

a joint European monetary policy as “a German racket designed to take over all of Europe.” The French, he ranted, were “behaving like poodles to the Germans,” and complained that “the German deutschemark is always going to be the strongest currency” because of German industrial practices. He concluded, in this wild provocation, “I’m not against giving up sovereignty in principle, but not to this lot. You might just as well give it to Adolf Hitler, frankly.” He asserted that the only alternative to German dominance was playing off other powers against Germany. “We’ve always played the balance of power in Europe.” It has “never been more necessary than now, with Germany so uppity.”

In his July 15 statement, LaRouche noted that the “big news” following the just completed, disastrous Group of Seven economic summit in Houston, Texas, was that the Ridley article was linked to the Mideast war drive. “What happened,” LaRouche noted, “was that during the course of the summit, a British, influential magazine, controlled by close friends of Henry Kissinger, had prepared an article by a minister, Ridley, in the Thatcher cabinet. This article compared Helmut Kohl, the chancellor of West Germany, to Adolf Hitler, and virtually came to the edge of declaring war against Germany.”

He noted that “Kissinger’s friends, linked to the Soviets and controlling presently the public opinion of the government of Israel, include the Hollinger Corporation, the Bronfman interests, and the interests of billionaire publisher, the Soviet-linked Robert Maxwell. These are the fellows behind the Thatcher government scandal; these are the fellows plotting the war in the Middle East; these are the fellows who play a key part in ruining and bankrupting your bank and the United States in general. It is time to get the friends of Henry Kissinger out of the governments of Israel, Britain, and the United States.”

While Ridley resigned, he continued to rant that Germany threatened to become a “Fourth Reich.” Still later, Ridley raved that Germany was again responsible for killing Jews, by building up Iraq’s military machine.

Now, documents released in the Matrix-Churchill case show that this same Ridley was central to the effort to lure Iraq into the war through the promised support signaled by the arms shipments, including during the same period he launched the attack on Germany. According to these documents, Ridley sent a confidential memo to Thatcher in June demanding that the Matrix-Churchill shipments to Iraq proceed without interruption, despite the fact that the shipments violated British law. It was this memo, according to the London *Guardian*, which obliged the cabinet to meet on July 19, where guidelines authorizing such shipments were adopted.

Among the effects of the invasion, was the provision of a pretext for the Anglo-Americans to occupy the Gulf oil fields, thereby putting the Anglo-Americans in a position to cut off Germany and Japan from oil supplies, a plan advocated by Kissinger as far back as 1975.

Matrix-Churchill: setting up Iraq for the kill

by Dean Andromidas

Court revelations in the ongoing Matrix-Churchill case are demonstrating that Iraq, in the period leading up to the Persian Gulf war, was given military technologies by Britain like any other strategic ally or NATO partner. The most sensitive technologies, particularly for its nuclear program, were given, not through intermediaries or fronts, but openly, with the approval and oversight of the highest levels of the British government. From the evidence, President Saddam Hussein and the Iraqi leadership in Baghdad were being conned into seeing themselves in virtually the same strategic relationship with NATO as NATO member Turkey—which had conquered half of Cyprus, a neutral country and home of Britain’s most important military installations in the eastern Mediterranean, with relative impunity. This was an important aspect of duping Iraq into thinking that they had Anglo-American backing for the invasion of Kuwait.

A high-level retired NATO commander, when asked to comment on the Matrix-Churchill case, told *EIR*: “It reminds me of the ‘centerline B machine scandal’ of the 1970s. Do you remember? The centerline B machines were the American-manufactured machine tools that enabled the Soviet Union to manufacture the ball bearings needed to MIRV their ICBMs. That sale was approved by Henry Kissinger.” Through that sale, Kissinger was able to hold the world hostage to his SALT treaty and the mutually assured destruction (MAD) nuclear warfare doctrine.

The source confirmed that it would be impossible for such leading defense contractors to export their products to a country like Iraq, let alone be bought by Iraq, as Matrix-Churchill was, without the approval and oversight of the highest levels of government. Matrix-Churchill makes machines similar to the centerline B machines.

Matrix-Churchill was just as important a defense contractor as Vickers, British Aerospace, or any other household name in the defense industry establishment in the United Kingdom. They build computerized numerically controlled (CNC) lathes. These are used for the manufacture of a range of sophisticated military ordnance ranging from artillery shells to fuses used in nuclear warheads. The source confirmed that the defense industry and the military establishment and intelligence community are all one entity, with financial community input. The depiction of Matrix-Churchill’s managing director as an “informant” for MI-5 and MI-6, with the press adding flourishes depicting him leading “a

secret double life," is absurd. He was not an informant; he was British intelligence, assigned to a leading British defense contractor. As an integral part of that apparatus, Matrix-Churchill could not initiate any project or contract, such as sales to Iraq, without the approval of the highest levels of government. To be integrated in it, you have to be a member of the club. Was Iraq led to believe it was being let into the club?

Drying up on Iran

The Matrix-Churchill story starts in 1987 with the so-called policy tilt toward Iraq, touted as support for Iraq, a great bulwark against the Islamic fundamentalist threat of Iran. This is nonsense. As a former British military attaché in Baghdad once told this author: "It's the way we built the empire. You find two enemies, arm both sides, make a great deal of money and then dry up on one so he eliminates the other, then set up your erstwhile ally. We were very effective at that you know."

Britain "dried up" on Iran, closing its weapons procurement office in London in 1987, and accelerated arming the new "ally" Iraq. That same year, an 89% share in Matrix-Churchill was sold to the wholly Iraqi-owned Technology and Development Group by its mother company, Tube Investments. The deal was brokered by Tube Investment's non-executive deputy chairman Sir John Cuckney. Even the British press identifies Cuckney as a former MI-5 British intelligence officer. This type of MI-5 agent should not be confused with a shadowy Jean Le Carré figure. Sir John, Oxford-educated, son of an air marshal, was chairman of the Thomas Cook Group and director of a string of companies including Midland Bank, Lazard Brothers and Co., and John Brown and Co. Ltd., a leading defense contractor in the construction field. He was a key player in the British military and intelligence establishment working under the orders of top political circles in the Anglo-American establishment.

The purchase was negotiated with Dr. Safa Habbobi, an Iraqi intelligence officer who worked for the Nassr Enterprise, one of Iraq's leading armaments factories north of Baghdad. Having nothing to hide, he conducted the negotiations in London while wearing the uniform of a brigadier general. He was assisted by Dr. Fadel Jawad Kadhum, another well-known Iraqi intelligence officer. Matrix-Churchill's managing director, Paul Henderson, a 20-year MI-6 agent, stayed on with the company—in effect, as an employee of Saddam Hussein.

Two years later, in March 1989 when the Iraqis took over Matrix-Churchill's subsidiary in Cleveland, Ohio, the takeover was approved by Secretary of State James Baker. According to documents obtained by the London *Financial Times*, Baker signed a certification of Matrix-Churchill at the request of the Iraqi government. He did this despite CIA and State Department intelligence reports that the company was involved in weapons purchases.

The subsequent massive weapons purchases were financed via the Atlanta branch of Banca Nazionale del Lavoro (BNL), backed by U.S. government loan guarantees, and via British commercial bank financing, backed by the British government Export Credit Guarantee Department.

"There are two theories concerning this Matrix-Churchill case," a Middle East specialist told *EIR*. "The first is that it demonstrates the duplicity and cynicism of the British government in its desire to make money selling weapons. The second is that there was a conspiracy that included the Americans, British, and Israelis to set up Iraq for the kill. According to this theory, it was decided in 1988, once Iran was defeated, to give Saddam enough rope to hang himself. That included selling him not only weapons, but nuclear, biological, and chemical technology as well. Then destroy him."

The not-so-secret Matrix-Churchill played a leading role in Iraq's allegedly secret drive for building weapons of mass destruction.

Nuclear, chemical, ballistic weapons

Nuclear: Iraq's case has been touted as the prime argument for denying "dual use" (peaceful or military) technologies to the Third World. While Iraq has been depicted as secretly converting these technologies to weapons use, the reality, as Matrix-Churchill confirms, is that these technologies were sold with the knowledge that they were earmarked for the nuclear military program from day one. In 1988, Matrix-Churchill was authorized to supply gas centrifuge technology by William Waldegrave, then Foreign Office minister of state; Allen Clark, minister of trade; and Lord Trefgarne, minister for defense procurement. Besides machinery, over 150 components were manufactured in Matrix-Churchill's factory in Conventry, England. According to press reports quoting U.N. sources, Matrix-Churchill's computerized numerically controlled machines and other American and British machines were found by U.N. inspectors in Iraq.

Chemical: In 1988, Matrix-Churchill received licensing and British government-backed credits to sell precision engineering equipment to Industrias Cardón of Chile, a company that shows up as a key arms supplier to Iraq with financial support from BNL. The machines were said to be able to make artillery shells capable of carrying a chemical warhead.

Ballistic missiles: Much has been written about the shadowy Space Research Corp.'s role in the so-called super-gun project and other missile projects. Its director, Dr. Gerald Bull, was assassinated in front of his home on March 22, 1990. Many of the secrets died with him. Yet British intelligence documents revealed that in August 1989, Matrix-Churchill was involved in the project to extend the range of Iraq's Scud missiles. This increased range was to enable Iraq to strike deep into Iran, including targeting major cities such as Teheran as well as infrastructure. Iraq and Iran had previously avoided targeting each other's infrastructure.