

## The Thatcher gang is out to wreck Clinton China policy

by Jeffrey Steinberg

A still-ongoing *EIR* investigation in Europe and the United States has uncovered evidence that the Thatcher gang in Britain, along with some of its leading U.S.-based assets, is working overtime to foster a strategic crisis between the United States and China. This represents an escalation of an already-active effort on the part of this British faction to destroy the second Clinton administration, sabotage the prospects of the Eurasian Land-Bridge, and impose a new, post-Cold War geopolitical doctrine, known as the "Clash of Civilizations," which advocates a Western "jihad" against China and the Islamic world.

The battle to implement the Eurasian Land-Bridge has emerged in the past year, as the pivot-issue in the ongoing global political struggle between those forces committed to the defense of the nation-state, and those driving to forge a one-world dictatorship under the control of a private financial oligarchy, centered in the British "Club of the Isles."

The international mobilization of the past year, led by Lyndon and Helga Zepp LaRouche, and the Schiller Institute, to secure the full support of the Clinton administration and other leading governments around the world for the Eurasian Land-Bridge, has provoked howls of hysteria from some London circles. Twice before in this century, this British faction has brought the world to war in order to block the Land-Bridge "idea" from being realized.

### London sources

Among the sources for the initial, crucial leads now under investigation by *EIR* researchers, are several high-ranking British Establishment figures, who consider the Thatcher policy initiatives to be dangerous and counterproductive. Al-

though their identities must be protected, their information has already been significantly corroborated by the independent *EIR* probe.

Some among these sources cite Sir Percy Craddock, former head of the British Joint Intelligence Committee during Margaret Thatcher's prime ministership, as a spokesman for a more "realistic" approach toward China, based on "constructive engagement," instead of the kind of provocative actions pushed by the Thatcher crowd. They insist that the British institutional rift between Thatcher and Craddock, is real.

The crux of their report is as follows. In recent months, a number of "Conservative Revolution" Republican members of the U.S. Congress, including Phil Crane (R-Ill.), have "swamped" officials in Hongkong, seeking to devise a strategy to force the Clinton administration to adopt "a more belligerent stance toward China," over the upcoming July 1 British turnover of Hongkong back to Beijing.

The same networks are also behind the recent effort to bring down the Clinton Presidency, on the basis of absurd charges that the White House was penetrated and "bought" by Chinese government-dispatched bag-men and spies, during the 1996 election campaign. This effort to destroy the Presidency reportedly has been abetted by officials of the FBI and Justice Department, who have been working, criminally, against President Clinton, since 1993. *Washington Post* reporter Bob Woodward has been the preferred recipient of a flood of FBI and Justice Department illegal leaks on the "China bought Clinton's re-election" hype, since late 1996.

The overall effort to blow up U.S.-China relations, however, is being directed from London—not Washington—via the Thatcher Foundation, and Lady Thatcher herself, with the



*Margaret Thatcher and George Bush, in March 1991. The current drive to blow up U.S.-China relations is being directed by the Thatcher Foundation, and by Lady Margaret Thatcher herself.*

assistance of three prominent American collaborators, one London source insists. The three Americans, according to the source, are:

- William Kristol, editor-in-chief of the *Weekly Standard*, a recently established neo-conservative weekly magazine, which was initially bankrolled by Australian press baron and Lord Beaverbrook protégé Rupert Murdoch. As the founder of the “Dark Age Weekend,” an annual year-end bash for ultra-conservatives, established as a counter to the Renaissance Weekends regularly attended by President Clinton, Kristol has become a magnet for a broad network of Clinton-haters in the business world, government, the intelligence community, and the media. This network, the source indicates, has been drawn into the present China-bashing drive.
- John O’Sullivan, a British national who is the editor-in-chief of the *National Review*, the Mont Pelerin Society-linked magazine founded by William F. Buckley, Jr.
- Rep. Chris Smith (R-N.J.), a board member of Baroness Caroline Cox’s Christian Solidarity International (CSI), a British intelligence front responsible for helping to foster mass-genocide throughout the Horn of Africa, particularly against Sudan. Smith and CSI, as *EIR* reported in the March 28 *EIR*, have been in the forefront of the recent drive to wreck U.S. China policy, by fueling a new “yellow peril” scare, centered around charges that China is carrying out a brutal

suppression of Christians, and is in a massive war buildup, targeted against its Asian neighbors. Another London source emphasized to *EIR* that Thatcher enjoys an especially close relationship with Baroness Cox, and that their personal ties wed the Thatcher Foundation and CSI as a single “dirty tricks” capability.

One London source described O’Sullivan as the person who “pulls the strands of the operation together,” while Kristol, who is described as abrasive and a “poor diplomat,” serves as the “idea man.” O’Sullivan, one British source reported, is currently organizing a conference, to be held in Arizona in May 1997, called the “Prague Initiative.” This is a follow-up event to a May 10-12, 1996 conference in Prague, Czech Republic, under the joint sponsorship of the Thatcher and the Heritage foundations. Thatcher keyed the event. The upcoming Arizona conference is intended to further plan the drive to wreck Clinton’s China policy initiatives, the sources insist.

One manifestation of the recent escalation in attacks against President Clinton’s China policy, emphasized by the London sources, was the near-simultaneous publication of articles in the *Weekly Standard*, the *New Republic*, and *National Review*, all assailing the Clinton openings to Beijing, and arguing that China is America’s last remaining strategic military adversary—not a potential crucial partner in foster-

ing Eurasian peace and prosperity. As *EIR* reported on March 28, this theme, of the “Coming Conflict With China,” has been trumpeted by New York Council on Foreign Relations scribblers Ross Munro and Richard Bernstein, in a 1997 book, and in a string of radio and television appearances since the beginning of the year. Munro and Bernstein contributed an abbreviated version of their war scenario to the Feb. 24, 1997 “China: The Issue” special edition of the *Weekly Standard*, and had earlier written the same scare-story disinformation in the CFR’s *Foreign Affairs*.

## The story checks out

In the course of 72 hours of cross-checking of sources, interviews, and data searches, the story, as presented by the London sources, has been substantially corroborated.

It is indeed the case that Lady Thatcher has been engaged in a worldwide crusade against the Clinton administration’s China policy for months. As early as January 1996, in a tour of Asia, which involved lecture stops in Taiwan and the Philippines, Thatcher delivered a geopolitical diatribe, proposing that the United States, as the last remaining superpower, had a military obligation to maintain the “balance of power” in Asia, by being the “military power of last resort against China.” She all but endorsed Taiwan’s independence from the mainland, and delivered a vicious attack against China for having “no legitimate political institutions and no rule of law.” In the same breath, Thatcher assailed President Clinton over his light-water reactor deal with North Korea, accusing him of “appeasing” Pyongyang’s drive to obtain nuclear weapons, and delivering a “signal to other regimes with potential nuclear ambitions, that breaking the NPT [Nuclear Non-Proliferation Treaty] is a profitable activity—in other words, that crime pays.”

Next, Thatcher dispatched her “fat poodle,” Sir Leon Brittan, vice president of the European Commission and a former Thatcher cabinet secretary, to a May 7-9, 1996 conference in Beijing on the Eurasian Land-Bridge. The conference was also addressed by Schiller Institute founder Helga Zepp LaRouche, which drove Brittan’s blood pressure way up, according to eyewitnesses. Sir Leon broke the rules of diplomacy in his zeal to break up the conference, threatening the Chinese with harsh retaliation if they dared to operate outside the global financial markets and the policy parameters of the international agencies, including the International Monetary Fund, the World Bank, and the World Trade Organization. For two years, Brittan had succeeded in blocking the conference from even taking place. From Beijing, he traveled to Singapore and other British Commonwealth entities, where he reportedly set into motion a series of actions to further sabotage the “New Silk Road” policy.

On Nov. 15, 1996, Thatcher traveled to Beijing, and spoke at an international economic conference co-sponsored by the *International Herald Tribune* and China’s State Commission for Restructuring the Economic System. Her remarks at the

two-day conference consisted of a scandalous string of invectives against Chinese “human rights” violations, threats of destabilization, and highly provocative references to Taiwan as an independent state.

She also publicly corroborated her personal involvement in the Hongkong gambit, reported recently to *EIR* by the London sources. Thatcher announced that she will be in Hongkong in July, to personally observe the handover. “Next year’s transition,” she said, “will take place amid unprecedented international interest and unprecedented media attention.” In an interview with the *International Herald Tribune*, before leaving Beijing to visit Hongkong’s colonial governor, Chris Patten, Thatcher babbled that China had already violated the 1984 Anglo-Chinese treaty on Hongkong, and threatened that she would seek to mobilize forces in Europe and America to pressure China. As you will read below, this is precisely what is now occurring—courtesy of Baroness Cox’s assets in the U.S. Congress.

She also took the opportunity to assail President Clinton, who, she charged, “has given China a bewildering series of signals rather than a consistent policy.” One senior Chinese economic official, Wu Jie, was unimpressed by the Iron Lady’s attack, which he described as “not very clear-headed.” He offered, in response: “Britain has plenty of its own problems, and next time we meet for a conference, perhaps we can debate those instead.”

## The first escalation

On April 3, 1996, U.S. Commerce Secretary Ron Brown and 34 leading American business executives and government officials were killed when their plane, returning from Tuzla, Bosnia, crashed before landing at Dubrovnik, Croatia. Brown’s death, in a plane crash which, to this day, according to Pentagon sources, remains very suspicious, represented a tremendous loss for President Clinton, and American interests worldwide.

As commerce secretary, Brown had overseen a profound shift in U.S. foreign economic policy. Brown sought, particularly in the case of China, to supersede the purely private-sector business ties, dominated by geopolitical scoundrels like Henry Kissinger, George and Prescott Bush, and Maurice Greenberg, with government-to-government collaboration, aimed at building up China’s internal infrastructure and high-wage, high-technology industrial sectors. He envisioned a U.S.-China economic partnership, that would also generate billions of dollars in U.S. industrial exports. Brown’s death, at precisely the moment when momentum was building—from Beijing, from the Schiller Institute, and other quarters—for the realization of the Eurasian Land-Bridge, represented an incalculable loss.

It also triggered a dramatic escalation in the British drive to wreck the Clinton administration, and to sabotage any prospects of the President fulfilling Brown’s vision of U.S.-Chinese economic partnership, in particular.



*Birds of a feather: former Secretary of State Henry Kissinger and William F. Buckley (right), founder of the National Review. Both are involved in British-sponsored dirty tricks against China.*

### **The Justice Department-FBI role**

From interviews and a review of the chronology of “media food chain” “China-gate” attacks against President Clinton, the following preliminary picture emerges. In late 1995, the Department of Justice and the FBI launched a low-priority probe of “possible Chinese plans to influence the Legislative branch,” according to a March 17 Justice Department press release. According to sources inside the federal government, the charges of Chinese “influence-buying,” to this day remain dubious, at best.

Nevertheless, beginning in late May 1996—shortly after the death of Brown, and the British escalation of the assault against President Clinton’s China policy—the FBI unearthed “new evidence” of the China bribery allegations, and launched a far-reaching foreign counterintelligence investigation. *The existence of that investigation was consciously kept from the President*, despite the fact that all FBI actions on such national security matters are governed by Executive Orders of the President!

On June 3, 1996, two senior intelligence officers on the staff of the National Security Council were given a closed-door briefing by officials of the National Security Division of the FBI; but, according to contemporaneous notes by one of the two NSC officials, they were ordered *not* to inform anyone else at the White House about the probe, of alleged Chinese attempts to buy influence with Democratic Party and Clinton campaign officials.

By June, a 25-person FBI foreign counterintelligence task force had been fielded to run the secret probe, under Justice Department supervision—behind the President’s back. At least six members of Congress had been secretly approached and delivered vague “warnings” about Chinese efforts to buy them off.

According to sources intimately involved in the effort, when President Clinton was re-elected in November 1996, FBI and Department of Justice (DOJ) operatives involved in the China probe began “leaking like crazy,” in a conscious effort to sink the President over his alleged “China ties.” Reportedly, it was during this period, that the *Washington Post*’s Bob Woodward received detailed information on the now-six-month-old secret FBI-DOJ probe.

On Jan. 15, 1997, on the eve of President Clinton’s second inauguration, Peter Schweizer, co-author of Caspar Weinberger’s recent geopolitical tract, *The Next War*, in an editorial page commentary in the *Wall Street Journal*, labeled the Lippo Group funding scandal, involving contributions to the Democratic Party by the Indonesian corporate giant, “a national security matter.” British news outlets had been already trumpeting the “China spy angle” on Democratic Party links to the Lippo Group in October 1996.

On Jan. 21, Tim Hames reported in the London *Times* that “a broad coalition of Republicans and Democrats, along with a supportive press, will ensure that China’s behavior toward Hongkong’s 6 million residents is scrutinized. . . . Over the

past six months, legislators have become increasingly unconvinced that engagement is producing any change in China's actions on human rights, compliance with international trade law, or behavior toward its neighbors. Influential conservative publications such as the *Weekly Standard* are campaigning for an alternative strategy based on containment of China." The London press, in short, was fully aware of the pending ambush of Clinton's China policy, a month before the first shots were fired!

In fact, London *Times* former editor-in-chief Lord William Rees-Mogg had boasted in October 1996, that President Clinton would win re-election, but would be brought down shortly thereafter—just like Richard Nixon.

### **Katie Graham joins the feeding frenzy**

On Feb. 13, Woodward broke the so-called "China-gate" story, under the headline, "Chinese Embassy Role in Fund-Raising Probed." By the time this story was published, the entire British-run "media food chain" was in full mobilization:

- Ambrose Evans-Pritchard, the London *Sunday Telegraph's* ace Clinton-basher, went to press on Feb. 16, declaring, "China finally replaced the old Soviet Union as the number-one enemy last week in the eyes of the U.S. political establishment. If one could date the beginning of the new Cold War, it would be Thursday, Feb. 13, 1997, the day that the *Washington Post* reported that U.S. counterintelligence had caught the Chinese embassy plotting to subvert the U.S. political system. . . . It looks as if the avalanche has now begun."

- On Feb. 24, the *Weekly Standard* devoted an entire issue to the Clinton China-gate scandal, including Munro and Bernstein's scare stories about the imminent "hot war" with Beijing, and signed articles by Sen. Jesse Helms (R-N.C.) and Baroness Cox's pet, Rep. Chris Smith (R-N.J.). The special edition required months of advance preparation—i.e., the folks at Rupert Murdoch's neo-con weekly were in on the plot before the Woodward story hit the newsstands.

- The March edition of the *American Spectator* featured a special report, titled "Is John Huang a Chinese Spy?" by Kenneth Timmerman, accusing the former Commerce Department and Democratic National Committee official of being an agent of Beijing, inside the Clinton camp.

- On March 10, the *New Republic* also devoted its entire edition to the Clinton China-gate tale, under the headline "Dancing with the Dragon."

- On March 14, the *National Review* weighed in with a cover story, featuring a racist cartoon of Bill and Hillary Clinton, dressed as rickshaw drivers, headlined "China Syndrome."

Other members of the Conservative Revolution caucus in Congress joined Helms and Smith in the China-bashing drive. On Feb. 13, the day that the Woodward article appeared, a group of Republicans on the House Foreign Affairs Commit-

tee, led by Rep. Doug Bereuter (R-Neb.), introduced H.R. 750, placing additional, draconian requirements upon the President and the Chinese government over the integration of Hongkong into China—requirements aimed at further wrecking Washington-Beijing cooperation. Bereuter is the House of Representatives' member of the Anglo-American Parliamentarians Group.

By mid-March, new evidence surfaced of FBI collusion in the anti-China, anti-Clinton drive.

On March 25, David Johnson reported in the *New York Times* that on Feb. 18, White House General Counsel Charles Ruff had written to Deputy Attorney General Jamie Gorelick, requesting a status report on the FBI probe of the China influence-buying allegations, in preparation for Secretary of State Madeleine Albright's visit to Beijing. Her trip was to finalize details of Vice President Al Gore's late-March visit to China. Ruff submitted a series of questions that were routinely answered by FBI officials, screened by the Justice Department, and approved for referral back to Ruff. At the last moment, however, FBI Director Louis Freeh blocked the release of the answers to the White House.

The day that the Johnson story was published, White House spokesman Mike McCurry was barraged with questions during the daily press briefing about Freeh's decision to withhold the information. McCurry answered: "We made a request to the Justice Department to provide information necessary for the President's conduct of foreign policy in his role as President and Commander-in-Chief. We would be discomfited if there was anything withheld from the President that was necessary for him to have in order to fulfill his policy. . . . The President's obligations under the Constitution to manage the affairs of the nation and to help conduct this nation's foreign policy, are the highest priority, because he's acting, in that case, in the interests of all Americans."

The next day, Attorney General Janet Reno backed up FBI Director Freeh's decision to treat the President of the United States as if he were the target of a criminal probe, and not the Chief Executive of the United States.

### **Maggie's back in town**

In the midst of this offensive against the Presidency and, especially, President Clinton's authority to conduct U.S. foreign policy, Thatcher showed up in Palm Beach, Florida, where she met, behind closed doors, with Speaker of the House Newt Gingrich, and, presumably, other leading Republicans who were gathered with the GOP's top money-bags. Officials at the Thatcher Foundation's Washington, D.C. office adamantly refused to release any information about Thatcher's schedule, simply stating that she was on a U.S. tour to raise funds for the foundation. If the London sources referenced at the beginning of this report are correct, some of that fundraising effort was directed at the now-scheduled May 18-19 "Prague Initiative II" conference in Arizona.