

tive Committee, which is heavy with union representatives, has taken charge of Party finances, led by Party treasurer Jack Dromey.

Both Dromey and Deputy Prime Minister John Prescott claim they knew nothing of the 14 million pounds of loans that Lord Levy arranged for Blair to win his third term, out of a total of 17.9 million spent in the election.

According to one frustrated peer, Sir Gulam Noon, Lord Levy asked him to give his money as a loan rather than an outright cash donation, because loans were kept secret.

Blair's New Labour outlook has always been a betrayal of the union base, setting out to out-Thatcher former Conservative Party Prime Minister (now Lady) Margaret Thatcher by partially privatizing health care, creating a real estate bubble rivalling that in the United States, privatizing pensions, and cutting taxes to the wealthy.

If elections were held now, rather than at the expiration of Blair's term in 2010, the Conservative Party would trounce Labour. With Blair in free fall, there is now no hope of his recovery at some later point.

In the latest development, three out of four of the most recent "loans for peerages" cases have been referred to Scotland Yard for investigation, to determine if they broke a 1925 Act against selling peerages; the law was passed in response to the similar practice of Prime Minister David Lloyd George, whose own bagman, Maundy Grigory, went to jail. So have those "above suspicion" fallen.

The Royals Under Siege

The same City of London "Club of the Isles" apparatus that has mobilized for Tony Blair's ouster, is also posing the most direct challenge to the Royal Household since the abdication of Edward VIII in the late 1930s. An even stronger parallel can be drawn to Lord Shelburne's 1780s moves against King George III and the entrenched Tory apparatus that had bungled the American Revolution and jeopardized the entire British Empire.

U.S. intelligence sources familiar with the inner workings of The City say that major factions in the "Club of the Isles" financier oligarchy are promoting the replacement of an aging Queen Elizabeth II with her son Prince Charles, and that they wish to see this transition accompanied by the Blair ouster and his replacement by the Tories. Under the long reign of Queen Elizabeth II and her Royal Consort, Prince Philip, the actual power of the Monarchy has grown dramatically. According to the source, Charles is seen as a weak personality, who will serve the interests of the City financiers, who wish to seize greater power, to steer Britain and the Commonwealth through a period of financial chaos.

Tory leader David Cameron has recently called for the war power authority to be taken away from the Crown, and placed in the hands of the elected British government. Several leading anti-Blair Labour Party figures, including Clare Short, have made similar proposals, indicating a broad-based move to strip the Crown of some of its vast powers. The U.S.

intelligence sources say that this dramatic shift in the British power structure is likely to take place over the next 18 months, and could occur much more quickly, if crises erupt.

Forces in Motion To Prevent Attack on Iran

by Muriel Mirak-Weissbach

With the news, on March 17, that Iran and the United States had agreed to talks over the situation in neighboring Iraq, a new opportunity was opened up, to effect changes in U.S. policy towards Iraq, and the region more broadly. At the same time, the announcement in Washington of the formation of an Iraq Study Group, consisting of seasoned political figures from previous Republican and Democratic administrations, indicated that this bipartisan grouping had realized that something drastic had to be done, to seize control over foreign policy from an insane White House. In parallel, Russia and China moved together at the United Nations Security Council to squash all efforts to issue a formal statement dictating terms to Iran on its nuclear energy program.

If these encouraging developments are to bear fruit, those most responsible for the disaster in Iraq and the threats of aggression against Iran—Vice President Dick Cheney, Defense Secretary Donald Rumsfeld, et al.—must go, now. This is the marching order re-issued in the wake of these events, by Lyndon LaRouche, whose perspective for a solution to the crisis in Southwest Asia, known as the "LaRouche Doctrine," is now taking shape.

Enemies Negotiate, Not Friends

Iran and the United States have not had formal contact since the 1979 Islamic revolution, with the exception of their joint participation in the six-plus-two talks on Afghanistan in 1991. U.S. Ambassador to Iraq Zalmay Khalilzad floated an initial offer to the Iranians for talks in February, but the Iranian government responded only after the proposal had been made by Abdul Aziz Hakim, the head of the Supreme Council for the Islamic Revolution in Iraq (SCIRI), in the Shi'ite United Iraqi Alliance (the largest political faction). On March 16, Hakim stated: "We call on the wise leadership of the Islamic republic [of Iran] to open a clear dialogue with the United States and to discuss points of disagreement over Iraq. Such a dialogue can only help Iraq."

The head of Iran's Supreme National Security Council, Ali Larijani, and lead negotiator in the nuclear talks, answered Hakim with a yes: "Since Mr. Hakim, one of the influential leaders in Iraq, has asked us to talk to the Americans regarding the future of Iraq, therefore we accept to talk to them about Iraq. In the coming days, we are going to designate people

who are going to carry out these talks,” Larijani said. The goal, he said, would be to create an independent Iraqi government. According to the *Washington Post*, Larijani also said: “We can create stability and security in the region, but not with the sort of rhetoric and language Mr. Bolton is using.”

Iranian Foreign Minister Manouchehr Mottaki, in remarks on March 17, stressed that despite the 1980-88 Iran-Iraq war, Iran “has always supported the territorial integrity of Iraq and national solidarity of the Iraqi nation during the past couple of years.” Furthermore, he said, “Iran supports the time schedules for the evacuation of occupiers and the phased plans for establishment of democracy in Iraq.”

Iran’s highest authority, Supreme Leader of the Islamic Revolution, Ayatollah Ali Khamenei, who had obviously endorsed the idea, made an official statement to this effect on March 21, specifying that “If the Iranian officials can make the U.S. understand some issues about Iraq, there is no problem with the negotiations.” He added, “But if the talks mean opening a venue for bullying and imposition by the deceitful party, then it will be forbidden.”

It is probable that Iran’s approach will be to say: We can help stabilize the Iraqi situation, on condition that a clear timetable for orderly withdrawal of U.S. troops is laid out and followed. In addition, Tehran will likely demand acknowledgment of its status as a regional power: to be treated on equal terms, and not subjected to threats or interference in its internal affairs. Although the talks will not deal officially with the nuclear issue, the fact of improved relations between the two governments could shape the process of dealing with that agenda item.

Mixed Signals from Washington

Although Khalilzad had received his instructions from Washington, to seek contact with the Iranians, once the positive answer had been uttered, the rhetoric from Washington continued to be threatening, from the President and others. But it is clear that other forces outside the Presidency are now in action.

With the announced formation on March 17, of the Iraq Study Group (ISG), a new policy-shaping institution entered the scene, with potentially far-reaching implications. It was immediately mooted that this group—not the Cheneyacs—had been behind the offer for negotiations with Iran.

The initiative for the ISG (see *EIR* March 17, 2006) came from a group of Senators, among them Republican John Warner (R-Va.), the chairman of the Senate Armed Services Committee. The group will be assisted by a military advisory panel of retired four-star generals (with one retired two-star), and four expert panels on: the strategic environment of Iraq, the Iraqi military/security situation, Iraqi politics, and reconstruction of Iraq. Former Secretary of State James Baker III said that there is no fixed deadline for completion of its report, but that interim reports will be produced if necessary.

The ISG thus represents a bipartisan effort on the part of seasoned political figures *not* part of the neo-conservative

cabal, to find ways of pulling the United States out of the Iraq quagmire.

As LaRouche stressed in comments on these developments, it is urgent for the U.S. to pull out of Iraq now, and to set up the regional mechanisms for stabilizing the situation, to prevent partition or civil war in Iraq. In his April 2004 “LaRouche Doctrine,” he had stipulated that an orderly withdrawal of U.S. and other foreign troops should occur within the framework of a regional security arrangement among neighboring countries, with special emphasis on Iran, Turkey, Syria, and Egypt. Obviously, for Iran to play a constructive role, the pressures and threats being made against it, around the nuclear issue, must end. In this context, LaRouche emphasized the role of Russia and China.

Policy Clash Is International

Indeed, both permanent members of the UN Security Council have been stubbornly preventing any form of “statement” from being approved by the Security Council, such as the draft prepared by France and Britain, calling for a two-week deadline on a new report by IAEA chief Mohamed ElBaradei on Iranian compliance with IAEA guidelines. As Russian Foreign Minister Sergei Lavrov explained March 22, Russia would not support the draft because “these terms are really ultimatums.” The draft, he went on, “contains the wordings that actually provide the grounds for sanctions; we believe it premature.” He also noted that the draft would “actually hand over the Iranian nuclear problem from the IAEA to the UN Security Council. It is not right.” As for the Chinese, they have repeatedly said there is plenty of time to continue discussions, and have backed the Russian stance fully.

Among the joint statements issued by the Russian and Chinese governments, on the occasion of President Vladimir Putin’s visit to Beijing March 21-22, was one on the Iranian dossier. It stated: “The sides noted that they will cooperate closely in the settlement of the situation around the Iranian nuclear program by political and diplomatic means.” Both Beijing and Moscow (and Tehran) issued scathing denunciations of the latest U.S. National Security Strategy, which calls for the imposition of neo-con style “democracy” throughout the world.

The Russians have figured out the nature of the game being played out of Great Britain, with the U.S. neo-cons, targetting Iran. Major policy statements issued by Foreign Minister Lavrov, have explicitly defined the historical references for their current approach (see *EIR*, March 17, 2006). The Russian government, therefore, is committed to jamming up the Iran debate in the Security Council, and aims at returning it to its proper venue, the IAEA. China concurs.

The position of the war party is deteriorating politically by the day. Yet time is running out for Iraq, as moves for civil war and partition are accelerating, processes which would convulse the entire region in conflict. The battle inside the United States for control over foreign policy must be decided in favor of sanity and the LaRouche Doctrine.