

stan through negotiations and not through military means, is the starting point for a peaceful solution.

While still smarting from Kinkel's statement, Islamabad was handed similar advice from visiting British Foreign Secretary Douglas Hurd. Hurd said that the U.N. resolution of the 1940s could at best serve as background, and advocated initiation of a dialogue under the Shimla Agreement. He also pointed out that India should observe human rights in the valley and initiate a "valid political process." "I have told Pakistan not to allow material support [to those backing independence] which can only impede basic solution" of the Kashmir crisis, said Hurd.

Islamabad cannot but take notice of increasing allegations internationally that Pakistan is aiding and abetting terrorism against India. On the current affairs program "Dateline Pakistan," telecast from Islamabad on Nov. 5, former Foreign Secretary and former High Commissioner to India Abdus Sattar conceded that Indian diplomats had succeeded in projecting "the struggle for emancipation of Kashmiri people in a manner that equates some of the acts of freedom-fighters with so-called acts of terrorism."

Restraining war

While the Bush administration was keen on restraining both India and Pakistan from engaging in an all-out war over Kashmir, the Clinton administration may be more eager to accuse Pakistan of aiding terrorism.

The reason behind such speculation has something to do with Israel, and with Pakistan's growing problems with Washington. Israel considers Pakistan's nuclear weapons development as a threat to its own designs in the Middle East, and under the Clinton administration, U.S. pressure on this issue will likely increase.

This does not mean that the Kashmir conflict will be resolved in India's favor. India, having withstood the surge of militancy in the Kashmir Valley during the last three years and now on the road to returning Punjab to normalcy after a decade of violence, is in no mood to concede anything to Pakistan.

But it is equally evident that the Kashmiris, most of whom are Muslims, are not willing to remain either under the Indian or Pakistani flag unless serious political concessions are made by both sides. Meanwhile, the JKLF, helped by external forces centered around Britain, will strengthen its voice for an independent Kashmir.

As the Kashmir problem hurtles toward the formation of a new country, both India and Pakistan seem paralyzed. Indian politicians may consider such a solution preferable to Kashmir becoming a part of Pakistan. On the other hand, Pakistani politicians have all along fed a staple diet of anti-Indianism to the population. For four decades and longer, such anti-Indianism was centered around Kashmir and Pakistan's acquisition of nuclear weapons as a necessary armor against India's nuclear development.

'British Iraqgate' Thatcher, and

by Mark Burdman

On Nov. 9, the British government precipitously dropped a case in London's Old Bailey court against three executives of the Matrix Churchill machine tools manufacturer, which had been charged with illegally selling sensitive military-related equipment to Iraq. The case collapsed when former British Trade Minister Alan Clark admitted in sworn testimony that Matrix Churchill was acting in accordance with authorized British government policy.

Clark's contentions were complemented by testimony from agents from Britain's MI-6 and MI-5 intelligence agencies, that Matrix Churchill managing director Paul Henderson had been carrying out intelligence work for the British secret services since the early 1970s, and by the release to the court of documents, which four British government ministers had unsuccessfully tried to keep out of court, which prove the collusion of the cabinet of then-Prime Minister Margaret Thatcher, in the shipment of arms to Iraq.

The collapse of the government prosecution is sending shock waves throughout Britain, as well as across the Atlantic into the United States. A consequence may be that, in one of the great ironies of modern history, the same leaders who mobilized "the world" for war against "Hitler Saddam" in 1990-91, may soon find themselves behind prison bars, for their duplicitous role in arming the same country against which they were mobilizing for war.

Thatcher, for example, evidently either personally authorized arms sales to Iraq, or gave the nod to other cabinet officials' authorization, *right up to the eve of the Iraqi invasion of Kuwait*. Yet it was the same Thatcher, who became the world's most sanctimonious and hysterical crusader for war against Iraq, within hours of Iraq's Aug. 2, 1990 invasion. Her successor, John Major, is also coming under fire, from the leaders of British opposition parties and others, for his alleged role in having misled the British Parliament, as late as January 1991, about the British government's arms sales policy toward Iraq.

As to the self-professed leader of the "Gulf war coalition" and would-be new Roman emperor George Bush, the reverberations of the Matrix Churchill "British Iraqgate" case in the United States will only add to his woes. The late-October

may send Major, Bush to prison

release by special prosecutor Lawrence Walsh of a memorandum by former U.S. Defense Secretary Caspar Weinberger, pertaining to the parallel matter of covert U.S. arms sales to Iran, had already raised the possibility of Bush becoming the first U.S. President in history to follow his term in office by a term in jail. The well-informed British satirical magazine *Private Eye* has speculated that Bush may soon meet that fate.

EIR told you so

As sweet as such an historical irony may be, the implications of the Matrix Churchill case go far beyond that. There is a fundamental historical lesson to be learned. What is unfolding in Britain in November 1992 fully confirms, down to the most minute details, what *EIR* founder Lyndon LaRouche had been warning about, back in May-June 1990, when he issued an alert to the effect that highest-level Anglo-American networks, in league with relevant layers in Israel, were planning to launch a war in the Middle East.

Certain intelligence agencies and so-called Middle East experts reacted, at the time, with vituperation and scorn, when informed of LaRouche's forecast. LaRouche was proven right by the outbreak of the Gulf war, and now, the Matrix Churchill affair is effectively proving that Thatcher et al. were conspiring to cause such a Gulf war to happen.

From this standpoint, what Thatcher, Bush, and their co-conspirators must eventually be indicted for, beyond perjury and violation of their own country's legal prohibitions against arms sales into the Gulf, is for crimes against humanity—for planning and launching aggressive war and committing genocide against the people of Iraq.

A policy of 'realpolitik'

In public statements, including in Old Bailey, former minister Alan Clark blithely maintained that British arms policies toward Iraq were fully justified, since "the interests of the West are well served by Iran and Iraq fighting each other, the longer the better."

In a Nov. 11 commentary in the *Daily Telegraph*, Clark defended this policy from the standpoint of legitimate *realpo-*

litik, invoking the 19th-century view of Lord Palmerston that Britain has no permanent "friends," but only permanent "interests." Wrote Clark: "The 'world stage' is a greedy, hostile and treacherous place, where there are no prizes for coming second. It is necessary at all times to have a clear and overriding awareness of British interests, and how, in any particular situation, these are best served. . . ."

"The Cold War is over. . . . The fragmentation of power centers, and the conflict and overlap between spheres of influence as potential conflicts spread through the Middle East and the Pacific Rim, is reminiscent of the 19th century. Our policy has to be faster in response: more strongly founded in *realpolitik* and less on trust and goodwill that is not based on mutual respect. . . . Against such a background, the luxuries of moral posturing, the cultivation of peer-esteem by diplomats, should be indulged sparingly,"

Thatcher, Ridley, Rowland stage a war

The essential matter at stake in the Matrix Churchill case as such is the following:

The three officials of the firm—Paul Henderson, Peter Allen, and Trevor Abraham—were charged by Britain's Custom and Excise with having sold sensitive equipment to Iraq in violation of what was ostensibly an official British arms embargo.

As the case proceeded, four senior officials from the Thatcher regime—cabinet ministers Kenneth Clarke, Michael Heseltine, and Malcolm Rifkind, and Minister of State at the Foreign Office Tristan Garel-Jones—submitted memoranda to the court, demanding that some 500 sensitive documents be withheld from the court, under what is called in Britain "public interest immunity." Almost always, such an invocation of immunity succeeds in the British courts, since cabinet ministers are, by what passes for law in Britain, "ministers of the Crown," and therefore are under a form of special protection from the monarchy. But in this case, as one London insider told *EIR*, "the court overruled the Sovereign."

As it now turns out, what they were trying to hide—and by which concealment they were willing to send three innocent individuals to jail—was that it was the British government itself, in violation of a United Nations-mandated ban on weapons sales to both Iran and Iraq, in violation of its own publicly stated guidelines, and in violation of repeated promises to the Parliament, that had been authorizing weapons deals to the Iraqis.

The single most damaging piece of evidence, is a document that reports that on July 19, 1990, members of the British cabinet met, under the direction of Foreign Secretary Douglas Hurd, and approved a secret policy change, allowing for British arms sales to Iraq, and countermanning Great Britain's own embargo on such sales. Eight days later, a Matrix Churchill shipment left Britain for Iraq.

These two dates are, respectively, 14 and 6 days before

Iraq invaded Kuwait!

Why was this done? After all, by July 17 at the latest, from statements made by Iraqi, Kuwaiti, and other Mideastern leaders, it had become clear to anybody with eyes and ears, that a giant crisis was erupting between Iraq and Kuwait. So why did the British government *expedite*, rather than impede, arms sales to Iraq? Since Nov. 9, 1992, the general line coming from London, is that this was a “cock-up”—bungling, incompetence. But this explanation won’t wash, given the extensive evidence of British and American actions to *set up* Iraq’s invasion of Kuwait in the first place.

The new Profumo affair

Internally in Britain, the collapse of the Matrix Churchill prosecution is only adding to the woes of a Prime Minister John Major who is already beleaguered by the collapse of the economy, by scandals hitting several cabinet ministers, by a revolt within his own Conservative Party, and by polls showing him with a 14% approval rating. So heavy is the pressure on Major, that he was obliged to announce the formation of an “independent judicial inquiry” to look into the case. Major’s cynical calculation is that the announcement of such an inquiry will buy him some time, since it will take some months for the investigation to announce its findings.

The Nov. 12 London *Guardian* characterized this as part of a “desperate damage-limitation exercise,” with the aim of “preventing the inquest into Matrix Churchill from ballooning” in such a direction that a “wider Whitehall conspiracy to sell illegal weaponry to Iraq” will be unearthed that will call into question Major’s “integrity or his competence.”

One included effort, will be to attempt to find a scapegoat, whether it be former minister Alan Clark or even Margaret Thatcher. Hence, Major is denying that he was at the July 19, 1990 meeting of cabinet ministers, and the British Foreign Office released a statement on Nov. 11 that that meeting was “a secret meeting the foreign secretary was asked to chair by the prime minister”—i.e., Mrs. Thatcher.

This attempt to shift the blame is likely doomed to failure. As London *Times* political editor Peter Riddell wrote on Nov. 11, the Matrix Churchill scandal could turn out to be a new “Profumo affair,” a reference to the famous intrigues of 1963 centered around high-society prostitute Christine Keeler’s affairs with Defense Secretary John Profumo and a top Soviet intelligence operative, the which intrigues brought about the fall of the Conservative Harold Macmillan government. According to Riddell, “the Matrix Churchill affair stinks—of collusion, hypocrisy, and deceit. . . . The affair generally adds to the troubles of a government which is already tottering from crisis to crisis almost daily. Mr. Major can do without further bad headlines.”

This is not to say that Mrs. Thatcher will be spared. Aside from new revelations about her own illicit activities, there is the curious story about her son Mark and Iraq. This is amply

exposed in the new book *Profits of War*, by Israeli intelligence operative Ari Ben-Menashe (New York: Sheridan Square Press)—the book which has been withheld from publication in Britain because of its contentions about Mark Thatcher! But the cat is already out of the bag: On Nov. 10, maverick British Labour Party parliamentarian Ken Livingstone raised a question in the House of Commons: “Will the officers of MI-5 and MI-6 be under compulsion to tell the [judicial] inquiry whether they advised the former prime minister of her son’s arms dealings in this area and his own involvement in the shipment of munitions to Iraq?” Livingstone and two other MPs specifically cited the Ben-Menashe book.

Bush: in the loop

Nor can Major contain the effects of the scandal spreading across the Atlantic. For months, the American political scene has been rocked by the “Iraqgate” scandal, involving Bush administration duplicity in funding deals with Iraq, via the Atlanta branch of Italy’s Banca Nazionale del Lavoro (BNL). The Nov. 10 London *Financial Times*, in a dispatch from New York, reported that the collapse of the Matrix Churchill trial “triggered an immediate political reaction in Washington,” where the Bush administration was being accused by members of Congress of “covering up its knowledge of and possible involvement in the activities of [Matrix Churchill’s] Ohio affiliate.” Dennis Kane, the U.S. House Banking Committee staffer who has led congressional investigations into the Iraq arms sales affair, commented: “President Bush, Brent Scowcroft, his national security adviser, and other officials have claimed it was not U.S. policy to arm Iraq. Revelations in the Matrix Churchill case raise serious questions about the veracity of their statements and raise the question of whether the U.S. in fact illegally helped to arm Saddam Hussein.”

On Nov. 12, the lead story of the *Financial Times* reported new information, that U.S. authorities had granted immunity to Matrix Churchill managing director Henderson, thereby effectively impeding any efforts to investigate the firm’s role in arms deals with Iraq.

Bush is already in serious trouble over the parallel scandal of arms sales to Iran, known as “Irangate” or “the Iran case.” Aside from the Weinberger memo, which provided further evidence that Bush, despite his denials to the contrary, was very much “in the loop,” the British magazine *Private Eye* commented in its late-October issue: “The key question in the United States is not whether George Bush will be President next year, but whether or not he will be in prison.” The magazine said the BNL-Iraqgate scandal leads back to Irangate, “and any clearing out of the ‘Georgian’ stables might provide yet more proof that the man who has always claimed he was ‘outside the loop’ of Iraqgate was the man who started the whole scandal off—former Vice President George Bush.”