Act 1990, thus making the earlier act permanent.

Japanese Plutonium shipments

On 7 November the Japanese freighter Akatsuki Maru, having loaded its cargo of plutonium, departed Cherbourg for the return journey to Japan. The journey is expected to take two months.

The ship had left Japan on 24 August, docked at the French port of Brest on 29 October, and later sailed to Cherbourg (see also *Trust & Verify*, September).

Japanese surprise

The Japanese government appears to be surprised at the controversy that these shipments have stirred up. Rumours abound that Japan may be considering reviewing its present policies. However, the 1992 White Paper of the Japanese Atomic Energy Commission, approved by the Japanese Cabinet on 23 October, gives no such indications.

CFE formally enters force

The Conventional Forces in Europe Treaty formally entered force on 9 November following its ratification by Belarus, the last state to do so.

CFE had been brought into force by mutual agreement in July for 120 days, coinciding with the treaty's 120-day baseline inspection period. This period ended on 14 November.

CWC update

On 13 November, a resolution commending the Chemical Weapons Convention to states was passed by consensus by the First Committee of the United Nations General Assembly.

The CWC will be debated in the plenary session of the General Assembly on 30 November where a similar resolution to that passed by the First Committee will be moved.

The CWC signing conference is now slated to be held in Paris on 13-15 January 1993.

UN arms transfers register

The United Nations General Assembly resolution 46/32L on establishing a register to assist transparency in armaments transfers, passed on 9 December 1991, also established a panel of governmental technical experts to prepare a report on its operation and its possible expansion.

The panel's report, contained in UN document A/47/342, was presented in August. A resolution in support of it has been passed by consensus by the First Committee of the United Nations General Assembly. The report will be considered by the plenary session of the General Assembly, along with other business, starting on 9 December.

Russian Testing Moratorium

A formal announcement has been made by the Russian authorities extending the Russian nuclear testing moratorium to 31 July 1993, bringing it in line with the US moratorium.

British aid to Russia

A Memorandum of Understanding between the British Defence Secretary and the Russian Foreign Minister signed on 10 November outlines the plans for delivery of containers and transport vehicles for nuclear weapons.

The United Kingdom will supply to Russia 250 nuclear weapons containers and 20 nuclear weapon transport vehicles. Delivery of these items is scheduled to commence in late 1993, with completion expected by the end of 1994. Preliminary equipment, details of which are unknown, is due to be delivered later this year.

It has not been publicly stated whether the containers and vehicles will be of existing designs currently operated by the UK. However the MoD has stated, referring to the Russian aid, that 'the design process is well advanced', implying, as a minimum, some modifications of existing designs.

Iraqi CW destruction

Iraq has started the large-scale destruction of its stocks of mustard agent, under the supervision of the United Nations Special Commission (UNSCOM).

The agent is to be incinerated at new facility at Muthanna State Establishment. The incinerator will operate at temperatures in excess of 1100 °C and is expected to be able to destroy 3-4 tonnes of agent per day. There is approximately 500 tonnes of mustard agent to be destroyed and large quantities of its chemical precursors which will be destroyed in the same manner.

Another facility at Muthanna is currently destroying nerve agents by hydrolysis. As of 9 November, some 19 tonnes of nerve agent had been destroyed.

Vanguard sails to Faslane

On 26 October, the first of Britain's Trident missile-carrying submarines, HMS *Vanguard*, sailed into the Clyde to dock at the Faslane submarine base prior to starting its sea trials.

As *Vanguard* is the first of its class, problems are to be expected. There have already been reports of extra checks on the submarine's reactor and problems with the computerized periscope system.

HMS *Vanguard* was due to be declared operational in December 1994, with the three other Trident submarines coming into service before the turn of the century. This timetable is now looking extremely unlikely.

NPT signatories

Namibia and Niger are the latest states to accede to or ratify the Non-Proliferation Treaty; doing so on 2 and 9 October respectively. This brings the total of states that have done so this year to nine.

The other states that have joined the NPT this year are Estonia (7 January), Latvia (31 January), China (9 March), Slovenia (7 April), Uzbekistan (7 May), France (3 August), and Azerbaijan (22 September).

The other states that once comprised the Soviet Union have indicated an intention to accede to or ratify the NPT. The fact that many of these states have not yet ratified appears to be more due to domestic legislative problems than to lack of intent.

Zangger Committee

Bulgaria, France, Portugal and Spain have become members of the Zangger Committee and participated in its last meeting, held on 22 October in Vienna.

The Committee which is separate from, but often confused with, the Nuclear Suppliers Group, meets twice yearly as an informal forum to discuss export control policies.

To add to the confusion, the member states of the Zangger Committee and the Nuclear Suppliers Group are now the same.

Vaccines for Peace

A meeting to discuss the 'Vaccines for Peace' programme proposal, organized by the Max-Delbrück Centre for Molecular Medicine and the Stockholm International Peace Research Institute, was held at Biesenthal, near Berlin, Germany, on 9-14 September.

The proposal is designed to strengthen the Biological Weapons Convention and to contribute to health care in developing countries.

The meeting established a steering committee to develop the proposal further.

Sensor Experiment

The fifth international sensor verification experiment took place in Amersfoort, near Utrecht, the Netherlands, on 11-17 September. It was organized by the Bochum Verification Project at Ruhr-Universität, Bochum (Germany) and the Centre for Verification Technology of Vrije Universiteit Amsterdam, with the support of the Dutch Ministry of Defence.

The aim of the series of experiments is automatic sensor systems to detect the movements of vehicles, to assist in the verification of treaties; augmenting on-site inspection.

Earlier experiments are described by Milan Pospíšil in *Verification Report 1991*.

In the News

Nuclear Weapons Safety

On 29 October, the British American Security Information Council (BASIS), a non-governmental research organisation, published a report entitled 'Second Report on British Nuclear Weapons Safety: A Response to the Oxburgh Report'.

As its title suggests, the report is a response to the British Government's review of nuclear weapon safety prepared by the Ministry of Defence Chief Scientific Adviser, Professor Ronald Oxburgh. The Oxburgh report was released on 13 July (see *Trust & Verify*, July/August).

CWC and the Middle East

The International Peace Research Institute, Oslo, has published a book entitled 'The Chemical Weapons Convention and Arms Control in the Middle East' by Peter Herby.

Peter Herby has been involved with the CWC negotiating process since 1983 in his role as Associate Representative at the Quaker United Nations office in Geneva.

Security Without Nuclear Weapons

The Stockholm International Peace Research Institute has published a book entitled 'Security Without Nuclear Weapons' edited by Regina Cowen Karp.

The book includes contributions from Frank von Hippel, Harald Müller, and VERTIC's director, Dr. Patricia Lewis.

Aurora paper

The Canadian Centre for Arms Control and Disarmament is producing its *Aurora Papers* series with what seems to be increasing frequency. The latest, number 14 in the series, entitled 'Naval Arms Control: Implications for the Arctic Ocean Region of Limits on Attack Submarines and Cruise Missiles', is edited by Tariq Rauf and Peter Gizewski.

Nuclear Weapons in the Changing World

The Center for National Security Studies, Los Alamos National Laboratory, has produced a book entitled 'Nuclear Weapons in the Changing World', edited by Patrick J. Garrity and Steven A. Maaranen.

The book is published by Plenum Press, New York, and includes a foreword by Lawrence Freedman.

Vertic News

Verifying the Climate Convention

VERTIC's environment project organiser, John Lanchbery, has prepared a briefing document for the sixth meeting of the Intergovernmental Negotiating Committee (INC) that is to take place in Geneva on 7-10 December.

The document, entitled 'Verifying the Climate Convention', makes recommendations regarding the organization for monitoring of greenhouse gas emissions and methodologies to be used to make the accounting processes simpler.

Australian Fellowship

VERTIC's Director, Dr. Patricia Lewis, is to be the 1992 Elizabeth Poppleton fellow at the Australian National University (ANU), Canberra.

Dr. Lewis will be at the Peace Research Centre, at the ANU, for the month of December and will be studying Australian aspects of nuclear disarmament.

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What is VERTIC?

VERTIC is an independent organization aiming to research and provide information on the role of verification technology and methods in present and future arms control and environmental agreements. VERTIC coordinates six working groups comprising 21 UK consultants and 11 overseas advisors. VERTIC is the major source of information on verification for scientists, policy makers and the press. VERTIC is funded primarily by grants from foundations and trusts and its independence is monitored by an Oversight and Advisory Committee.

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