

Duncan Campbell

## More on the merchants of death

Joel Barnett MP, chairman of the Public Accounts Committee, has told the NS that our reports of bribery and massaging of accounts on the part of International Military Services — Britain's nationalised arms firm — 'will have to be considered' by his committee. Last week we reported that IMS, which is controlled by the Ministry of Defence, had illegally adjusted their 1979 accounts to show a profit instead of a loss, had recently paid large sums into a secret Swiss bank account (part of an ongoing system of bribes and 'commission' payments) and had secretly arranged with the MoD to avoid repayment of £300 million advances due for cancelled Iranian orders.

The MoD described the reports as 'serious'

and 'inaccurate', but when asked to specify supposed inaccuracies, said: 'We don't choose to answer that question'. Signs of incipient buck-passing, however, may be discerned in the Ministry's further remark that 'IMS have assured us that they have not acted illegally in the way they have gone about their business'.

However, the MoD will not be able to walk away quite so easily. We have a letter from IMS to the Ministry which confirms that the Under-Secretary for Defence Sales, Hugh Braden, and his officials, saw the IMS accounts *before* they were altered to show a previously-invisible trading profit. Moreover, among IMS's closely-guarded documents are secret 'guidelines' from the Ministry on how to handle 'commissions' like those required by Sir Shapoor Reporter, Britain's Mr-One—per-cent in the Iranian arms business: the IMS executives therefore have a sporting chance of showing that they were acting strictly upon instructions.

Attention: G L Fisher Esq. (Overseas Dept)

Dear Sir,

We enclose herewith telegraphic transfer form relating to a payment of 1491,476.09 (Four hundred and ninety one thousand four hundred and seventy six pounds and nine pence only) to the undernoted:

ACCOUNT NO: 183118 LIGHT  
Credit Suisse,