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Mark Lewis and ‘the ultimate hacker’

Andrew Rosthorn

The appearance of solicitor Mark Lewis at the Leveson Inquiry on November 30 provoked an angry response from a former client whose complaints have so far been unreported in the British media. The solicitor advocate who acts for the the parents of the murdered teenager Milly Dowler is accused of introducing one of his clients to a notorious private eye who bugged telephones in a defamation case.

The Legal Complaints Service has examined the allegations from a retired civil servant, Mrs Pat Middleton, but ruled in 2008 that her complaint about telephone tapping lay outside their jurisdiction. Mrs Middleton, 61, former treasurer of a Manchester Conservative club, has now discovered that the private investigator had previously worked for the News of the World and had just served a prison sentence.

After seeing Mark Lewis give evidence to Leveson about the hacking of Milly Dowler’s phone messages Mrs Middleton contacted a reporter.

‘In 2005, when he was acting for me, Mark Lewis talked about a private investigator accessing telephone conversations illegally when gathering evidence to fight my case.

The investigator, who was described as one of the best in Britain, played conversations back to me over the telephone. I questioned the legality of it and its admissibility in court. I was told there were ways and means by which it could be accepted.

When I saw him on television lambasting News International for doing what he had condoned in my case, I felt sick. I was absolutely floored when I saw this man speaking on behalf of the Dowler family. Exactly the same things had been done on my behalf – accessing telephone conversations illegally.’
Mark Lewis told Lord Justice Leveson he had been retained by a number of alleged phone hacking victims including Gerry and Kate McCann, whose daughter disappeared in Portugal, the Dowler family, Sheryl Gascoigne, the ex-wife of footballer Paul Gascoigne, and the property journalist Tom Rowland. He had taken out injunctions against News International on behalf of the footballer Garry Flitcroft and on behalf of Jo Armstrong, a legal adviser at the Professional Footballers Association.

He obtained an injunction in respect of a photograph showing Ms Armstrong with his client Gordon Taylor, the chief executive of the Professional Football Association who received £700,000 in compensation from News International.

At the Leveson Inquiry on December 16, Mark Lewis confronted Derek Webb, a former Hertfordshire police officer who had revealed that in 2010 News International had hired his firm, Silent Shadow, to track Mr Lewis, 46, and his former assistant Charlotte Harris when they were in Manchester.

Until 2009 Mark Lewis had been a partner at George Davies Solicitors LLP in Manchester, the long-standing legal advisers to the Professional Footballers Association. He has since moved to London as a consultant at Taylor Hampton in The Strand. Miss Harris, who represented publicist Max Clifford in a £1million settlement with the News of the World, now works at the London firm Mishcon de Reya.

**Enter Chris More**

It was to George Davies Solicitors LLP that Mrs Middleton took her defamation complaint in 2006. She believed that members of the Winston Conservative Club in Wythenshawe had defamed her after she was wrongly accused of taking cash from the safe.

‘The police were brought in and I was arrested but no charges were brought. Mark Lewis introduced me to Chris More, a private investigator. I met them with my son Kenneth in the office in Manchester.

Mr Lewis and Mr More talked openly about phone hacking. Mr More said he had done it for the police, and
that it went on all the time. Mr More said he could produce the evidence to win the case. He said he would get the evidence on tape, and that he had done it “lots of times” and that he had done it for the police. When I asked how could we use it if it was illegal, Mr More said, “There are ways around it.”

I have listened to taped conversations between parties involved in the case and I have been given transcripts, although I no longer have them.

I have a copy of a receipt from Chris More for a retainer deposit in the sum of £2000 and a letter from George Davies Solicitors acknowledging that Mark Lewis introduced me to Chris More.

I was told the case would cost me £20,000 and we would win it. I did win the case against those who had wrongly accused me, but the judge made no order for costs.

I then took further action against Mr Lewis and the firm of solicitors he worked for, without success. In all, my involvement with Mark Lewis has cost me £80,000. I complained about his conduct.

Unknown to me, my elderly mother, who has since died, remortgaged her home to fund the case. I would never have let her do that, but she did it because she said she believed I was telling the truth, in a vain hope that the justice system would uphold the truth in court. Now I want the truth about Mark Lewis and the investigator to come into the public domain.’

After losing her complaint case against the solicitors, Pat Middleton contacted the News of the World, early in the phone hacking scandal when Mark Lewis was acting for Gordon Taylor.

‘They came and listened to me and the reporter announced they would pay me £250,000 for my story. Of course nothing ever materialised. I wonder why!’

Most wanted
The private detective was Christopher Guest More, 68, a millionaire jailed at Chester Crown Court for nine months in 2004 for helping his son to escape to Spain after the torture and murder of a cannabis farmer in Cheshire. His son, also known as Christopher Guest More, had been working for the BBC as a fixer and investigator on a programme called Crooked Britain. He is still wanted by the Serious Organised Crimes Agency and his picture, taken on his father’s estate in Lymm, Cheshire, appears on the Interpol Infra-Red list of wanted men.

Cheshire police say the murder case cost Chris More senior £350,000. His technical ability is legendary. A former World in Action reporter at Granada Television remembered More as ‘The Ultimate Hacker’ and stated that during the legal battle between Jonathan Aitken MP and The Guardian, Chris More played to his prospective clients recordings of telephone conversations between the Tory defence procurement minister and his daughter Victoria.

Aitken’s case against The Guardian and Granada TV collapsed after the production of evidence that Aitken’s wife had not paid for him to stay at the Paris Ritz. Aitken was jailed for perjury in 1999.

Chris More had worked on investigations for News International for over 20 years, retained by their solicitors Biddle & Co. in the million pound libel action brought against The Sunday Times in 1988 by the ‘socialist media tycoon’ Owen Oyston. Rupert Murdoch’s senior UK executive Andrew Knight ordered the case to be settled at lunchtime on the first day of the hearing.

Hired by Michael Murrin, a local political activist in Preston, Chris More had obtained a bank statement for one of Oyston’s estate agency accounts. Murrin brought More to the attention of the local Tory MP, Sir Robert Atkins, now MEP for North-West England. More was then hired for thirty thousand pounds in fees, jointly paid by the former foreign office minister the late Lord Blaker and the late Bill Harrison, a

1 More’s activities against Owen Oyston were described in ‘Our Friends in the North West: The Owen Oyston Affair’ in Lobster 34 (Winter 1998).
property dealer who had several times hosted prime-minister Margaret Thatcher at his home in Preston.

More delivered to Bill Harrison financial profiles of the Labour leader of Preston, the deputy Labour leader of Preston and their wives. When the documents turned up in Merseyside police files it was obvious that they were based on Inland Revenue tax records.

The unprecedented theft of personal income tax information at Preston was investigated by Dave Hartnett, now Britain’s senior HMRC tax man, after questions in parliament from Dale Campbell-Savours MP and a meeting of senior civil servants in the office of Home Secretary Alun Michael.

Campbell-Savours, a member of the Commons Intelligence and Security Committee, complained to Cumbria police that he was being harassed by dozens of strange telephone calls, apparently generated by a computer in Florida. He also complained in the Commons about his researcher being harassed ‘by a Manchester business man’.

In a 1998 confrontation in the Four Seasons Hotel at Manchester Airport, Chris More told Campbell-Savours: ‘Get off my back. I’ve been looked at by the police. They knocked on my door.’

After Oyston won the libel case against the Sunday Times, Murrin and More investigated Oyston’s connection with the Model Team model agency in Manchester.

In January 1996, when Oyston was facing multiple charges of raping some of the agency model girls, More told reporter Adrian Darbyshire of the Blackpool Evening Gazette:

‘Murrin contacted me to ask me to get information about the model agency. We all thought Murrin was a nutcase. He was talking about kids being provided for sex. Double O [Owen Oyston] was in there somewhere, whether officially or by hearsay, I can’t say.’

Oyston was jailed for six years in 1996 for the rape and indecent assault of one of the girls. He has since lost two appeals and an appeal to the European Court of Human
Rights in Strasbourg.

A year later, More was named in Florida as one of 15 defendants accused of racketeering, mail fraud and employing a Hambro subsidiary called Network Security Management to bug the U.S. phone billing system and steal items from the Florida home of Douglas Leese, a millionaire business rival of the Littlewoods stores family.

Douglas Leese’s New York lawyer David Jaroslavicz claimed in the 140 dollar million Miami action that More and the other defendants

‘...stole and converted highly confidential information from used typewriter ribbons, illegally diverted telephone bills and contacted persons identified in those telephone records under false pretences.

The defendants' ongoing and related activities in furtherance of their improper goals constitute a “pattern of racketeering activity,” in violation of the Racketeer Influenced and Corrupt Organizations Act [RICO].

Defendant Christopher More is a private investigator who does substantial business in the State of Florida, and is believed to have a residence in Florida. I still need to know more about the background of Mr Chris More, the British p.i. who thinks he is James Bond.’

In a 2008 judgment on a High Court case against the London solicitors Mishcon de Reya, Mr Justice Henderson noted that one of Mr Lewis's clients was investigated by forensic accountants after the bugging of the Edgware office of the newly-appointed chairman of trustees at the British branch of the Jewish National Fund.2

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2 Mr Justice Henderson’s judgment, involving evidence given by Dr Anthony Julius, is online at <www.thejc.com/files/scan-judgment.pdf>. 
Now that the tenth anniversary of 9/11 has been commemorated, Osama bin Laden is officially dead and the last US combat troops have been withdrawn from Iraq (though private military ‘contractors’ remain), an accounting of the ‘Global War on Terror’ is surely in order; and timely, given that since 9/11, when 2,973 people were killed in the attacks in New York and Washington DC, the US-led invasions of Afghanistan and Iraq have massively increased the death toll. As of December 2011, according to iCasualties, since 2001 a total of 1,858 US, and 981 other foreign troops had been killed in Afghanistan; and at least 40,000 Afghan civilians are estimated to have been killed in the same period (including 8,800 since 2008).

Though in no way responsible for 9/11, or even a safe haven for al-Qaeda – facts confirmed by the 9/11 Commission Report – Iraq has borne the brunt of America’s ‘Global War on Terror’. Estimates vary, but according to figures compiled by the Iraq Body Count project, since March 2003 at least 157,000 Iraqis have been killed by the US-led invasion and the ensuing sectarian violence, including 128,000 civilians. And

4. 9/11 Commission Report (see note 1) p. 66.
5. <www.iraqbodycount.org/analysis/numbers/2011/> ;and James Hilder, ‘Iraq war killed 162,000 people, according to final count’, *The Times*, 3 January 2012.
this is a conservative estimate. US military casualties, though not as grim as the Iraqi death toll, are still significant with 4,484 killed and 32,300 wounded as of December 2011, according to iCasualties.6

For the safely retired architects of this bloody enterprise, there are no regrets. In his self-serving memoir George W. Bush insists that invading Iraq to remove Saddam Hussein from power was ‘the right decision’. According to Bush, ‘America is safer without a homicidal dictator pursuing WMD and supporting terror at the heart of the Middle East.’7 Tony Blair is equally unrepentant, arguing in his autobiography that ‘leaving Saddam in power was a bigger risk to our security than removing him; and that terrible though the aftermath was, the reality of Saddam and his sons in charge of Iraq would at least arguably be much worse.’8

A troubling point for both is the failure to find Iraq’s ‘WMD stockpiles’ (Bush) or even an active WMD program, the original rationale for the invasion. The protagonists conveniently blame an ‘intelligence failure’ (Bush) and ‘intelligence….that turned out to be incorrect’ (Blair) for this omission;9 but then invoke new justifications for the war, including Saddam Hussein’s horrendous human rights record, or claim he could not have been contained indefinitely and would have eventually rebuilt his WMD program.10 Yet despite being a ‘threat’ to America, the Iraqi regime was easily toppled by the US-led invasion force which took only twenty days to capture Baghdad. Faced with this litany of transparent falsehoods – including the Iraq-al-Qaeda ‘link’ – many observers have concluded the true reasons for the invasion were kept from the public.11

6  <http://icasualties.org/Iraq/index.aspx>
9  Bush, Decision Points, pp. 262 and 268; Blair, A Journey, p. 374.
10 Bush, Decision Points, p. 270; Blair, A Journey, pp. 376-379.
Some think the truth will never be known. Richard N. Haass, current President of the Council of Foreign Relations (CFR) and a senior official in the Bush Administration, reportedly claims he will ‘go to his grave not knowing the answer.’

The Rothschild’s war?

Beyond this mainstream bewilderment, a small group of conspiracy theorists claim to have the answer: the invasion of Iraq was actually carried out at the behest of the House of Rothschild. Writing on his website in 2004, for example, Canadian Henry Makow claimed the US invasion of Iraq was actually ‘advancing the Rothschilds program of world dictatorship...’ In a later article, Makow explained:

‘The neo conservative intellectuals are agents of the Illuminati Rothschild banking cartel. Its goal is to integrate the Middle East into the “new world order” at the expense of the U.S. soldier and taxpayer. This is the true nature of “imperialism”. The Rothschild agents pulling Bush's strings included Richard Perle, Paul Wolfowitz, Douglas Feith, William Kristol, Eliot Abrams and Charles Krauthammer...’

British writer Nicholas Hagger in his book The Syndicate: The Story of the Coming World Government (2004), claimed that a ‘pro-Israel’ US-based ‘Rothschildite’ subfaction – represented by a pressure group, the Project for a New American Century (PNAC) – supported the invasion ‘to bring some respite to Israel.’ A British-based ‘Rothschildite’ faction also played a role, backing the ousting of Saddam Hussein to ‘secure a new supply of oil’ and ‘improve Israel’s position’.

And in his recent book Human Race Get off Your Knees:
The Lion Sleeps No More (2010), David Icke claims ‘the invasion of Iraq in 2003...was ordered (on behalf of their hidden masters) by the Rothschild assets, George W. Bush and Tony Blair.’ According to Icke, the Bush Administration was in fact, ‘controlled by the so-called “neo-con” or neoconservative network that included Rothschild Zionist “think tanks” like the Project for the New American Century and the American Enterprise Institute which, together, orchestrated the invasion of Afghanistan and Iraq... At the heart of the Rothschild-controlled neocon cabal were Richard Perle (Rothschild Zionist), Paul Wolfowitz (Rothschild Zionist), Dov Zakheim (Rothschild Zionist), Douglas Feith (Rothschild Zionist), John Bolton (Rothschild Zionist), Lewis Libby (Rothschild Zionist), the list goes on and on.’

Were the Rothschilds the secret master plotters behind the invasion of Iraq? Given that Icke, Makow and Hagger offer no evidence, we could simply dismiss their claims. Instead, taking them more seriously than they would otherwise deserve, let us see what, if any connections there are between the Rothschilds and the invasion of Iraq.

The Power of the Rothschilds

These claims of a covert Rothschild role in the invasion of Iraq appear to rest on the assumption they are omnipotent yet shadowy megalomaniacs. David Icke, for example, describes the Rothschilds as a ‘vicious bunch of interbreeding global criminals and power-crazed genocidal maniacs’, and alleges they have ‘manipulated governments and worked through the Brotherhood network to create wars and revolutions, often lending money to both sides in the ensuing conflicts.’

Hyperbole aside, Icke’s claims reflect an uncontested fact that during the 19th century the Rothschilds were, as one

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17 Icke p. 113 (emphases added); see also p. 136.
recent study noted, ‘the most powerful force that had ever been known in the world’s money markets.’ 19 According to British historian Niall Ferguson, ‘for most of the century between 1815 and 1914, [the House of Rothschild] was easily the biggest bank in the world.’ 20 To find a contemporary equivalent, ‘one has to imagine a merger between Merrill Lynch, Morgan Stanley, J. P. Morgan and probably Goldman Sachs too — as well, perhaps, as the International Monetary Fund, given the nineteenth-century Rothschilds’ role in stabilising the finances of numerous governments.’ 21

The Rothschilds also had a reputation for using their vast wealth, originally accumulated by the dynasty’s founder Meyer Amschel Rothschild (1743-1812) and then massively expanded by his five sons, Amschel, Nathan, Salomon, Kalman, and James, to manipulate European politics. Having extended their reach beyond Frankfurt, to establish banking houses in London, Paris, Naples and Vienna, the House of Rothschild managed to be both very powerful yet almost supernaturally discreet. As Derek Wilson observes in his study, Rothschild: A Story of Wealth and Power (1988):

‘Seldom were [the Rothschilds] to be seen engaging in open public debate on important issues. Never did they seek government office. Even when, in later years, some of them entered parliament, they did not feature prominently in the assembly chambers of London, Paris or Berlin. Yet all the while they were helping to shape the major events of the day: by granting or withholding funds; by providing statesmen with an official diplomatic service; by influencing appointments to high office; and by an almost daily intercourse with the great decision makers.’ 22

But what was the basis to their power? Why did they have

such good access to the kings, princes and prime ministers of the time? An obvious answer would be their enormous wealth, which rivalled that of Europe’s ruling monarchs and princes. The Rothschild fortune rapidly increased from £80,000 in 1810 (equivalent to £2.7 million in 2005) to some £6 million by 1836 (£4.8 billion). When Nathan M. Rothschild died in 1836, his personal fortune amounted to £3.5 million making him ‘richer, in terms of net wealth, than anyone else in Britain.’ Or to put it into perspective: his personal wealth was equal to 0.62% of Britain’s Gross Domestic Product. The combined wealth of his four sons, estimated at £8.4 million in 1870s (£4.9 billion today), was ‘a sum that exceeded the worth of any other family in England of the day.’ Yet wealth alone does not account for the power of the Rothschilds in the 19th century. Recent academic work suggests their political power was based on four factors:

1. **Financial leverage**

During the 19th century the Rothschilds dominated the international bond market – the buying and selling of government debts. The London house, for example, was responsible for 38 per cent of the value of loans issued for foreign governments over 1818-1832. This enormous financial power enabled the Rothschilds to pressure governments: ‘if a regime bent on war asked to borrow money, they could refuse, and conversely they could give financial support to one that was peacefully inclined.’ Or vice versa.

2. **Secret communications**

24 Ireland (see note 19) p. 27.
25 Ferguson (see note 20) pp. 481-482. Ferguson estimates that if measured in 1995 values, Nathan’s fortune was equivalent of almost £3.7 billion.
26 Ireland (see note 19) p. 354.
27 Ferguson, ‘Metternich and the Rothschilds’ (see note 23) pp. 22 and 34.
The Rothschilds gained privileged access to the courts of Europe through their ‘uniquely fast communications network’, which not only gave them an advantage over competitors, but was also used by European statesmen. Because the Rothschild courier network was ‘quicker than the official courier systems’ and it enabled informal messages to be sent between governments ‘indirectly through the brothers’. The Rothschilds naturally exploited their unique access to influence Europe’s political leaders.

3. Bribes, loans and gifts

The Rothschilds used a range of financial inducements to cultivate relationships with princes, politicians and officials. For example, the Rothschilds provided the famous Austrian chancellor and foreign minister, Prince Klemens von Metternich, with numerous loans, totaling nearly 2 million gulden. The Rothschilds also lent money to Metternich’s son, Victor, and provided cash gifts, cheap loans and eventually a retainer to his secretary, Friedrich Gentz. Other recipients included future British prime minister, Benjamin Disraeli, the Duke of Wellington, and his financier, John Charles-Herries.

4. Media manipulation

The Rothschild brothers also sought to influence the markets through the press. Nathan developed relationships with key journalists at the London Times; Salomon, through Gentz, was able to exert pressure on the German newspaper, the Allegmeine Zeitung; while James, in France, was able to influence the Moniteur Universal and the Journal des Debats. Indeed, as James later told his nephews in 1837, ‘it is good if one can regulate public opinion.’

The first half of the 19th century was arguably the pinnacle of Rothschild political and economic power, and the period which established their mystique. A century and a half

29 Ferguson, The House of Rothschild, Vol. 1, (see note 20) pp. 232-233, 244; and Ferguson, ‘Metternich and the Rothschilds’ (see note 23) p. 34.
later the Rothschild name still retains its cachet, but there is little evidence they have preserved anywhere near the same level of power. As will be detailed below, the Rothschilds remain very well-connected, but they have lost many of their previous advantages. From its original five branches, only two – the English and French – exist today and these were merged in 2007 to form the Rothschild Group. The House of Rothschild remains fractured with numerous independent offshoots, including the Rothschild Investment Trust (RIT), the Edmond de Rothschild Group, and Vallares PLC. More importantly, the Rothschilds have exited the international bond market and are now confined to the international financial services business.

While it is rumoured the Rothschild fortune, kept in trusts in Switzerland, is worth £40 billion or even 'trillions', more conservative estimates suggest a lesser fortune, reflecting the combined impact of heavy financial losses during both world wars, onerous death duties in England, and the forced nationalisation of private banks in France in 1981. In 2002, Forbes calculated the wealth of the eight leading members of the Rothschild family at US $1.5 billion. The Sunday Times in 2008 estimated Sir Evelyn de Rothschild to be worth £527 million; while his cousin, RIT Chairman Lord Jacob Rothschild and his son Nat had a combined fortune of £1.4 billion. In

34 <http://www.ritcap.co.uk/>
41 ‘The Dynasties: Rothschild Family’, Forbes, 28 February 2002
2011, Vallares founder Nat finally made billionaire status in his own right, becoming the 67th richest person in Britain.\(^{43}\) His Swiss relative, Benjamin de Rothschild, Chairman of the Edmond de Rothschild Group, estimated his own fortune at 3 billion euros in 2010.\(^{44}\)

The other measures of Rothschild power are also somewhat circumscribed, though they retain some media interests. This includes shares in *The Economist* newspaper group.\(^{45}\) Sir Evelyn was Chairman of *The Economist* from 1972 to 1989 and his current wife, Lady Lynn Forester de Rothschild became a non-executive Director in 2002.\(^{46}\) Sir Evelyn was also a non-executive director for Conrad Black’s Telegraph Group;\(^{47}\) while his cousin, Lord Jacob Rothschild, was a member of the international advisory board for Hollinger International, of which Black was CEO.\(^{48}\) Jacob was Deputy-Chairman of Rupert Murdoch’s BSkyB satellite television network from 2003 to 2007.\(^{49}\)

On a number of measures – specifically their wealth, financial specialisation and connections – the Rothschilds still qualify as members of the global power elite, or that elite group of 5000, the so-called ‘Superclass.’\(^{50}\) In 1997, for example, Evelyn was among only three Britons in *Vanity Fair’s* list of the 65 ‘most powerful people in the world;’\(^{51}\) while Jacob has been lauded as ‘the great Establishment fixer’

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43 ‘Nat Rothschild tops hedge fund rich list’, Reuters, 6 May 2011.
45 <www.economistgroup.com/results_and_governance/ownership.html>
46 <www.economistgroup.com/results_and_governance/ownership.html>
(Barber), and credited with ‘tremendous dynamism while staying resolutely behind the scenes’ (Wullschlager). But was their power critical to the behind-the-scenes effort to oust Saddam Hussein?

The Eastern Front

Icke, Makow and Hagger suggest the Rothschilds had a number of motives to initiate the war against Iraq. Three in particular stand out: (1) to advance the plot to build world government; (2) to exploit Iraq’s oil; and (3) to remove a regional strategic threat to Israel. All three warrant further scrutiny, though only the latter two are plausible.

World Government

Numerous writers have argued the invasion of Iraq was a critical step in the establishment of world government. It was, claimed one John Birch Society analyst, ‘only the first of many planned wars of assimilation en route to a world effectively controlled by the United Nations.’ But there is no evidence that building world government or empowering the UN was ever a war goal. On the contrary, the neo-conservative architects of the invasion claimed it would actually render global institutions irrelevant and confirm US global dominance. ‘President Bush has no hopes for world government, or for a world beyond conflict…’ claimed PNAC co-founder William Kristol on the eve of the invasion. ‘What will die in Iraq is the fantasy of the United Nations as the foundation of a new world order’, predicted Richard Perle.

Indeed, the invasion occurred in defiance of those international rules overseen by the UN: after initially (and reluctantly) lobbying for a UN Security Council authorisation to oust Saddam Hussein, the Bush Administration was quick to abandon that track when it became clear that Russia, France and China would not support such a resolution. Untroubled by a lack of UN authorisation, the US and its allies invaded anyway, an act subsequently declared ‘illegal’ by then UN Secretary-General Kofi Annan.57 As numerous legal scholars noted, through its invasion of Iraq the US Government had ‘behaved as though international law does not matter’ (Sands) and had ‘gravely delegitimized both cosmopolitan ideals and international law’ (Wolin).58

Given that the invasion of Iraq appears has done the opposite of advancing the cause of world government, the question of whether or not the Rothschilds supported such an objective seems moot. Yet writers continue to claim the Rothschilds are key players in the alleged plot to build world government,59 though the evidence for these allegations is non-existent. Hagger, for example, makes some heavily qualified, but poorly sourced and inaccurate claims that the Rothschilds not only financed Illuminati founder Adam Weishaupt, but from ‘early on’ were committed to creating a ‘Weishauptian world rule’.60 The historical record is less convincing. Despite their support for a number of geopolitical

60  Hagger, Secret History (see note 59), pp. 289 and 359. Hagger writes that between 1770 and 1776 Weishaupt ‘seems’ to have received Rothschild funds, and there are ‘reports’ that in 1773 Mayer Amschel Rothschild ‘appears’ to have ‘met Weishaupt to plan world revolution’. Despite his initial caution, Hagger subsequently treats both claims as facts (see pp. 362, 397), yet neither claim is credible. First,

This continues at the foot of the next page.
schemes within Europe, including an Anglo-German alliance,\textsuperscript{61} the Rothschilds have balked at world government notions. Cecil Rhodes, for example, removed Lord Nathaniel Rothschild (1840-1915) from his later wills because the banker had proved himself ‘absolutely incapable’ of understanding his vision of creating a secret society to achieve an Anglo-American world government.\textsuperscript{62}

Oil

A more plausible motive would be to share in the spoils gained throughout the 1770s Rothschild was no master banker, but a modestly wealthy trader of rare coins, medals, coffee, wool, cotton and rabbit skins, and largely confined to the Jewish ghetto in Frankfurt. His banking business did not emerge until the 1780s (Elon, \textit{The Founder} [see note 23] p. 71). Second, there is no evidence that Rothschild (then only 28 years old) and Weishaupt ever met in 1773 or any other time, let alone plotted ‘world revolution’ together. Terry Melanson suggests the only connection between the Rothschilds and the Illuminati was indirect: through their banking activities with Illuminati members Baron von Dalberg and Prince Karl, Landgrave of Hesse-Kassel (See Melanson, \textit{Perfectibilists: The 18th Century Bavarian Order of the Illuminati}, [Oregon: Trine Day LLC, 2009], pp. 278-79, 334-36). Finally, Hagger’s sourcing for these claims is unreliable (\textit{Secret History} [see note 59] pp. 561 n.11, 567 n.2 & 3). His first source, William Guy Carr’s \textit{Pawns in the Game} (1958), is an inherently dubious, anti-Jewish tract which does not cite any evidence for the Rothschild funding of Weishaupt. Hagger’s second source is Neal Wilgus’ \textit{The Illuminoids: Secret Societies and Political Paranoia} (London: New English Library, 1978), which refers to the ‘alleged’ 1773 Weishaupt-Rothschild meeting (p. 119). Wilgus, in turn, cites Carr’s book as one of three making claims about the 1773 meeting, but notes that ‘no mention of the Rothschilds is given in any other account of the Weishaupt organisation’ (p.51). Wilgus also dismisses Carr’s book as both ‘extreme’ and ‘less plausible’; and ‘lacking any useful documentation and continually leaping to unlikely conclusions (p. 21). Indeed, elsewhere in \textit{Pawns}, Carr cites only one ‘document’ as a source for the alleged Weishaupt-Rothschild meeting: ‘The Protocols of the Learned Elders of Zion’, an infamous anti-Semitic forgery which, incidentally, mentions neither Rothschild nor Weishaupt. Hagger, though, neglects to mention Wilgus’ critical views on Carr or his scepticism about the 1773 meeting.


\textsuperscript{62} See Will Banyan, \textit{A Short History of the Round Table}, October 2008, pp. 6-7 at <www.bibliotecapleyades.net/sociopolitica/esp_sociopol_roundtable_1.htm#Part%201>
from wresting control of Iraq’s substantial oil resources from the Iraqi state, replacing the regime with a more compliant one that would privatise the oil industry and be more reluctant to join with OPEC nations in raising oil prices. Although some senior Bush Administration officials denied that Iraq’s substantial oil reserves had any bearing on the decision to invade, and Blair dismissed it as a ‘conspiracy theory’, it was obvious to many observers that improving access to Iraq’s oil was driving the invasion.63 This had long been part of the neo-conservatives plans: PNAC’s 1998 letter to Clinton, warned that unless Saddam was removed ‘a significant portion of the world’s supply of oil will be put at hazard.’64 Despite the high-level denials, some Bush Administration officials strayed from the script. In September 2002 White House economic adviser Lawrence Lindsey declared: ‘the key issue is oil, and a regime change in Iraq would facilitate an increase in world oil’, leading to a drop in prices;65 and in 2003 Bush’s former speechwriter, David Frum, wrote that the Global War on Terror was intended to bring ‘new prosperity to us all, by securing the world’s largest pool of oil.’66

The Rothschilds have had a long interest in the oil business. In the 1880s the French branch invested heavily in the Russian oilfields of Baku, to the extent that for a time ‘around a third of Russian oil output was Rothschild-controlled.’ The Rothschilds later became the largest shareholders in Shell and Royal Dutch, facilitating their eventual merger.67 Current Rothschild oil interests are less

64 <www.newamericancentury.org/iraqclintonletter.htm>
65 Lindsey quoted in Philips, ‘American Petrocracy’ (see note 63).
substantial. Until recently Jacob Rothschild was the biggest family investor in oil, financing oil development in Central Asia, including purchasing stock in Kazakhstan’s largest oil company, through his investment company Tau Capital PLC, established in 2007. Jacob, through RIT, also owns Agora Oil & Gas, which in turn owns 15 per cent of the Catcher oil field in the North Sea. Jacob has also recently invested in shale oil exploration in Israel. Given this background, supporting the invasion of Iraq to open up its oil reserves to international oil companies for the first time since 1974 would presumably have found favour with the Rothschilds. Indeed, in September 2011 Vallares Plc, an investment vehicle or ‘cash shell’, created by Nat Rothschild, merged with a Turkish company, Genel Energy International, to create Genel Energy PLC, picking up Genel’s existing exploration and production operation in the semi-autonomous region of Kurdistan in northern Iraq. Genel is currently producing a very modest 50,000 barrels per day, but it is sitting in a region in Iraq estimated to have up to 40 billion barrels of oil.

Israel
Protecting Israel is by far the most plausible motive for Rothschild support of the invasion. Ever since Israel bombed Iraq’s nuclear reactor in 1981, ousting Saddam Hussein had been an important Israeli strategic objective. This occasionally found expression in the public domain. Back in 1982, for example, Oded Yinon, a journalist and former Israeli diplomat, had publicly advocated Iraq’s ‘dissolution’, as it was ‘Iraqi

power which constitutes the greatest threat to Israel.'72 Then in 1996, an all-American study group, lead by Perle for an Israeli think-tank, produced the paper, ‘A Clean Break: A New Strategy for Securing the Realm’, to advise Israeli Prime Minister Benjamin Netanyahu. ‘A Clean Break’ recommended ‘removing Saddam Hussein from power’, which, it acknowledged, was ‘an important Israeli objective in its own right’. Perle, and two other members of the Clean Break study group, David Wurmser and Douglas Feith, later became members of the Bush Administration.73 More blatant were former Israeli Prime Ministers Netanyahu and Ehud Barak, who in September 2002 publicly advocated a ‘pre-emptive strike’ against Iraq (Netanyahu) and ‘putting an end to Saddam Hussein’s regime’ (Barak), due to the potential danger Iraq posed to Israel.74

A number of senior Bush Administration officials also revealed that Israel’s security needs had driven the invasion plans. In September 2002, for instance, Philip Zelikow, then on Bush’s Foreign Intelligence Advisory Board, told an audience at the University of Virginia that the ‘unstated threat’ was not against the US, it was Iraq’s ‘threat against Israel’; however the US Government did not ‘lean too hard on it rhetorically, because it is not a popular sell.’75 In May 2003 Deputy Secretary for Defense Paul Wolfowitz told a US Senate Committee that regime-change in Iraq would have a ‘positive impact on the Arab-Israeli peace process’ as Saddam Hussein had been ‘deeply opposed to progress’ and was guilty of

'financing and supporting terrorism among the Palestinians.’

Once Saddam Hussein was gone, it has not been difficult to tally how Israel had benefitted. As US Secretary of State Condoleezza Rice noted in 2007, this included the ‘removal of an eastern front threat for Israel.’ Other observers credited the invasion with compelling Libya to abandon its WMD program, thus removing another potential strategic threat to Israel. Saddam Hussein’s demise also ended Iraqi support ‘for one of the Israeli people’s most threatening foes’ – Palestinian suicide bombers, the families of whom had been receiving payments from Iraq. Moreover, by 2008-10 it became abundantly clear that US troops in Iraq served Israel’s security needs – as a bulwark against Iran – judging by the panicked response from Israel and its US supporters as the US withdrawal loomed.

Given its long history of support for the Jewish state, protecting Israel’s security would obviously find favour with the Rothschild dynasty. Rothschild support for Israel can be traced back to 1882 when a young Baron Edmund de Rothschild (1845-1934) embraced the Zionist cause, and began funding Jewish settlements in Palestine. Perhaps the most significant milestone was in November 1917, when Baron Walter Rothschild received the so-called Balfour Declaration, in which the British Government confirmed its support for the ‘establishment in Palestine of a national home for the Jewish people.’

Since then Rothschild support for Israel has been manifest on a number of levels. Most prominent has been Yad Hanadiv, or the Benefactors Foundation, chaired by Jacob, which has over the past few decades funded construction of Israel’s Parliament, Supreme Court and in 2011 the National Library buildings.81 Visiting Israel in 1992 for the opening of the Supreme Court, Jacob told the Jerusalem Post:

‘I consider myself a Zionist. I have been and always will be. I passionately believe in the State of Israel, as we have as a family.’82

There has also been less obvious strategic support. This includes the Jacob’s emergency donation of £1 million to Israel during the Six Day War in 1967.83 Also in the 1960s, Baron Edmond de Rothschild (1926-1997) had been a ‘major contributor’ to Israel’s nuclear weapons program, funding the start up costs for the nuclear reactor at Dimona.84 Recent research has also identified the ‘British and French branches of the Rothschild family’ as secret financial supporters of Israel’s nuclear weapons program.85

**Secret motives?**

In Decision Points, Bush makes an unconvincing attempt to defend the official rationale behind the invasion, noting there were allegations ‘that America’s real intent was to control Iraq’s oil or to satisfy Israel. Those theories were false. I was sending our troops into combat to protect the American people.’86

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86 Bush, Decision Points (see note 9), p. 253.
Yet every government that goes to war has motives and aims that it keeps secret from the public and its adversaries. This was certainly the case in the first Gulf War, when, according to the memoir written by Bush Senior and his national security adviser, Brent Scowcroft, the key unstated objective of President George H. W. Bush was to ‘destroy Saddam’s offensive capability’, though ‘it had not been feasible to list it openly’, as achieving it required avoiding a diplomatic solution. In short, as Bush allegedly told his close advisers: ‘We have to have a war.’

The 2003 invasion of Iraq was no exception. But defending Israel and seizing Iraq’s oil reserves would not have been the only secret objectives. Numerous analysts have identified other unpalatable reasons including: Bush’s belief, allegedly expressed in 1999, that invading Iraq would boost his domestic popularity; and for ‘demonstration effect’, in the wake of 9/11, the invasion of Iraq was intended to ‘send a powerful message’ to other potential foes about the costs of defying the US. But of these unstated motives, defending Israel would have appealed the most to the Rothschild family, and it certainly motivated the neo-conservatives who served in the Bush Administration.

The Silence of the Rothschilds

According to Lord Jacob Rothschild, the 9/11 attacks were ‘cataclysmic’, but other than the cancellation of Sir Evelyn’s 70th birthday party, there are few clues as to what actions the Rothschilds took or advocated in response. Moreover, unlike David Rockefeller, for example, who controversially

suggested that US support for Israel may have prompted the attack,\footnote{See Bill Marvel, ‘9-11 attack shook Rockefeller's world of certainty’, \textit{Dallas Morning News}, 8 November 2003.} the Rothschilds have not publicly speculated on its causes.

Indeed, despite having plausible motives to support the forcible ouster of Saddam Hussein – an integral part of the US strategic response to 9/11 – the leading members of the Rothschild family have maintained a conspicuous public silence on the issue. This has been the case, even when opportunities have arisen to make their position clear. In September 2002, for example, Jacob hosted a two-day conference of notables, led by billionaire Warren Buffett, at Waddesdon Manor, the Buckinghamshire ancestral home of the Rothschild dynasty. The reported purpose of the ‘private gathering’ was to discuss, among other issues, ‘the implications of the expected war in Iraq.’\footnote{Damian Reece, ‘Buffett to be leading light at elite forum’, \textit{Daily Telegraph}, 4 September 2002.} The conference speakers included two ‘well-placed Washington officials’ who reportedly informed the select group that ‘war was now inevitable’ and that ‘regime change’ would not stop with Iraq, but would be extended to Iran, Saudia Arabia, Syria and Pakistan.\footnote{Anatole Kaletsky, ‘So much money but, I still hope, so little sense’, \textit{The Times}, 26 September 2002.} There is no record of Jacob’s reaction.

The only exception to this silence has been Lady Lynn Forester de Rothschild, the current wife of Sir Evelyn. In a letter to the \textit{Financial Times} in 2007, she wrote:

‘One can understand the world’s dismay about the US’s decision to elect George W. Bush and allow him to lead the US and Britain to war in Iraq. These two acts will go down in history as two of the US’s worst decisions and are fair objects of criticism.’\footnote{\textit{Financial Times}, 6 July 2007 (emphasis added).}

Whether her husband and his extended family shared this view is unknown. Her sincerity on this matter is also questionable given that during the 2008 US presidential race her political preferences seemed to be firmly aligned with
those contenders who had supported the invasion. Forester had supported Senator Hilary Clinton, but when Barack Obama had won the Democrat nomination she had switched parties, to back the neo-conservative favourite Senator John McCain.96 Forester had justified her rejection of Obama, who had opposed the invasion, with the bizarre argument he was an ‘elitist’.97 What is clear, though, is that neither her husband, nor her many in-laws have found it necessary to comment on one of the biggest controversies of the past decade.

The Rothshilds and the neo-conservative network

Between them, Icke and Makow name at least nine prominent neo-conservatives as ‘Rothschild agents’, but provide no evidence of any actual Rothschild connections. In fact there is no evidence of the English Rothschilds directly funding any of the US-based neo-conservative organisations, despite donating to other leading US think-tanks such as the Council on Foreign Relations and the Brookings Institute.98 To the extent that the Rothshilds can be linked to the neo-conservative network, and ultimately to Bush and Blair, most of these ties were indirect and were through three groups:

1. The plutocrats, the billionaires who helped fund the neo-conservative network, and supported the war through their media empires and political connections.

Bruce Kovner: The billionaire Chairman and founder of Caxton Associates, a New York-based hedge fund, Kovner’s main contribution to the network was as Vice-Chairman (2001-2003) and Chairman (2003-2008) of the American Enterprise Institute (AEI). Described by some observers as the ‘neocons

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fortress’, the AEI played a crucial role in the public debate on the invasion; it also provided the ‘surge’ strategy, and post-administration jobs for key neo-conservatives such as Perle, Wolfowitz and Bush’s speechwriter, David Frum. Described by one journalist as a ‘right wing George Soros’ and ‘one of the most powerful people in the country’, Kovner openly supported the war. The ‘liberation of Iraq’, he wrote in 2003, was ‘critical to the successful prosecution of the war on terror...’ Kovner was also close to Vice-President and former AEI Trustee, Dick Cheney, who visited Kovner’s estate in Duchess County, New York, for two days in October 2001.

Kovner’s relationship with the Rothschilds is longstanding. According to the Financial Times, Kovner launched Caxton in 1983 ‘with backing from the Rothschild family.’ From 1986 through to 1999, Kovner managed an offshore investment fund for Global Asset Management (GAM). GAM, set up by Gilbert de Botton in 1983, had two owners: de Botton, who had worked for Rothschild banks in the US and Switzerland, had a 60% share; and Jacob Rothschild, who had the remaining 40%. GAM consisted of ninety-six hedge funds of which Kovner’s, with 12% of assets, was both the largest and ‘one of the top performers.’ When Kovner scaled back his hedge-fund in 1995 the Wall Street Journal noted that he would ‘continue to manage money for the wealthy Rothschild family of France.’

Rupert Murdoch: As the CEO and dominant shareholder of

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103 Weiss (see note 101).
News Corp, which owns the Fox News network and some 175 newspapers worldwide, billionaire Rupert Murdoch is a powerful and controversial figure in his own right. In the wake of the phone-hacking scandal, his ability to influence and even bully politicians has come under closer scrutiny. According to one commentator: ‘[Murdoch] dominated British public life. Politicians – including prime ministers – treated him with deference and fear. Time and again the Murdoch press – using techniques of which we have only just become aware – destroyed political careers.’

Murdoch also provided crucial support to the neo-conservative network, bankrolling the *Weekly Standard*, the political magazine run by PNAC co-founders William Kristol and Robert Kagan. Not surprisingly Murdoch was an enthusiastic supporter of the invasion of Iraq, declaring in February 2003 that Bush was ‘acting very morally and very correctly’ in seeking to oust Saddam Hussein – a view reflected in all 175 of his newspapers. Four years later, at the World Economic Forum in Davos, he admitted to having ‘tried’, though unsuccessfully, to use his media empire to shape public opinion in favour of the conflict. Perhaps more troubling were revelations of his access to Tony Blair, whom Murdoch called and spoke to three times in the days leading up to the invasion.

Murdoch and Jacob Rothschild have a long-standing friendship that dates back to the 1960s. In 2003, for instance, Jacob was appointed to the board of Murdoch’s BSkyB; in 2008 Jacob and his wife hosted the 40th birthday

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107 Peter Oborne, ‘Phone hacking: David Cameron is not out of the sewer yet’, *The Daily Telegraph*, 8 July 2011.
party for one of Murdoch’s daughters at their holiday home on the Greek island of Corfu; and in 2010 Jacob and Murdoch jointly purchased a 5.5% stake in Genie Oil & Gas Inc, which owns 89% of Israeli Energy Initiatives, a company conducting shale gas and oil exploration in Israel.

**Ted Forstmann:** Though little known amongst students of parapolitics, Theodore Forstmann, who died in November 2011 from brain cancer, was an intriguing figure. An article in *The Telegraph* in 2004, for example, noted his achievements included being ‘a close friend of the late Diana, Princess of Wales, Wall Street Master of the Universe, financial backer of Afghan guerrillas fighting the Russians in the 1980s, Republican donor, legendary deal-maker, philanthropist, pal of Donald Rumsfeld...’ At the time of his death, Forstmann was CEO and Chairman of IMG, an international talent agency, but he had made his fortune as a co-founder of Forstmann, Little & Co, which specialised in leveraged buyouts. Forstmann’s connections to the neo-conservative network are less obvious yet still important. Rumsfeld joined Forstmann, Little & Co’s advisory board in 1989 and went on to run one of its acquisitions, General Instruments Company, for three years.

In 1993 Forstmann was the co-founder and generous funder of Empower America (EA), a pressure group that

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advocated an aggressive and pro-Israel foreign policy.\textsuperscript{118} Another EA co-founder, Congressman Jack Kemp, was Senator Bob Dole’s running mate in the 1996 presidential election. Rumsfeld, an EA board member, was policy director for Dole’s campaign.\textsuperscript{119} Following 9/11, Kemp and another EA founder, William Bennett, were implicated in a campaign by the neo-conservative network to ‘make Palestinian leader Yassir Arafat a target of…...Bush’s War on Terrorism.’\textsuperscript{120}

Information on Forstmann’s connections to the Rothschilds are sketchy but notable. It begins in 1978 with US businessman Derald Ruttenberg, ‘a friend and associate of……banker Lord Rothschild’ and board-member of J. Rothschild International, who played a ‘key role’ in the creation of Forstmann, Little & Co.\textsuperscript{121} Jacob and Forstmann later became friends. In fact Forstmann credits his brief relationship with Princess Diana to Jacob’s personal intervention, meeting her in 1994 at a dinner hosted by Jacob. ‘I think Jacob thought it would be a good idea for the two of us to meet and it was’, Forstmann told the \textit{Telegraph}.\textsuperscript{122} Then in 2004, after taking control of IMG, Forstmann appointed Sir Evelyn de Rothschild to IMG’s board of directors. In addition Rothschild North America provided banking services to IMG.\textsuperscript{123}

\textbf{Conrad Black:} Before his imprisonment for mail fraud in 2007 (he was reimprisoned in 2011), Canadian-born Lord Black of Crossharbour was Chairman of Hollinger International and the owner of a number of newspapers and magazines including: the \textit{Daily Telegraph}, \textit{Sunday Telegraph}, \textit{Chicago Sun-Times}, The

\textsuperscript{120} Jim Lobe, ‘Pro-Israel Hawks Take To The Airwaves’, \textit{Inter Press Service}, 26 April 2002.
\textsuperscript{121} ‘Derald H. Ruttenberg’, \textit{The Times}, 1 October 2004.
Spectator, the Jerusalem Post and The National Interest. Most of these publications promoted the neo-conservative and pro-Israel line. Black was close to a couple of the key neo-conservatives, among them the aforementioned Perle, whom he first met at Bilderberg and later put on Hollinger’s International Advisory Board,124 and Bush’s future speechwriter David Frum, who attended a number of Bilderberg meetings as Black’s guest.125 Black was a vociferous supporter of the invasion of Iraq and made a number of outrageous claims in favour of the war. Writing in The Spectator in 2003, Black described Iraq as ‘an international terrorist supporting state’ and Saddam Hussein the ‘standard-bearer of all the Arab world’s militant Muslims.’ Iraq, he claimed, could only be disarmed through ‘regime change’.126

Black’s links to the both branches of the English Rothschilds are extensive. He first met Sir Evelyn at Bilderberg, and it was through N. M. Rothschild that Black later acquired the Daily Telegraph.127 Jacob was a member of the Hollinger Advisory Board and a guest at Black’s wedding to Barbara Amiel in 1992; and he had Black and Amiel as his guests when he travelled to Israel to open the Rothschild-funded Supreme Court building later that year.128 Jacob was among the guests to the exclusive annual Hollinger dinner in 1998, alongside Margaret Thatcher, Henry Kissinger, former French President Valery Giscard d’Estaing, and former British Foreign Secretary Lord Carrington.129 Despite Black’s legal troubles he retained his contacts with the Rothschilds: Jacob deigning to dine with him in public in 2005 not long before his indictment; and in

127 Black, A Life in Progress (see note 124), p. 312.
2007, Forester claimed that she and her husband remained in contact with the Blacks.130

2. The politicians: This small group includes one of the key decision-makers behind the war and two key contenders from the 2008 US presidential elections. **Tony Blair**: The Rothschilds are not mentioned in Blair’s autobiography, but their connections are extensive. These range from the seemingly benign, such as Jacob and his wife, Serena, attending a dinner at Chequers on 13 March 1999,131 through to the more significant, such as Sir Evelyn’s donation in 2002 of £250,000 to Policy Review, a ‘super think-tank’, comprising some of Blair’s top advisers.132 In fact, Evelyn and his wife became ‘crucial figures’ in Policy Review, helping to organise and host a conference in June 2002 that was attended by Blair and Bill Clinton.133

Forester was a big fan of Blair, telling the *Sunday Times* in 2003 that Blair was ‘the only world leader who can seriously influence Bush.’ Blair, she claimed, had ‘a higher agenda’, one which apparently included ‘peace in the Middle East.’134 Towards the end of Blair’s prime ministership, Forester reportedly arranged a reception at 10 Downing Street for mostly American billionaires. The ostensible reason for the £13,000 per head event was to support the Tate Gallery, though some suspected Blair was using the event to ‘set up his future career.’135

**The Clintons**: In 1998, then President Bill Clinton changed US policy towards Iraq from containment to regime change, though he stopped short of supporting an actual invasion. This

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133 Joe Murphy, ‘Peter’s (new) friends’, *Evening Standard*, 27 September 2002.
fact was noted by his wife Senator Hillary Clinton, in her speech to the US Senate in 2002 in support of the so-called Iraq War Resolution. She described her vote for the resolution as saying ‘clearly to Saddam Hussein: This is your last chance; disarm or be disarmed.’136 Hillary ran unsuccessfully for the Democrat presidential nomination in 2008 and is now Obama’s Secretary of State.

The Rothschild connection to the Clintons appears to be entirely through Sir Evelyn’s American wife, Lynn Forester, a long-time Democrat supporter. They spent the night of their wedding dinner in 2000 in the Lincoln bedroom in the White House during the final year of Bill Clinton’s presidency.137 The Clintons were to be among the guests for Evelyn’s aborted 70th birthday party in 2001.138 There was no such interruption for Evelyn’s 80th birthday, which was celebrated jointly with Bill Clinton’s 65th and the 76th for Clinton’s confidant Vernon Jordan, at Martha’s Vineyard on September 4, 2011.139

**Senator John McCain:** A member of the US Senate since 1987, McCain rather than Bush was the neo-conservatives preferred candidate in the 2000 election.140 Bush, of course, secured the Republican nomination and, through a fortuitous court decision, the presidency. McCain already had form as strong supporter of ousting Saddam, having sponsored the 1998 Iraq Liberation Act. Following 9/11 McCain emerged as a strong supporter of what he called the ‘second phase’ or the ‘next front’ in the GWOT: ‘regime change in Iraq;’141 and subsequently became a ‘leading figure’ in the Committee for the Liberation of Iraq. Though critical of some aspects of the

140 Heilbrunn, They Knew They Were Right,(see note 99) p. 230.
occupation, McCain has remained not only an unrepentant supporter of the war, but an opponent of the large-scale withdrawal of US troops from Iraq.

McCain has numerous connections to the Rothschilds. One of his key corporate supporters was Wilbur Ross Jr, the so-called ‘Bankruptcy King’, who worked for Rothschild USA Inc. for nearly 25 years before he quit in 2000 to set up his own firm, W.L. Ross & Co. (which managed the Rothschild Recovery Fund). Ross was at the launch of McCain’s memoir, *Faith of My Fathers*, in 1999. Rothschild support was more overt during the 2008 presidential elections. In March 2008 Jacob and Nat Rothschild hosted a McCain fundraiser in London. And in September 2008 Lynn Forester de Rothschild, a prominent Democrat, announced she would be supporting McCain over Obama.

3. The Powerbrokers, the well-connected confidantes of both the Rothschilds and the politicians who made the decision to invade.

**Peter Mandelson**: A member of Blair’s Government from 1997 through to 2004, including two ministerial appointments that were cut short by corruption allegations, Mandelson is noteworthy for his long and close association with Tony Blair. According to Blair biographer Philip Stevens, Mandelson was Blair’s ‘friend and confidant’ and to whom the Prime Minister ‘turned to in moments of crisis.’

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Unbound (2007), also confirms that Mandelson was ‘a constant figure who Blair consulted by telephone.’149 Such contacts become critical given Mandelson’s boast in 2002 that he was playing an ‘integral role behind the scenes’ by advising Blair on Iraq.150 Only snippets of that private advice – querying the occupation planning151 have been revealed; but in the main, Mandelson supported the invasion.152 In 2010 he commented that ‘the further we travel from the intervention in Iraq, the more people are able to see the sense of it.’153

Mandelson’s relationship with the Rothschilds dates back to the 1990s when he first met Jacob and later his son Nat, with whom a ‘firm bond was established.’154 In 1999 Mandelson spent three days at the Rothschild villa on Corfu, and later went to Albania, all paid for by Jacob.155 He also became close to Evelyn and his wife, counting them as his ‘new best friends’; he attended their wedding in 2000 and reportedly convinced Evelyn to fund Policy Review, which Mandelson chaired.156 Mandelson remains close to Jacob and Nat, holidaying with them in recent years in Corfu, Switzerland.

149 Anthony Seldon with Peter Snowdon & Daniel Collings, Blair Unbound, (New York: Simon & Schuster, 2007), p. 40. Seldon et al make a number of references the closeness of the Blair-Mandelson relationship and to the regularity of their telephone contacts (ibid., pp. 111 and 487), but they suggest the main topic of their conversations was usually trade issues (ibid. pp. 574-575).
151 See Mandelson, The Third Man (see note 113), pp. 353, 359-360.
and the Caribbean.157

**Henry Kissinger**: National Security Advisor and later Secretary of State in the Nixon and Ford Administrations, until 9/11 Kissinger had been in conflict with the neo-conservatives, who derided him as the architect of an amoral foreign policy that appeased the Soviet Union and undermined Israel.158 Following 9/11, though, Kissinger seemed to drop his enmity to the neo-conservative cause, publicly backing the invasion of Iraq.159 In 2006 Bob Woodward revealed that Kissinger had a ‘powerful, largely invisible influence on the foreign policy of the Bush Administration.’ Kissinger was meeting with Cheney at least once a month,160 and also with Bush, to discuss Iraq; Rumsfeld boasted that he had helped set up the Bush-Kissinger meetings. Kissinger’s message was hardline: the Iraqi resistance had to be defeated before the US withdrew.161

Kissinger’s closeness to the Rockefellers is well-documented. Less attention, however, has been paid to his links to the Rothschilds. He was a friend of Baron Edmond de Rothschild,162 served with Baron Eric de Rothschild on the international board of governors of the Peres Peace

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162 Wilson, *Rothschild* (see note 22) p. 447
Center, and is also credited with introducing Lynn Forester to Sir Evelyn in 1998. Kissinger was also a member of the board of the now defunct Open Russia Foundation, a British-based think-tank funded by the now imprisoned Russian oil oligarch Mikhail Khodorkovsky. Kissinger reportedly joined the Foundation 'at the invitation of Lord [Jacob] Rothschild, another board member.'

**Richard Perle:** Of all the neo-conservatives figures linked to the decision to invade Iraq, Richard Perle arguably stands out as the ‘impresario’ of that venture, ‘with one degree of separation from everyone that mattered.’ Perle had long been an advocate of forcibly ousting Saddam: he led the *Clean Break* study group in 1996, was a signatory to both PNAC letters calling for Saddam’s removal and was instrumental in promoting the alleged benefits of the invasion in various forums.

Shortly after 9/11 Perle argued that the ‘destruction of [Saddam’s] regime’ was ‘essential to the war on terrorism.’ In the Bush Administration his official position as Chair of the Defense Policy Board was seemingly peripheral, yet he played a critical role advocating the war, both publicly and allegedly utilising his network of fellow neo-conservatives scattered throughout the administration to fix intelligence assessments so they exaggerated Iraq’s WMD capability.

Perle also stands out as the only one of the nine neo-conservatives identified by Icke and Makow as ‘Rothschild

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163  Michael Yudelman, ‘New Peres Peace Center to focus on economic projects’, *Jerusalem Post*, 22 September 1997.
agents’ to have had any documented contact with the Rothschilds. The principal venue for this contact was the Hollinger International Advisory Board, with both Perle and Lord Jacob Rothschild identified as members in 1994.\footnote{See ‘Chaim Herzog Joins Hollinger Advisory Board’, Jerusalem Post, 7 January 1994.} The purpose of this board, chaired by the vainglorious Conrad Black, was to ‘dine and discuss world affairs’,\footnote{Maureen Orth, ‘Black Mischief’, Vanity Fair, 1 February 2007.} an arrangement dubbed by some as a ‘faux Bilderberg’, paid for by Black’s companies.\footnote{Colin Challen, review of H. Paul Jeffers, The Bilderberg Conspiracy: Inside the world’s most powerful secret society, in Lobster 61, Summer 2011, p. 92; <http://lobster-magazine.co.uk/free/lobster61/lobster61.pdf>} They also brushed shoulders at other events, such as Black’s 1992 wedding and his parties.\footnote{Perle and Jacob Rothschild were among a select group of 20 friends who attended Black’s postwedding dinner. See ‘Black weds Murdoch star in Chelsea ceremony’, Daily Telegraph, 22 July 1992; Black, A Life in Progress (see note 124), p. 447.} If they had any more interactions outside of Black’s vanity events, it is not on the public record.

**All the Right People**

The crimes of the Bush Administration, as blogger Glenn Greenwald observed, are ‘grave, of historic proportion, and it’s simply impossible for anyone who believes in the Nuremberg Principles to deny that.’ Having launched ‘an illegal, aggressive war’ that caused the deaths of least 100,000 people, Greenwald notes, Bush has ‘extraordinary amounts of Iraqi blood….on his hands.’\footnote{Glenn Greenwald, ‘The quaint and obsolete Nuremberg principles’, Salon, 13 May 13, 2011, <www.salon.com/news/opinion/glenn_greenwald/2011/05/13/nuremberg/index.html>.
fund owners, technocrats and political fixers who were either part of the neo-conservative network, or were heavily involved in supporting that clique and in promoting the war. They even had access, albeit indirect, to the key decision-makers in the White House and Downing Street.

But despite the evidence that Rothschilds knew some of the leading advocates of the invasion, not only have they remained silent about where they stood on the enterprise, nothing concrete has emerged confirming Rothschild input into the decision to invade. To be sure, as Donald Rumsfeld memorably said, ‘Absence of evidence is not evidence of absence.’ But as yet, despite their associations, there is no evidence of the Rothschilds colluding with their myriad pro-war associates, friends, business partners, and acquaintances to push the case for war.

One could easily dismiss the much of the above as ‘salacious gossip masquerading as investigative journalism’, as one wit sought to describe – and denigrate – press reporting of Rupert Murdoch’s numerous private dinners with British politicians. Nevertheless, sometimes that level of access does mean something; sometimes the conspiracies are real. While the allegation that they were the master plotters behind the invasion is entirely unsubstantiated and highly implausible, it seems possible that certain leading members of the Rothschild dynasty were more than just well-connected bystanders. They were among the ‘networks of the super-powerful, who sweetly allow politicians the illusion of being allowed to run things, and even to start the odd war, so long as they think it will bring down the price of oil.’ By merely knowing all the right people and having a plausible motive, the Rothschilds are open to the very charges of complicity, and even conspiracy, that they would no doubt

175 Brendan O’Neill, ‘During the Murdoch scandal, journalists have given us too many conspiracy theories and not enough analysis’, Telegraph, 25 July 2011.
176 See ‘Sometimes conspiracies are real: Follow the trail through the Murdoch empire and some very curious connections emerge’, Bangkok Post, 24 July 2011.
prefer to avoid.

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With the addition of a few subheads and the omission of some of the introduction, this is a talk I gave to the conference on SCADS, state crimes against democracy, in London in October 2011.

The rise of New Labour

Robin Ramsay

I was asked to talk about the rise of New Labour, presumably because in some way it illustrates the notion of a SCAD, a state crime against democracy. I will return to this at the end.

I noticed that in one of the press releases for this event it was said that I ‘will discuss the sinister millionaires and the money trail behind the rise of New Labour.’ I hope that no-one is here expecting that because you will be disappointed. As often happens, the real story is more complex than the sexy soundbite.

I was a member of the Labour Party while NuLab were taking over and most of what they were up to was obvious enough. And little of what they were doing originated with them. At the risk of boring everyone present with ancient political history, to understand NuLab you have to understand earlier events. With politics there is always a long back story.

In one sense the arrival of NuLab at the top of greasy pole in 1997 was just business as usual. Since the early 1950s America had programmes to talent-spot throughout the non-communist world and promote the rising politicians it thought would support its interests. That Uncle Sam would do this here isn’t surprising: this island was its most important overseas military base and an important diplomatic ally.

There are also networks within the UK, some supported by the Foreign and Commonwealth Office, which do the same thing: look for sympathetic rising politicians and cultivate them. This works both ways, of course: if you are an ambitious young Labour politician, you look for the networks which will give you a leg up the ladder. In the post-WW2 years there
were two such networks: those run by the Americans and their allies here, and those within the labour movement itself.

Peter Mandelson and erstwhile Home Secretary Charles Clarke came up through one of these Foreign Office networks; most of the rest of NuLab were those who had been promoted by America or who were fans of America – or both. None of this is exactly secret: the US State Department, which undertook most of this recruitment and promotion, has declassified its files on all this and they have been analysed in great detail by Giles Scott-Smith. His articles are on the Net but I think you may have to pay for access to them.

In the mid 1980s the major media in this country were obsessed with the Militant Tendency within Labour. What I called the American tendency got ignored.

People within the Labour movement – notably Richard Fletcher – began tracing the work of this American tendency in the late 1960s. By the time NuLab began to form in the mid 1990s, those of us who had followed in Fletcher’s footsteps knew what was going on, even if we didn’t then have all the details.

In the 1950s the American tendency was known as the Gaitskellites. In the late 1960s and 70s it gathered round Roy Jenkins and eventually split Labour to form the SDP – a move which ensured that Mrs Thatcher won the 1983 general election. After which, job done, the SDP faded away.

After the Labour election defeat of 1987 its leadership, Kinnock and Hattersley, set up a policy review: at the time it seemed like a transparent device to ditch the commitment to nuclear disarmament. Which indeed it was. But there was also an economic policy review, chaired by Bryan Gould MP. Gould represented a current within the Labour Party and wider labour movement at the time that was hostile to the bankers; which saw the British disease not as too many trade unions organising strikes, which is how the Daily Mail saw the problem, but as the economic dominance of the bankers.

The City versus industry
A group within the labour movement had concluded that the key structural conflict in Britain wasn’t between the classes, the Marxist view, but between the interests of the domestic and overseas sections of the economy; which in shorthand boiled down to on the one hand the City and on the other manufacturing. People wrote essays with titles such as: the City versus industry. This group included Neil Kinnock, as his 1986 book, Making Our Way, shows; and Bryan Gould, who also thought like this, was appointed by Kinnock to chair the committee on economic policy. Gould’s committee duly produced a detailed analysis of why the bankers had too much power and how to reduce it.

But the Gould committee report was rejected by Neil Kinnock as soon as it appeared. Gould tells us that just before the report was due to be published a group of Labour MPs came to see him to try and get it stopped or modified. One of them was the then rising star of the back-benches, Tony Blair. This was 1988.

We still don’t know for sure why the Gould report was dumped: none of those principally involved have explained it. My guess would be simply that the group around Kinnock wanted to get elected more than they cared about the state of the British economy or the fate of its citizens; and having lost two general elections, decided that the bankers were too powerful to challenge. By this time – 1988/9 – the City had been largely sold off to American banks in the so-called ‘big bang’ of 1986 and was well on its way to being an extension of Wall Street; and thus to be anti-City of London increasingly meant being perceived as anti-American.

For whatever reason the policy review document on the economy was abandoned, and Labour began the long process of making itself acceptable to the City of London – even though the City then was only about 4% of the British economy.

Shadow Chancellor John Smith led what became derisively known as the prawn cocktail offensive, as he toured the City of London’s dining rooms in the years before the 1992 election, promising them that they would get no trouble from a
Labour government.

In some of these dining rooms John Smith was already known: at this point he was on the steering committee of the Bilderberg group, some of whose regular attenders are bankers.

But this ass-kissing was to no avail: Labour lost again in 1992. Neil Kinnock resigned and John Smith won the leadership election, defeating Bryan Gould, the leader of the anti-banker tendency within the parliamentary Labour Party. My branch of the Labour Party was one of the few which voted for Gould. Gould’s loss to Smith was the end of the anti-banker tendency in the Labour movement.

Under John Smith, Tony Blair and Gordon Brown became shadow front bench spokesmen and were widely seen as the coming men. When John Smith died in 1994, Blair took over and NuLab began to form.

**Enter Tony Blair**

Much of this was visible in 1997. What then wasn’t visible, the new factor in the rise of NuLab, was not the American state, which was doing what it had always done since about 1950, but the role of the state of Israel. Now let’s be careful here. This is not about Zionism or even Judaism: this is about the actions of a state, the Israeli state.

Tony Blair joined the Labour Friends of Israel, LFI, when he became an MP in 1983. The LFI used to boast about this on its Website but it’s long since been removed. LFI became significant in the Parliamentary Labour Party chiefly because Israel was one of Tony’s things and ambitious politicians try to kiss the appropriate arses.

In 1994, then Shadow Home Secretary and LFI member Tony Blair went on an Israeli-funded visit to the Holy Land; and when he returned, an Israeli diplomat in London introduced him to Michael Levy, a retired Jewish businessman and fund-raiser for Jewish charities. When John Smith died and Blair became leader of the party, Levy began fund-raising not for the Labour Party but for Blair. Most of the early money
came from Jewish businessmen in England. With his own sources of money – initially Jewish money – Blair became financially independent of the Labour Party and he could afford to hire his own staff – Alistair Campbell and Jonathan Powell – and essentially behave like an American presidential candidate. NuLab was born and one of its parents was Israel. This looks like a fairly simple operation: Israel identifies Blair as very pro-Israel and the Israeli embassy in London connects him to the Israeli lobby in Britain – for the future. It wasn’t much of a gamble. In 1994 John Smith had already suffered one heart attack and Blair was widely seen as the leader-in-waiting.

Blair and Gordon Brown had already been on State Department-sponsored visits to America as MPs, and they had both been to a Bilderberg meeting. Most of the junior ranks of NuLab had links to America, through the British-American Project for example; or through NATO’s Atlantic Committee; or through the Trade Union Committee for Transatlantic and European Unity, created by US Labour attaché Joe Godson in the 1970s. If the CIA was in the British labour movement, it was in this committee. The Americans knew that NuLab were ‘on side’.

The City was relaxed about NuLab: John Smith’s ground work was followed by a campaign of strenuous forelock tugging by Gordon Brown and Peter Mandelson.

All that remained was the media, particularly Rupert Murdoch, whose papers had run what was perceived by Labour to have been a very damaging campaign against Neil Kinnock before the 1992 election. Blair fixed that when he flew to Australia to address the AGM of Murdoch’s News Corporation in 1995 and promised who-knows-what in private to Murdoch.

The rest is now well known. Two ambitious men, only one could get the top job. The loser, Brown, sniped at Blair until he finally went off to make money. NuLab carried out its pre-election promises to the powers-that-be. America was supported in its foreign wars – and hundreds of thousands have died as a result. The City of London, by 2000 essentially
a branch of Wall St, was given its head – and the money men made fortunes but screwed the world economy in the process. There was no attempt made to seriously regulate the shit media or reduce Murdoch’s share of the media market in Britain.

Blair had no interest in the economy – as far as I know, he had no economic knowledge at all – and left it all to Brown. Copying the Clinton Democrats of the 1990s, Brown believed that Britain’s future lay in the financial services, the so-called knowledge economy and immigrants who would do the shit-work the native Brits didn’t want to do. The consequences of this we have seen.

These is the final paragraphs of my booklet on all this, written ten years ago [2001].

‘Perhaps we will all end up in ‘the knowledge economy’ (whatever that is) and we won’t need fishing, farming, steel-making, mining, machine-tools and manufacturing in the future. What am I complaining about? Labour’s policies are working. Unemployment fell in the same month that manufacturing officially went into recession. Perhaps the neo-liberals are right; perhaps the service sector can replace manufacturing.

*But it can’t*: the service sector has not replaced the manufacturing destroyed by its policies in the last 20 years. Britain is running a huge, and growing, trade deficit: this is not permanently sustainable. Thus far only a bunch of the ‘old lags’, the unreconstructed Keynesians, as Gordon Brown probably thinks of them, are worried by this.

I’m with them. I cling to the now old-fashioned idea that on a small island with a population of 60 million it is madness to let the island’s productive resources be abandoned. I think Labour’s leaders have got it completely wrong and however they think of themselves, history will judge that the Brown-Blair faction was merely the ultimate triumph of the ideology

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1 *The Rise of New Labour*, still available through Amazon.
of the City over the rest of us; and, let us hope, the last dribble of Thatcherism down the leg of British politics.’

Well, it’s one thing to right; but in politics it’s what effective which is important. And my writing on NuLab had no effect within Labour Party circles. Even within my own branch of the Labour Party I persuaded no-one to take the information seriously. Long before the election of 1997 the psychological process of denial had kicked in. Faced with something they didn’t want to know – the reality of NuLab – the members of my Labour Party branch told themselves it wasn’t true. The essential shift, which I heard over and over again in Labour Party circles was this: yes, they sound terribly like Tories but they don’t mean it. It’s a pretence to get elected. After 1997 all they could see was: he’s got us elected. Which, indeed, was all that most MPs saw: Tony is a winner.

There’s an phrase that came from the American Quakers in the 1950s, that the role of people like me is to speak truth to power. Which sounds great, doesn’t it? The problem is that power isn’t interested in truth; and never was, as far as I can see. Since the Quakers came up with the notion of speaking truth to power in the US, we have had the most obnoxious, militaristic and aggressive American foreign policy imaginable. Millions of people have died at the hands of American military power while the left has been speaking truth to it.

The central fact remains: the party of Clement Attlee, Harold Wilson, Barbara Castle and Jack Jones, largely funded by the trade unions, chose as leader someone who, as well as being Mrs Thatcher in all but name, is the godfather to one of Rupert Murdoch’s children, never saw a powerful arse he couldn’t kiss, and, most striking of all, hated the Labour Party and everything it stood for.

As I have sketched, some of this was the result of other states manipulating the Labour Party. But only some of it. At least as important was the ignorance and self-delusions of the party’s members.

Were the activities of the US and Israel in the rise of
NuLab state crimes against democracy? Crimes – I don’t think so. Certainly they are examples of states meddling in British democracy. But again, it could all have been halted by the trade unions who funded the party. They chose not to pull the plug. Presumably because the alternative – the Tories – looked worse. Sometimes there are no good choices.

And millionaires behind NuLab? The most important was Lord Sainsbury who, according to the *Times*, gave NuLab £4.5 millions pounds while Gordon Brown was prime minister and maybe as much as £10 million since Tony Blair took over.
The view from the bridge

Robin Ramsay

Knock, knock

As I read the first few paragraphs of the story about the British Territorial Army\textsuperscript{1} unit tasked to infiltrate and penetrate the British peace movement in the 1980s, I was amused.\textsuperscript{2} ‘Infiltration’ and ‘penetration’ means they joined it. Most of the peace movement in particular and the British left in general has been open: anyone can join; having the correct motives is not an entry requirement. The story reported that ‘Some of the undercover soldiers became officials in the organisations they had infiltrated, one being elected membership secretary’ – as if that was significant. In reality anyone, if even remotely plausible, could have become secretary or membership secretary of most left/peace groups in a few months simply because nobody wants to do those chores. The late Harry Newton, for example, an MI5-Special Branch agent, became the treasurer of the Institute of Workers Control. Newton is also said to have ‘penetrated’ CND headquarters.\textsuperscript{3} On the one occasion I visited the headquarters of CND, the door was open and there was no-one checking who came and went. I just wandered in – as, no doubt, did Harry – and was immediately asked if I would help stuffing envelopes.

But after chortling to myself I noticed the wording of the memo which revealed the story.

‘The instruction to 20 COY, a Territorial Army body which

\textsuperscript{1} For non-UK readers, these are a reserve, part-timers.
\textsuperscript{2} Kim Sengupta, ‘How Thatcher’s election win launched secret war on CND’, \textit{The Independent}, 7 January 2012.
\textsuperscript{3} On Newton see \texttt{<https://wikispoaks.com/wiki/Harry_Newton>}
Donald Bateman, who knew Newton, wrote about him in \textit{Lobster} 28, 1994.
had focused on Northern Ireland, the Middle East and the British Army of the Rhine, came in a memo from a General in September 1979:

“The change of government provides an excellent opportunity for the unit to play a more active role and to provide information about groups whose activities and interests are not beneficial and are opposed to the armed forces. The unit is well placed to do this because its members are civilians.”

An anonymous former member of 20 COY expanded the significance of the phrase ‘the change of government’:

The thing is there were some senior people in the forces at the time who were very right-wing and they thought that Thatcher coming in gave them carte blanche to get up to all sorts of things. We heard whispers that some of these people were trying to destabilise Labour before the Tories got back in.’

We’ve been here before. Back in the late 1970s, the people gathered round State Research and the Leveller, and individuals like Duncan Campbell and Tony Bunyan, had worked out for themselves that Mrs Thatcher was the candidate of the security state. That members of the armed forces took her election as their cue to begin operations against the left and peace movement merely confirms another belief of the ‘paranoid left’ (of which I am a member): the British state was and remains beyond democratic control.

**Pluralities**

Political identities can be complex. Take Sir Robert Atkins: as the Conservative MP for Preston North and South Ribble from 1979 to 1997, he was part of the conspiracy to destroy Labour-supporting, millionaire businessmen Owen Oyston (described at length in Lobster 34). But in 1999 Atkins became a Member of the European Parliament for the North West England region; and with that hat on he is the author of a report for the Conservative Middle East Council on a recent trip to Gaza which takes an unblinking look at the Israelis’
slow-motion ethnic cleansing.4

The idiocies of NuLab

This is Peter Mandelson recently: ‘We have seen that globalisation has not generated the rising incomes for all.’5 Which is more depressing? That he really believed ‘the rising tide lifts all boats’ story before, or that he didn’t but was unwilling to say so until now?

When Gordon Brown dips into the bullshit basket he calls for some global action which he knows will never take place but which he thinks sounds impressive. His latest was reported on the BBC News website: he wants a ‘global fund for education’.6 No doubt this will be next on the list after the new global financial system he wants is in place.

Labour and the City

Who is doing the economic thinking for Labour these days? Well, Katherine ‘Kitty’ Ussher is. A Labour MP from 2005 to 2010, Ussher was a minister in the Brown government 2007-9, briefly at the Treasury. (She got caught in the expenses scandal, ‘flipping’ her homes to reduce her tax bill, and resigned.) Wrote the Daily Mail:

‘The Oxford-educated economist and niece of Tory MP Peter Bottomley worked as a Labour researcher and chief economist for the Britain in Europe group before becoming Patricia Hewitt’s special adviser at the Department for Trade and Industry in 2001.’7

This is the classic adviser turned MP; but also someone who understands economics, apparently. (What that means we shall see.) Since quitting as an MP – a period in opposition, representing her constituents, was apparently not part of her

4 <http://cmec.org.uk/blog/the-rt-hon-sir-robert-atkins-mep-visits-gaza/>
6 <http://www.bbc.co.uk/news/education-16705691>
7 <www.dailymail.co.uk/news/article-1193753/12-days-promotion-Minister-Kitty-Ussher-quits-expenses.html>
life plan – Usher has been director of the think tank Demos and is now a research fellow at the Smith Institute, a Labour-supporting think tank. This is someone we should take seriously because the political system does.

Usher has written a paper for Labour’s Business, a Website publishing policy ideas about the Labour Party’s economic policies. It was started by Alex Smith and Luke Bozier. Smith is former communications adviser to Ed Miliband and Bozier was Miliband’s internet guy. Also associated with Labour’s Business are Hazel Blears, (ex-minister) and Shadow Business Secretary Chuka Umunna. There is nothing on the Website signifying official Labour Party status but this is only just at arm’s length from Ed Miliband’s office.

I stumbled into this thicket of Labour people because of a Kitty Ussher paper published by Labour’s Business.8 After the usual sleight of hand stuff about how many jobs are at stake in the financial services, Ussher’s key message is contained in these lines:

‘We want Britain to be seen as the destination of choice for financial services companies…. But business needs to be conducted in a safe manner. Our general regulatory approach will be to strengthen and de-risk banks as institutions, not target bankers as individuals.’

In other words: there will be fewer regulations in London than are offered elsewhere and you can carry on making huge amounts of money.

What really caught my eye, however, was Ussher’s opening paragraph.

8 ‘Shaping the City: reforming financial services to encourage enterprise’ at <http://laboursbusiness.org.uk/>.

An earlier paper by Ussher, 100 pages of it, published by Demos, is thoroughly trashed by Richard Smith’s ‘Why is a Powerful Faux Liberal UK Think Tank Using a Tarnished Pol and Recycled US Republican Talking Points to Fight Breaking Up Banks?’ at <www.nakedcapitalism.com/2011/03/16715.html>. Smith’s account of the Ussher paper gives enough detail to see that this Labour Business version is a summary of parts of it. Inter alia, Smith points out that Ussher thanks for the City of London Corporation for their support of her writing.
‘New Labour’s view of the private sector in general was epitomised by its view of the City in particular. Although nobody ever presumed there were many votes to be found in the shiny buildings of the Square Mile or Canary Wharf, the ability to be taken seriously by senior financiers was considered important in demonstrating *fitness to govern*, both in the run-up to the 1997 election and in the decade that followed. Having the City on side, or at least not against, was an important component of Labour’s *permission to speak* on economic policy, which in turn was required to demonstrate a break with the *perceived failure of Labour’s economic record of the past.*’ (emphases added)

So: the Blair government had to demonstrate to the City its ‘fitness to govern’ and thus acquired ‘permission’ to do so. Why is this necessary? Because of the ‘perceived failure of Labour’s economic record of the past’.

Huh?

Labour is deemed to be a failure because of the Wilson-Callaghan years? Really? Do you think anyone in the City remembers those years? Or cares? That’s almost forty years ago! Ignoring Ussher’s strange view of economic history, the underlying tone of ‘Jump? How high, oh masterful ones?’ is what matters.

Ussher’s grovelling, almost submissive tone towards the City has been echoed by former Home Secretary, Jacqui Smith, who called for a new ‘prawn cocktail offensive’:

‘We need a ‘prawn cocktail’ offensive for the 21st century – a “scallops and celeriac purée” offensive, a “baked figs and goats cheese” offensive – anyway, you get my point. In the 1980s and 1990s, energetic Labour spokespeople led by then City minister Tony Blair toured the private dining rooms of the City trying to decontaminate the Labour brand with leading business people. Their success was part of the foundation of New Labour economic and electoral success in the next 20
Twenty years of New Labour success? I don’t know what she is talking about but we get the picture: like Ussher, Smith thinks she knows which butts need to be kissed and doesn’t mind saying so.

If you copy America, you get.....America

Will Hutton described Prime Minister Cameron’s December vetoing of the proposed revision of the Lisbon Treaty in defence of the City of London as ‘an act of crass stupidity... [that] has rarely been equalled.’ He continued:

‘Much of British finance in whose name Cameron exercised his veto – routine banking, insurance and accounting – was wholly unaffected by any treaty change. The financial services industry in Britain constitutes 7.5% of GDP and employs a million people; the City represents perhaps a third of that and, in turn, that part threatened – if it was threatened at all – some fraction of that. This is a tiny economic interest. If the coalition is serious about rebalancing the British economy, it is preposterous to place a fragment of the City at the forefront of our national priorities.’

All true of course. Hutton noted of Cameron:

‘His circle is the hedge fund managers who payroll his party, rightwing media executives and the demi-monde of Tory dining clubs, Notting Hill salons and country house weekends, all of whom he knew could be relied on to cheer him for his alleged bulldog spirit and Thatcher-like courage in saying No to European “plots”.’

Hutton just sails past ‘the hedgefund managers who payroll [presumably he meant bankroll] his party’. I think we need the details. Research by the excellent Bureau of Investigative Journalism, shows that in 2010:

9  <www.progressonline.org.uk/2012/02/06/a-new-‘prawn-cocktail’-offensive/>  Did Blair do much of this? Most accounts talk about the late John Smith and the late ‘Mo’ Mowlem.
10  The Observer, 11 December 2011
‘City money made up 50.8% of all Conservative Party donations, a leap from 25% five years previously, when Cameron and Osborne took over the helm.

The City has donated a total of £42.76m since 2005. Last year City money accounted for £11.4m, compared with £2.75m when Cameron took over.’11

And a companion piece showed that:

‘Our trawl of 450 separate donations given to Conservative Central Office by individuals, companies and limited liability partnerships reveals that 27%, or £3.3m, of the £12.18m donated to the party [in year ending June 2011] came from hedge funds, financiers and private equity firms.’ 12

I don’t think Will Hutton wants to face the reality that political parties today are for sale. Cameron wasn’t being ‘stupid’; he was simply a delivery boy. It might have been spun in the usual ‘plucky Britain standing up against the Eurocrats’ manner but it was just about money.

*If you copy America, you get America.*

In America the financial gamblers bought the politicians. They have bought a particular policy from the Conservative Party (and considering how much might be at stake for the hedge fund gamblers, at £3.3 million they got it cheap); and the Labour Party is afraid to challenge them.

The same sort of thing is going on with Conservative plans to let more of the private sector start ‘tax farming’ within the health service. £8.3 million in donations from the private health care sector to the Conservative Party since 2001 have been identified.13 This buys policies; and it means that whatever the public thinks and the polls tell the Conservative Party about the damaged to their electoral prospects, they have to deliver what they promised. They may make noisy concessions in some areas but not where it matters. If they

13 <http://eoin-clarke.blogspot.com/2012/02/333-donations-from-private-healthcare.html>
take the money and then don’t deliver, they jeopardise future funding. This is the American model of politics.  

*If you copy America, you get America*

**The best and the brightest (not)**

There are some dumb, short-sighted fucks working in the intelligence services. Look at the CIA operation to run a fake vaccination drive in Abbotabad in the attempt to verify that Osama Bin Laden was living there. How many genuine vaccination drives will now be accused of being intelligence operations? (And how many vaccination drives in the past have been fakes?) Or look at the CIA and Pentagon’s use of aid programs as cover for its intelligence officers, corrupting the aid process. The *Daily Telegraph* report on this concluded:

> ‘Not only will these secret programmes put brave aid workers in harm’s way, but they will add to the culture of mistrust and suspicion that currently characterises relations between Pakistan and the US.’

As stupid in a different way were the MOD and British armed services officers who responded to a fake (probably Chinese) Facebook ‘friend’ request apparently from the head of NATO, American Admiral James Stavridis. The *Telegraph* reported:

> ‘They thought they had become genuine friends of Nato’s Supreme Allied Commander - but instead every personal detail on Facebook, including private email addresses, phone numbers and pictures were able to be harvested.’

What is more depressing? That senior MOD/military are footling about with Facebook? Or that they believed they had

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15 [http://blog.foreignpolicy.com/posts/2012/02/13/did_the_united_states_use_the_kashmir_earthquake_to_send_intelligence_operatives_in](http://blog.foreignpolicy.com/posts/2012/02/13/did_the_united_states_use_the_kashmir_earthquake_to_send_intelligence_operatives_in)

16 ‘How spies used Facebook to steal Nato chiefs’ details’ [www.telegraph.co.uk/technology/9136029/How-spies-used-Facebook-to-steal-Nato-chiefs-details.html](http://www.telegraph.co.uk/technology/9136029/How-spies-used-Facebook-to-steal-Nato-chiefs-details.html)
received such a request from Nato’s Supreme Allied Commander?

**Ah, closure**

Doug Thompson, while communications director for the re-election campaign of Congressman Manuel Lujan of New Mexico, met former governor of Texas, John Connally, on a plane in 1982. In the course of the conversation Thompson asked him if he thought Lee Harvey Oswald fired the gun that killed Kennedy?

‘Absolutely not,’ Connally said. ‘I do not, for one second, believe the conclusions of the Warren Commission.’

So why not say so?

‘Because I love this country and we needed closure at the time. I will never speak out publicly about what I believe.’

This is the base line for so many American politicians: we do not talk about what really happened on 22 November 1963; we do not tarnish the brand.

**Daniel Sheehan and UFOs**

When I should be looking at serious stuff, I have again been reading the story of Daniel Sheehan and the UFOs, one of the most interesting and puzzling episodes in the UFO field. If Sheehan isn’t a fantasist – and I have seen no suggestion that he is – something significant and strange happened.

In 1977 recently elected US President Carter asked DCIA, George Bush, to be briefed on what the intelligence community had on UFOs. (While governor of Georgia, Carter

17  [www.opednews.com/articles/opedne_doug_tho_060330_is_deception_the_bes.htm](http://www.opednews.com/articles/opedne_doug_tho_060330_is_deception_the_bes.htm)

18  This is based on Grant Cameron’s ‘The Marcia Smith Story – The President’s UFO Study’ at [www.presidentialufo.com/jimmy-carter/98-the-marcia-smith-story-the-presidents-ufo-study](http://www.presidentialufo.com/jimmy-carter/98-the-marcia-smith-story-the-presidents-ufo-study). All the quotes are from that piece. There is a video of Sheehan telling this story on YouTube. Sheehan is now the lawyer for the Disclosure Project, in which various former US government employees have given affidavits about their experience of UFOs. Sheehan’s pre-Disclosure Project biography is at [www.spartacus.schoolnet.co.uk/JFKsheehan.htm](http://www.spartacus.schoolnet.co.uk/JFKsheehan.htm)
said he had seen one in 1969.) Bush refused: Carter didn’t have the need to know. Rebuffed, Carter decided to follow a suggestion that Bush had made for getting the information that Carter wanted on UFOs. As Sheehan tells it:

‘Bush told him that he was going have to go to the Science and Technology Committee of the House of Representatives, in the legislative branch, and have them ask the Congressional Research Service to issue a request to have certain documents declassified so that this process could go on.’

This request went to Marcia S. Smith, Analyst in Science and Technology, Science Research Division, at the Congressional Research Service. She had done UFO research before. Sheehan reported that he was asked by Smith ‘to participate in a highly classified major evaluation of the UFO phenomena, and extraterrestrial intelligence.’

During this process Sheehan reports that he was given access to the classified portions of Project Blue Book, the US Air Force’s inquiry into UFOs which ran from 1952 to 1969, in which he saw film footage of a crashed UFO surrounded by USAF personnel. Marcia Smith wrote two reports for the House Science and Technology Committee, one on extraterrestrial intelligence, and the other on UFOs. Says Sheehan:

‘The first report on extraterrestrial intelligence, stated the Congressional Research Service of the official United States Congressional Library, in its official report to the President, through the House of Representatives Science and Technology Committee, concludes that there are from two to six highly intelligent, highly technologically developed civilizations in our own galaxy over and above our own.

In the second report they had drawings of different shapes of UFOs that have been sighted. They didn’t cite any particular cases, but they said that they believed there was a significant number of instances where the official United States Air Force investigations were unable to discount the possibility that one or more of
these vehicles was actually from one of these extraterrestrial civilizations. They put this together, and sent it over to the President. I ended up seeing a copy of it.’

This is a strange tale: no-one else has described seeing these reports; and it has never been suggested that a request from the Congressional Research Service would open a door that had been so securely bolted hitherto. Did Sheehan really see the classified sections of Blue Book? It seems highly improbable to me. More likely, surely, that he was the object of a disinformation operation. I wonder if the long US military disinformation project in the 1980s on UFOs, which climaxed with the MJ-12 nonsense about US government-alien contact, began initially as a response to Jimmy Carter seeking official information on the issue?19

Our subservience to America and its uses

The explanation of the forelock-tugging by sections of the British state and its politicians to America is banal: erstwhile Foreign Secretary, the late Robin Cook, commented that for the military essentially it is simply careerism; the top jobs are all in NATO and since the Americans run NATO20....... For the politicians it’s pretty much the same: those who oppose America do not prosper. And so they do what to many of us are degrading things – lie, grovel – yet they appear not to feel degraded. Perhaps they simply do not see a plausible

19 A detailed account of the Carter-UFO thing is at <www.checktheevidence.com/Disclosure/Web%20Pages/www.presidentialufo.com/jimmy.htm>. The first half of that is straightish reporting. The second half is loaded down with the MJ-12 nonsense.

The MJ-12 material was a classic disinformation operation of the type described by former MOD psy-ops officer Colin Wallace as ‘the double bubble’, in which people – usually journalists – are led away from the subject they are pursuing and off down another direction, at the end of which they discover the trail they have been on is false. In the case of MJ-12, however, despite being told by one its proponents, Bill Moore, that it was a disinformation project, belief in it has continued in some quarters.

alternative.

**Item:** the Chinook apology. After seventeen years of blaming the two pilots of the RAF Chinook which crashed in 1994, killing all 29 people (senior police and secret police), the MOD changed its mind and announced that it wasn’t their fault at all: it was the helicopter. Even to a casual reader like me this was obvious almost immediately after the official lies were issued. But the RAF as an institution went along with the lie. Why? Because they did not want to blame the helicopter. Criticising Sikorsky, its maker, is criticising America.21

The kinds of things people in this situation tell themselves is obvious enough: the good of the service/nation required it. Sacrifices have to be made. (Maybe even: the state has to play rough sometimes. Omelettes and eggs and all that.) Why should they feel bad?

In 2010 when the MOD was preparing the ground for their recent formal apology by acknowledging faults with the Chinook, inching towards their *mea culpa*, trying to inoculate us and the media with little doses, Mike Tapper, the father of one of the pilots, said that the correction of this wrong was ‘a matter of honour’. Fred Holroyd’s book about his time in Army intelligence in Northern Ireland, was called *War without Honour*. I don’t think the concept of honour would rank highly among today’s senior military and civil servants.

**Item:** ‘Britain was forced to plead with the US to take part in the flotilla challenging Iranian power in the Gulf after American commanders decided the Royal Navy had nothing to contribute to the mission.’

So said a subheadline in the *Telegraph* on 6 February. The story reported that no-one in the UK military minded being excluded until they heard that a French vessel was being included.

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21 The Wiki entry on this details the problems with the computer software experienced by the British pilots flying Chinooks. <http://en.wikipedia.org/wiki/1994_Scotland _ RAF_Chinook_crash> Google <Sikorsky + Chinook + crashes> and you will see by glancing down the first screen that a Chinook crash cannot have been a surprise.
‘Failing to take part when the French were doing so might have raised questions about the Special Relationship, which has come under doubt during Barrack Obama’s presidency. Mr Obama last year described France as America’s closest ally.’ 22

Reading this, I was reminded of the comment of Thatcher era Foreign Secretary, Lord Carrington, in the early 1980s that, ‘Failure to acquire Trident would have left the French as the only nuclear power in Europe. This would be intolerable.’ 23

Why?

**Item:** the one-sided extradition treaty which ships UK citizens off to the US without any requirement of evidence.

**Item:** the government’s proposals in the Justice and Security green paper to allow ministers to have secret legal proceedings solely on their declaration that the public interest will be damaged by public justice. These are being pushed with the argument that we have to do this or the Americans will cut off access to their intelligence. In fact there is no such danger; but this is being used by those behind the drive towards judicial secrecy – i.e. the intelligence and security services, who can see a way of covering-up their screw-ups (and their subservience to America) – to try and get the legislation through. 24

**Briefly**

22 James Kirkup, ‘Britain had to plead with US to take part in Iran flotilla’, *Daily Telegraph* 06 Feb 2012.
24 See Martin Beckford, ‘Lord Macdonald: Ministers wrong on CIA secret justice fears’ in the *Telegraph* 13 March 2012, and Tim Shipman, ‘No need for secret justice say CIA spies: U.S. “would never hold back terror intelligence from Britain”’ in the *Mail*, 5 April 2012. David Rose describes the briefing process using this argument within Whitehall in ‘Furtive briefings by MI5 and the Government’s BIG LIE over secret justice’ in the *Mail*, 17 March 2012: ‘But the mere assertion, whispered so silkily by the plausible Mr Evans, is hard to rebut, especially by politicians who, understandably enough, are fearful of being blamed in the event of some future terrorist attack.’
McKinsey and the NHS  An important piece about the role of the US management company, McKinsey in the NHS, ‘The firm that hi-jacked the NHS’ by David Rose in the *Mail on Sunday*.25 McKinsey has bought its way into the NHS to get a share of the tax farming which is now beginning as what’s left of the state is divvied-up among Conservative Party donors (perhaps that should now be ‘investors’). I presume that the author is the David Rose who confessed a while back to having been an SIS asset.26

Encounter and the CIA  A seminar on ‘Encounter, the CIA, the IRD and the relationship of British intellectuals with the Establishment’ was held in London in January. The speakers included Frances Stonor Saunders, author of *Who Paid the Piper?: CIA and the Cultural Cold War*, and the son of *Encounter* editor Stephen Spender, Matthew. The event was videoed and is on-line.27 Matthew Spender sent an e-mail saying that the general conclusion of the seminar had been that Stephen Spender must have known more about the relationship with the CIA than he admitted to during his lifetime.

Who was John Smith?  Amidst all the coverage of the death of Neil Heywood, the Hackluyt guy in China, none of the major media noted the curious sidebar that Elizabeth, the widow of the late John Smith, leader of the Labour Party, had been appointed to the Hackluyt advisory board in 1999. OK, ‘advisory board’ is a notepaper job: looks good, provides some money but means nothing. Even so, as Hackluyt is a kind of semi-detached extension of SIS, this appointment added some little credence to the notion that John Smith, like his Glasgow University contemporary Baroness ‘Meta’ Ramsay, had been recruited by MI6 while a student.28 It might also help make intelligible Smith’s role on the Bilderberg steering group.

What is The Guardian?  An interesting piece on *The Guardian*
by Jonathan Cook, ‘A Thought Police for the Internet Age: The Dangerous Cult of The Guardian’. Cook works through the treatment by The Guardian of some of the Anglo-American left’s major (and essentially anti-American) figures – Chomsky, Herman, Assange etc. – and it is not an edifying story. 

The times they are a-changin’ The headline in the Telegraph said: ‘Interest in women’s clothing and sadomasochism would not have prevented Gareth Williams joining MI6, inquest hears.’

CND’s friends in the Conservative Cabinet The report by Alan Travis in The Guardian of the latest Cabinet papers released under the 30 year rule included an account of how Mrs Thatcher, assisted by her Cabinet Secretary, by-passed her Cabinet colleagues when ordering Trident submarines.

‘Disclosure of the scale of cabinet opposition is revealed in a note from a 10 February Downing Street meeting at which only John Nott, her defence secretary, and Lord Carrington, her foreign secretary, were present. Nott told Thatcher a full debate on nuclear defence policy was essential “since two-thirds of the party and two-thirds of the cabinet were opposed to the procurement of Trident. Even the chiefs of staff were not unanimous.”’

Armed and Dangerous:
the corporate origins of war with Iran

Dr. Roger Cottrell

Preamble

In November 2011 claims emerged of an unlikely assassination plot against the Saudi Arabian ambassador to the US. According to the FBI, an alcoholic car salesman in Texas, Manssor Arbasier, with a spurious family connection to a member of Iran’s Revolutionary Guard, plotted with the Mexican Los Zetas drug cartel to kill the Saudi ambassador on orders from forces within the Iranian State. The source of these allegations was a Mexican gangster, already facing criminal charges on an unrelated matter, who was coerced to offer his services as an assassin for $1.5 million by the FBI. Although clearly a fabrication, this alleged ‘plot’ has led to further punitive sanctions against Iran and increased the threat of war. In particular, it has seen the deployment of two US warships in the Gulf of Hormuz and increased co-operation between the US Special Forces and those of the United Arab Emirates under the rubric of the Joint Special Operations Task Force-GCC [Gulf Co-operation Council]. In this article I will draw on historical and contemporary material to ask how this came about and, in particular, to look at the role of the energy security industry and private intelligence and military contractors in the preparation for war with Iran.

Ridiculous as they were, the charges of an Iranian assassination plot on US soil were timely. They followed an

attempt by two Democratic Congressmen in the US to block $52 billion in arms sales to Bahrain, at a time when the Bahraini democracy movement was being smeared (amidst a US news blackout) as Iranian-inspired. They also followed renewed US support for the Yemeni regime as an ‘ally in the war with al-Qaida’, that followed the US drone assassination of Anwar al-Awlaki on 30 September 2011. Last but not least, the charges of an Iranian assassination plot on US soil followed revelations that corporate mercenaries for former Blackwater CEO Erik Prince (who now runs Reflex Responses for Sheikh Mohammed bin-Zayes al-Nahya in the UAE) have been directly involved in the crackdown on the Bahraini democracy protests falsely accredited to Iranian influence.

Disturbing parallels exist between the falsification of an Iranian assassination plot in the US (with Texas-based private intelligence ‘think tank’ Stratfor spinning the story as ‘credible intelligence’ in the media) and the entrapment of Bradley Manning that previously involved the private intelligence agency Project Vigilant, based in Florida. Founded by Chet Uber, together with former NSA officials and a former head of security at the New York Stock Exchange, Project Vigilant hires computer hackers to target dissidents in Bahrain and Saudi Arabia using fake IP servers, in violation of US law. Two years on from Bradley Manning’s entrapment by Project Vigilant employee Adrian Lamo and Stratfor was ‘sexing-up’ the credibility of an incredible ‘plot’ to assassinate the Saudi Arabian crown prince.

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4 Lord Eric Avebury (Liberal Democrat) to the author, November 2011
ambassador to the US among a right-wing media already calling for military action against Iran. (Leigh and Harding, 2011, pp. 72-89). Something which the activities of Stratfor seem precisely to replicate is the manner in which the fabricated evidence of weapons of mass destruction and Iraqi al-Qaida connections were ‘sexed-up’ in preparation for the illegal invasion of Iraq (and subsequent war crimes) in 2003.9

By November 2011, Britain’s Tory government had repeated the history of its predecessor by announcing that the MoD would participate in a US-led attack on Iran with ships, cruise missiles and access to British military bases such as Diego Garcia in the Indian Ocean.10 The UK government has also been to the fore in sanctions, for example against the Iranian Central Bank in Europe.11

**A nuclear red herring**

The allegations regarding an Iranian assassination plot on US soil also narrowly preceded a routine but inconclusive report into Iran’s alleged development of a nuclear weapons capability by the International Atomic Energy Authority.12 That said, similar such accusations have been made ever since the CIA’s bungled Operation Merlin provided US atomic secrets to the Iranian regime in February 2000. (Risen, 2006, pp. 193-218).

Shortly after the alleged assassination plot in Washington on 11 January 2012, Iranian nuclear scientist Mostafa Ahmadi Roshan was murdered in a car bomb terrorist

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12 IAEA.org, ‘IAEA and Iran, Report’, 22 February 2012. See also Kevin Hitchinkopf, ‘Panetta: Iran Cannot Develop Nukes, Block Straits’ on CBS, Face the Nation, 8 January 2012.
attack in Tehran.\textsuperscript{13} In contrast to the almost certainly fictitious plot in Washington, few among the Western media described this as an act of terrorism and it was actually celebrated by Michael Burleigh of the \textit{Daily Telegraph}\.\textsuperscript{14}

The car bomb assassination of Mostafa Ahmadi Roshan was the fourth such murder of a nuclear scientist in Iran since 2010. Initially the Iranian authorities blamed Israel for the attack after the former Israeli military spokesman Brigadier Yuav Mordechi revelled in the murder. But it’s difficult to see how MOSSAD agents could remain undetected in a closed society like Iran. Later, sections of an increasingly divided Iranian media suggested the CIA were to blame. But as \textit{New York Times} journalist James Risen has revealed, the CIA has been a busted flush in Iran for over a decade. (Risen, 2006, pp. 198-218)

More plausibly, the bombing could have been the work of a terrorist organisation called the Mujehadin-e Khalq (MEK). Previously financed by Saddam Hussein (and previously described as a terrorist group in Washington) these architects of the 1980 Iranian Embassy siege in London are now financed and backed by the US and Gulf Arab States.\textsuperscript{15} It is also likely that the MEK are getting logistical support from privatised military units who are based in the region. It’s equally likely, given the closure of MEK camps in Iraqi Kurdistan, that these are linked to the energy security companies who are the real people preparing for war with Iran. (Risen, 2006, pp. 215-218) This will be explored below.

Preparations for military aggression against Iran date from the Clinton era and attentions were diverted only with the 9/11 attacks. (Risen, 2006, pp. 4-5). These attacks, in

\textsuperscript{13} Iranian News Agency (English.news.cn), ‘Death Toll Rises to Two in Tehran Bomb Attack on Nuclear Scientist’. See also Amy Teibal, ‘Mostapha Ahmadi Roshin, Iran Nuclear Expert Dead in Car Bomb’, AP Jerusalem, Huffington Post, 1 November 2012.


turn, led to fabricated evidence of al-Qaida links to Iraq (like those of weapons of mass destruction) in which Saudi Arabia’s General Intelligence Directorate (hitherto operationally linked to al-Qaida) were complicit. (Risen, 2006, p173-191)

Meanwhile, as early as 2005, the US State Department under Donald Rumsfeld had established the Office of Stabilization and Reconstruction (Klein, 2007, pp. 380-382). Following the US-led privatisation frenzy that dismantled the Iraqi state (giving rise to sectarian carnage), this not only planned the privatisation of Iran’s oil, gas and industries, post invasion, it also drew up a list of which corporations should secure contracts in a post-invasion Iran.16

Central to the companies to benefit from the 2005 plan to invade Iran would have been the Carlyle Group headed by former Secretary of State James Baker III.17 The Carlyle Group already had substantial energy investments in the so called ‘Caspian Shield’ (discussed below) which can be seen as a major factor in preparing for the wars both in Afghanistan and Iraq. (Carew, 2001; Klein, 2007, pp. 274 and 317-381; Scahill, 2007) More recently, the interests of the Carlyle Group have come into collision with the efforts by gas producing countries to create a kind of ‘gas OPEC’ in which Iran would be a leading influence and player. The threat of war with Iran, in short, would seem to have very little to do with nuclear power or any alleged development of nuclear weapons as against the financial interests of the energy security companies.

**Iran and the Gulf Co-operation Council (GCC)**

With preparations for war with Iran now effectively in the public domain, it might be worth looking at the various other forces that might have a stake in such a conflict. Foremost among these are the states of the Gulf Co-operation Council (founded in 1982) with unfinished business with Iran since


Saddam Hussein fought a proxy war on their behalf in the 1980s.

Although Saudi Arabia was lobbying for military attacks on Iran as early as 2007 (wikileaks), events have been brought to a head by the spread of the Arab Awakening to Yemen – and, in particular, to Bahrain.\(^\text{18}\) While some GCC states (notably Qatar) have offered conditional support to the Arab Revolutions, others (like Saudi Arabia) resolved to crush the Arab Spring even before its spread to Bahrain. In particular, Saudi Arabia has taken a lead in misrepresenting democracy protests in Bahrain as both sectarian and Iranian-inspired and used a news blackout (ordered by Obama himself) to lead a GCC invasion of Bahrain, followed by a brutal crackdown, under the rubric of the Joint Special Operations Task Force.\(^\text{19}\)

Of equal significance to the GCC, however, has been the proliferation of private military contractors based first in Iraq and then throughout the Persian Gulf.\(^\text{20}\) In many ways, this is linked to the rise of the GCC with Halliburton (as an example) being based in Dubai and Erik Prince (cofounder of Blackwater) establishing Reflex Responses as a corporate Foreign Legion of ‘non Muslim’ contract brigades, also in the UAE.\(^\text{21}\)

More worrying, in the context of all this, is the importance of private intelligence agencies to the US President’s Daily Intelligence Briefings. (Scahill, 2007) As many of these companies are now based in the Persian Gulf or enjoy links to the energy-security industry, they may also have a

\(^\text{18}\) Caryle Murphy, ‘Wikileaks Reveals Saudi Efforts to Threaten Iran’, <www.globalpost.com> 29 November 2010.


\(^\text{20}\) Dr. Alexander von Paleska, ‘When the Regular Army Goes the Mercenaries Come’, at <http://oraclesyndicate.twoday.net/stories/3574697/>

vested financial interest in the destabilisation of the region and a future ‘war for profit’ with Iran. (Klein, 2007, p. 455)

An indication as to where this might be headed was provide by the role of Florida-based Project Vigilant (also involved in the entrapment of Bradley Manning) in the preparation for the Saudi invasion of Bahrain. Prior to the invasion, Project Vigilant ran fake IP Servers in the Persian Gulf, to entrap and identify Bahraini dissidents and also fed defective intelligence to the US government – exaggerating Iranian influence. This created the space for lobby firms to operate in Washington on behalf of the Bahrain regime. The US government then collaborated in a media blackout of Bahrain during which time private security contractors participated in the Saudi-led crackdown on the protests (in which Jordanian and Pakistani troops were also involved). This, again, was under the rubric of the Joint Special Operations Task Force–GCC. This recreated the role of British Special Forces as mercenaries in the Arab Protectorates of Yemen in the 1960s and for the Sultan of Muscat in the 1970s. (Halliday, 1974)

**The British government and war with Iran**

Superficially, David Cameron’s commitment to war with Iran, in 2012, looks like a carbon copy of Tony Blair’s commitment to war with Iraq in 2003. For Blair, war with Iraq was payback for US and corporate support (e.g. from Rupert Murdoch and the City of London) for his hijacking of the Labour Party in 1995. Blair then lied to the UK electorate over weapons of mass destruction in Iraq, and is widely regarded both as a war criminal and mass murderer. He has also since become a millionaire on the back of his role as US special envoy to the Middle East. However, it is unlikely that Blair knew in advance how the privatising of Iraq’s industries and dismantling of its state would lead to the sectarian violence that left the country in ruins.

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By contrast, David Cameron must have known in advance of the plans to seize Iran’s oil and public industries that have been developed (in the public domain) by the US State Department Office of Reconstruction and Stabilization since 2005. (Klein, 2007, p. 282) As regards the role of corporate mercenaries in the preparation for war with Iran, Cameron appointed right-winger Liam Fox as Minister of Defence precisely to pursue exactly the same kind of privatisation agenda pursued by Donald Rumsfeld at the Pentagon from 2000. (Klein, 2007, pp. 293-305) While Rumsfeld was saved from the Joint Chiefs of Staff by 9/11, it was this privatising zeal that led Liam Fox into an inappropriate relationship with lobbyist Adam Werritty that eventually cost him his job.24 Before Fox went, however, he oversaw the transformation of the Royal United Services Institute (the world’s oldest military think tank) into a key facilitator of military privatisation – particularly in the Middle East.25

**Shock and Awe – the sequel**

What kind of war is being prepared against Iran? As Barak Obama (who stands behind the bloodstained repression in Bahrain) has thus far shied from any military intervention in Syria, this is unlikely to be a war involving US and British ground troops – at least initially. Because of the sheer scale of British and US casualties that have arisen from the failed military interventions in Afghanistan and Iraq, the general public in these countries simply wouldn’t accept large numbers of soldiers returning from another Middle Eastern conflict in coffins and body bags. (Scahill, 2007) For the US to reintroduce the draft and fight a ground war on these terms


would not be politically feasible, even if the Pentagon (and Britain’s Ministry of Defence) hadn’t been outsourced and privatised to the bone. War with Iran would therefore be likely to take the form of massive bombardment from the air which, like Shock and Awe in Iraq, would be aimed both at the regime and at Iran’s civilian population – making it a war crime. (Ullman and Waire Jnr., 1996)

The above would have absolutely nothing to do with supporting any authentic democracy movement in Iran – ‘green’ or otherwise. These, after all, are Iranian citizens and would be bombed as well. Such a policy of bombardment would therefore (in all probability) be backed up by ground forces of the Mujahedine-e Khalq (MEK) who bear as much relationship to authentic Iranian democracy protests as do al-Qaida to the Arab Awakening. This could explain the big push from Washington, for which Statfor in particular has been lobbying, to legitimize the MEK in spite of its previous role in Saddam Hussein’s genocide of the Kurds.

But how big is the MEK? In all probability this would have to be reinforced by corporate mercenaries and by the kind of ‘contract brigades’ that Erik Prince has been talking about since 2007, before he stepped down as CEO of the re-branded Blackwater and established Reflex Responses (his corporate Foreign Legion) in the UAE. Indeed, preparations for war with Iran might explain why both Halliburton and Prince have relocated to the Persian Gulf at this time.

The GCC’s ambitions in the Persian Gulf – a user’s guide to history

Arguably, the GCC had a military rationale since its inception in 1982. (Mansfield, 1991) Formed during the Iran-Iraq War, it

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26 Tim Montgomerie, ‘Committee Warns That Defence Cuts are Causing Strategic shrinking’, (see note 24).
quickly endorsed Saddam Hussein in his efforts to seize territory east of the Shatt al-Arab. This would have provided Iraq with deep water anchorage for supertankers connected to the Iraqi oil fields by Soviet built oil pipeline. (Farouk-Slugglett and Slugglett, 1990, pp. 215-227) While retaining his own agenda, Saddam Hussein can thus be seen to have been a client of the GCC (at the very least) in his war with Iran. By contrast, the US was more ambiguous in its attitude towards the conflict until the al-Yamamah arms deal of 1985 – and especially after the Fao Peninsula fell to Iranian forces in the same year. (Miller and Mylroie, 1990, p. 127) The result of this was that the West, too, began supporting Saddam Hussein in his war with Iran.29

After 1985, US support for Saddam Hussein in his war with Iran went way beyond Donald Rumsfeld championing the Iraqi Ba’ath as the defenders of secular civilisation against Islamic Fundamentalism.30 The US reflagged Kuwaiti tankers, in the Gulf, and even ‘forgave’ the Iraqis when they accidently fired on a US warship. Had the Iranians done the same thing it is very doubtful that Washington would have been so understanding. They even launched a CIA spy satellite to provide intelligence on Iranian troop movements to Saddam Hussein. (Miller and Mylroie, 1990)

More grotesquely, the US provided Saddam Hussein with the means to create chemical weapons used against Iranian troops and (later) against Kurdish civilians at Halabja.31 A US war with Iran can therefore be seen as unfinished business from the 1980s and its proxy war against Iran from 1985.

The GCC and the first Iraq war

Arguably, all that undermined US plans for military aggression


Speaking on Al Jazeera’s ‘Inside Story’ on 9 November 2011, an Iranian academic made the point that Iranian civilians are still suffering from these attacks.
against Iran circa 1990 was the unpredictable actions of their ally/client, Saddam Hussein.

During the Iran-Iraq War the GCC had bankrolled Iraqi aggression but the conflict had left the Iraqi economy debt-ridden and in ruins. Now the GCC countries, who had studiously excluded Iraq from membership, wanted their money back. (El Najjar, 2001) Insult was added to injury when Kuwait and the UAE exceeded OPEC oil quotas and in the process drove down oil prices. This threatened to further destabilise the Iraqi economy and undermine the region’s capacity to pay its war debts.

For all that Iraqi defectors had revealed how Saddam had been mooting an invasion of Iran since 1986, the US continued to support Saddam as their regional enforcer in a world without the Shah. (Miller and Mylroie, 1990) To this end, both Britain and the US endorsed the formation of the Arab Co-operation Council (linking Iraq to Jordan, Egypt and Yemen) despite the fact that this was very obviously an arms procurement conduit for weapons of mass destruction. Indeed, MI6 colluded in the provision of components for the Iraqi ‘Babylon’ Supergun, disavowing its murdered agent Jonathon Moyle in Chile, and allowed British businessmen at Matrix-Churchill, who were MI6 agents, to be prosecuted.32 Echoes of this grubby incident have been invoked by the recent extradition (without due process) of retired British businessman Christopher Tappin to the US in 2012 on charges of supplying batteries (allegedly for weapons) to Iran.33

Therefore, when April Glaspie, the US ambassador to Iraq, said that the territorial dispute between Iraq and Kuwait was an ‘internal matter’, of no interest to the US, Saddam Hussein assumed that if he invaded Kuwait he would be allowed to get away with it.34 This he duly did on 2 August

33 ‘Christopher Tippin Extradition: Retired Businessman Arrives at Heathrow with Tearful Wife’, Huffington Post, 24 February 2012.
During the first Iraq War there were authentic mass uprisings both in Kurdish Mosul and in Basra, Southern Iraq, that were inspired by the rhetoric of George Bush Senior. In many ways, this anticipated the Arab Spring by 20 years and was highly instructive as to the western governments’ attitude to mass democratic protests in the Arab world. Because the GCC states (and particularly Saudi Arabia) opposed any democratic mass movement in the Persian Gulf, the uprisings were cynically abandoned to their fate. This amounted to a betrayal that caused outrage among several senior military figures, including Norman Schwartzkoff, who had played an impressive role in the liberation of Kuwait. It caused a good deal more resentment in Kurdistan and Basra.35

The Iraqi invasion of Kuwait was also used to quietly kill off the Shora (workers control) movement in most of the GCC countries, while the deployment of US troops in Saudi Arabia inadvertently provided a catalyst to the rise of al-Qaida. (El-Naijar, 2001) Although strategists at the National Defence University, from 1996, started drawing up plans for a renewed invasion of Iraq this was to be very different from the deployment of 1991. The title of the policy document, (later adopted by Donald Rumsfeld, ‘Shock and Awe: Achieving Rapid Dominance’, reveals that this was to be an invasion not in support of popular insurrection but against both the regime and the Iraqi population at the same time, (Ullman and Waire Jnr., 1996). As compared with Desert Storm, Shock and Awe was a completely different kind of invasion because it had a different objective – to pacify the Iraqi population ahead of the dismantling and privatisation of the Iraqi state with oil theft at its core. (Klein, 2007, pp. 329-332)

The Clinton interregnum

Admittedly, ‘Shock and Awe’ was considered a maverick piece of research when Clinton was in the White House. (Kline, 2007, p. 329) During the same period, while Halliburton made

money out of the military intervention in the Balkans, the activities of other private military contractors such as Blackwater (founded by ex-SEALS Erik Prince and Al Smith, also in 1996) were confined to training Special Forces and SWAT until Rumsfeld arrived at the Pentagon with his privatising agenda in 2000. (Klein, 2007, pp. 308-316) During the same period the al-Qaida bombing at the US embassy in Saudi Arabia (in which the Saudi General Intelligence Directorate were almost certainly complicit) was conveniently blamed on Iran. (Risen, 2006, pp. 178-179).

Meanwhile, as CIA station chief for East Africa, Cofer Black thought that it was much more important to track down Carlos the Jackal in Sudan – until two devastating attacks in East Africa in 1998. (Scahill, 2007)

While US neo-cons recruited Chalabi, the leader of the Iraqi National Congress, to help them discredit the CIA, the American Enterprise Institute, Cato and Heritage Foundation lobbied for the privatisation of the Pentagon. (Risen, 2006, pp. 73-76) During the same time (and in the run up to the US embassy bombing in Saudi Arabia) the Saudi General Intelligence Directorate consolidated its links with al-Qaida. (Risen, 2006, pp. 173-191)

As with the Taliban, these Saudi-al-Qaida links had their origins in the CIA’s covert war against the Soviet invasion of Afghanistan from 1980. Despite a concerted media campaign, in the UK to deny this, the evidence suggests that British mercenaries recruited through the 23rd Airborne, territorial SAS (otherwise known as R-Squadron) played a major role in this campaign and especially in training future Taliban and al-Qaida. (Carew, 2001) Much of what we know of this campaign comes from the publication of the memoir of one of the British soldiers involved, Philip Anthony Sessargo (writing as Tom Carew), who had served in the Royal Artillery before becoming a ’circuit mercenary’ with links to MI6, recruited to deniable operations through the territorial SAS, e.g. in Togo, the Seychelles and (later) in Afghanistan between 1983 and 1991. What made Sessargo’s book, with the controversial title of *Jihad*, so sensational was that it was published just weeks
before 9/11, leading to furious denials from both the Ministry of Defence and SAS that Sessargo had ever been in the regiment.36

Perhaps with an eye to the scandal surrounding Peter Wright’s *Spycatcher* in 1987, the government didn’t try to ban the book. But its claims that Sessargo was a ‘Walter Mitty’ smacked of previous campaigns to discredit whistleblowers from Colin Wallace and Fred Holroyd through to David Shayler. Also, if Sessargo were simply a fantasist, why (as Barry Wigmore of the *Daily Mail* claimed) was he ‘more hated than Bin Laden’, in the ranks of the SAS; and why had the MoD mobilised so many of its media contacts to discredit the story?37 When Sessargo was found murdered in a lock-up in Antwerp in 2009, the *Daily Mail* ran stories for days, claiming that Sessargo was a Walter Mitty and fantasist.38 In fact, all they proved was that he wasn’t a full time member of the 22nd Airborne Regiment. What they’ve not been able to answer is why, if Sessargo wasn’t even in the territorial SAS, is he buried in the SAS plot at St. Martin’s Church, Hereford?

The biggest covert operation in the CIA’s history, the Afghan campaign, was all about energy-security and geopolitics, in the days before such interests were outsourced and privatised through the involvement, e.g. of Halliburton and the Carlyle Group, in ‘the Caspian Shield’. Back in the mid-70s, Afghanistan was producing 275 million cubic feet of natural gas a day. During the Soviet occupation, Moscow estimated Afghanistan’s natural gas reserves at as much as five trillion cubic feet.39 It was this that precipitated the CIA operation in which Sessargo and the 23rd Airborne were involved, and which was made possible only because it had been bankrolled

36 As reported e.g. on BBC’s Newsnight and in *The Guardian*. See Owen Boycott, ‘Afghan book author “was never in SAS” ’, *The Guardian*, 15 November 2001 <www.guardian.co.uk/uk/2001/nov/15/books.september11>.
38 See for example <www.dailymail.co.uk/femail/article-1219325/My-dad-SAS-Walter-Mitty-How-Claire-mourned-fathers-death-seven-years-seeing-ALIVE-television.html>
39 <www.salaam.co.uk/themeofthemonth/december01_index.php?id=3>
by Saudi Arabia and other GCC States. Later, in 1998, following the collapse of the Soviet Union, the ‘Caspian Shield’ was brought into existence (with Carlyle at its core) to secure the oil pipeline from Azerbaijan to Turkey, through the former Soviet Caucasus, by keeping both Russia and Iran out of Central Asia. The Taliban, initially, were signatories to this and to a further deal involving Turkmenistan and Pakistan, to build a pipeline from Central Asia into the Indian subcontinent. In other words, when Sessargo wrote and published his book, the Taliban were considered allies not only by the Pakistani ISI and military (who were then the government) but by the energy-security industry in the West.

That the 1980s ‘dirty war’ in Afghanistan led to close ties between the Pakistani ISI and Taliban is a fact familiar to all security specialists. Much more sensitive, and generally unreported, are those between al-Qaida and Saudi Arabia’s General Intelligence Directorate (GID), as well as layers of the Saudi political elite, even before 9/11. (Risen, 2006, pp. 173-191). It was this much more thorny relationship for the US that found Cofer Black (the future architect of extraordinary rendition) downgrading the threat posed by al-Qaida when he was CIA station chief in East Africa in the 1990s. It also found the US embassy bombing in Saudi Arabia (which was probably carried out with the collusion of the Saudi secret police) accredited to Iran in a clumsy attempt to engineer a US invasion.

From 2005, Cofer Black ran Total Intelligence for Blackwater, which has spearheaded the US President’s dependency on private intelligence briefings. (Scnhill, 2007) After Erik Prince moved to the UAE (amidst renewed attempts to indict him for war crimes and tax evasion) Cofer Black took control of Blackwater, which was subsequently rebranded first as Xe Solutions and then Academi. Cofer Black is also, now, the foreign policy advisor to Republican presidential hopeful, Mitt Romney.

**Saudi Arabia, Bin Laden and the rise of al-Qaida**

In 1998, a credible CIA plot to abduct Bin Laden in
Afghanistan was scuppered by a combination of Saudi interference and opposition from the Pentagon. Three months later, al-Qaida suicide bombers carried out devastating terrorist attacks in Nairobi and Tanzania – despite Cofer Black downgrading the threat. This led to arbitrary air strikes against Sudan by the Clinton administration, even though Bin Laden was no longer in the country.

According to *New York Times* journalist, James Risen, shared intelligence between the CIA and Saudi GID continued to routinely find its way into al-Qaida’s hands. During the same period the National Security Agency (Fort Meade, Maryland) refused to share intelligence with the GID because of its historic and ongoing links with al-Qaida. (Risen, 2006, pp. 173-191). As an example, while head of Saudi intelligence, Prince Turki al Faisal enjoyed cordial relations with Bin Laden. He was then appointed ambassador to the US. In other words, the American intelligence community had hard evidence of al-Qaida’s Saudi Arabian links even as they were brought under pressure (in the fallout from 9/11) to link al-Qaida to Iraq.

Further evidence of Saudi intelligence collusion with al-Qaida persisted in presenting itself even as members of Bin Laden’s family were flown out of the US (on special flights) following 9/11. In particular, when Abu Zubaydah (a top Bin Laden confederate) was captured in Pakistan, in March 2002, he was in possession of credit cards and financial documents tracing al-Qaida back to Saudi Arabia. In the preparation for the invasion of Iraq this source of intelligence was ignored and, when later requested of the Saudis by the FBI, had been destroyed. Finally, when Abu Zubaydan was taken to an interrogation centre in Thailand, he revealed the full extent of his links to Saudi intelligence.

As with the non-existent WMD in Iraq, CIA staff who continued to investigate the official Saudi links to al-Qaida found themselves at best ignored and in many cases faced the ruin of their careers. *New York Times* journalist, James Risen, has since been threatened with prosecution (under the Obama administration) for revealing this fact.
The History of outsourced warfare as outsourced terrorism

Although mercenary armies have historically formed a part of both British and American covert policy, they were not an integral part of either nation’s ‘total force’ before the Bush administration placed Cheyney, Rumsfeld and Wolfowitz in charge of national security. (Scahill, 2007)

During the Yemen and Oman conflicts of the 1960s and 1970s, British military personnel were ‘transferred’ to the private sector and part-financed by ARAMCO (the Arabian American Oil Company) in what would nowadays be called ‘deniable operations’. (Halliday, 1974) Parallels between this situation and that in latter day Bahrain were revealed in The Observer on 29 May 2011 and have ominous implications for the situation throughout the Persian Gulf. More recently, Wired magazine has revealed how the sub-contracting of British troops as mercenaries to the Sultan of Muscat and South Yemen ‘protectorates’ in the 1960s and 1970s has been replicated by the Joint Special Operations Task Force–GCC. Like its predecessor, this brings together serving US Special Forces, mercenaries and locally recruited forces of the GCC states.40

Historically, British mercenary organisations were divided between those with links to the Foreign Office (and MI6) and those which were totally freelance. The former were always described as being part of ‘the circuit’, and, in many ways, this intimate relationship between military entrepreneurship and Britain’s secret state can be seen to have its origins in the Arabian Peninsula and Persian Gulf. (Dorril, 1993) Certainly, this would seem borne out by ‘Tom Carew’s’ memoir in 2001.

Notable state sanctioned mercenaries of the 1970s included David Stirling’s Watchguard International, the Knightsbridge-based initiative of the founder of the SAS.

Of course, not all mercenaries in the 1970s were state linked. Colonel Callan’s notorious FNLA mercenaries in Angola

are an obvious case in point. However, there remained a persistent stream of Special Forces trained mercenaries involved in state-sanctioned covert operations from those in Togo and the Seychelles in the 1970s through to the Saudi-sponsored covert operation in Afghanistan that gave rise to the Taliban and al-Qaida. In keeping with the entrepreneurial spirit of David Stirling (that dates from the Long Range Desert Patrols during World War II) it was the 23rd Airborne Territorial SAS in Hereford that provided the main recruitment conduit for these state sanctioned covert operations. Again, the memoir of ‘Tom Carew’ would seem to confirm this.

**Outsourced state terrorism and the contras**

The link between British Special Forces and military privatisation partly entered the public domain in the Iran-Contra Affair. In 1983, Margaret Thatcher was returned to office with an increased majority only because of the Falklands’ War. But victory in that war carried a price. Britain won the Falklands War because of signals intelligence provided by the CIA from its listening posts in Pinochet’s Chile. As payback, US President Ronald Reagan expected the British to involve themselves in covert support to the Contra terrorists in Nicaragua. Part of Britain’s support for the Contras involved a private security firm called KMS, based in the South of England, and run by a former SAS Officer and Tory councillor. According to Granada TV’s World-in-Action, this was the British-based security company which bombed Managua Harbour during the first phase (Northern Command out of Honduras) of the Contra War. (Dorril, 1993).

Later, a much more clandestine ‘second phase’ of the Contra War was waged by the Southern Command out of John Hull’s ranch in Costa Rica. (Cockburn, 1987). This involved a much more systematic outsourcing and privatisation of the conflict under the rubric of the Situation Group of the Reagan White House’s National Security Council. This was led by Oliver North, Admiral Poindexter and Richard Secord and was known as Civilian Military Assistance (CMA).

In many ways, the origins of contemporary corporate
warfare lie with CMA in Nicaragua. Most of the mercenaries who fought for the Contras under the rubric of CMA were right-wing Cubans or members of Latin American death squads – exactly like Erik Prince’s Reflex Reactions today. Prince therefore builds on a legacy whereby the US, by the 1980s, had become the biggest exporter of terrorism (and certainly of outsourced terrorism) in the world.

Because of a Congressional ban on ‘Contra aid’, the dirty war was financed by drug trafficking (as in Afghanistan) and (to a lesser extent) by the sale of weapons spares to Iran before the fall of the Fao Peninsula in 1985. (Coleman, 2010).

Some British mercenaries were also recruited to Oliver North’s rogue operations that were to include a ‘false flag’ bombing of the US embassy in Costa Rica. (Cockburn, 1987). The only reason this never went ahead was North’s downfall in the Iran-Contra scandal. This broke into the public domain after the fall of the Fao Peninsula to Iran and after the Sandinista authorities paraded captured US mercenaries on TV. (Coleman, 2010) In leaking details of Iran-Contra to a Lebanese newspaper, the Pentagon’s Defence Intelligence Agency sought (successfully) to depose Oliver North and bring to an end his renegade activities in Lebanon that had increased the kidnappings of foreigners in and around Beirut (beginning with William Buckley of the CIA). The resulting inquiries by the Kerry and Tower Commissions concentrated on the sale of weapon sales to Iran, to fund the Contras, allegedly in exchange for hostage releases in Lebanon, but played down the flood of cocaine coming openly into the US through Fort Lauderdale on US military flights to finance the terrorist campaign of the Contra terrorists in Nicaragua.

There is no evidence that British mercenaries recruited to false flag operations out of John Hull’s ranch were part of ‘the Circuit’. In contrast to KMS and the Managua Harbour bombing, there is nothing substantive to trace these atrocities back to the British state. As we’ve seen, the same can’t be said of the involvement of 23rd airborne mercenaries fighting for what became the Taliban and al-Qaida in Afghanistan. Arguably, the reason why Bin Laden had to be killed (rather
than captured) by SEAL team six in Pakistan in 2011 was because a trial would reveal the extent of his connection to Saudi intelligence and the Saudi political elite, before and after 9/11, at a time when Saudi Arabia and the GCC are bankrolling more outsourced mercenary campaigns in the region.41

**From CMA to Halliburton – outsourced terrorism goes corporate**

In the state sanctioned terrorist campaign against Nicaragua, known as Civilian Military Assistance, one sees the origins of the ‘Halliburton approach’ to privatised warfare as a corporate endeavour, as it was allowed to develop under the Bush administration from 2000.

As with CMA itself, this ‘Halliburton doctrine’ was initiated by protégés of Henry Kissinger and veterans of the Phoenix Program in Vietnam. (Klein, 2007, p. 316) While held in check by the discrediting of Oliver North in the Iran-Contra hearings, these neo-cons (as they became known) later rose to prominence within and through the George W. Bush administration. Core to the agenda of this ‘Halliburton group’, from Iran-Contra onwards, was the dismantling of the CIA, part privatisation of the Pentagon and militarisation of the State Department. All of this happened in the aftermath of 9/11 and forms the backdrop to the rise of corporate mercenaries as an integral part of the US ‘total force’. (Scahill, 2007)

**Privatising homeland security**

On September 10, 2001, Donald Rumsfeld’s job as Secretary of State was on the line for his damaging attacks on the Pentagon’s bureaucracy and fundamentalist pursuit of a privatising agenda.42 But the twin tower attacks of the following day were a godsend and openly acknowledged ‘opportunity’ to the neo-cons in office in other ways. Even as

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41 Serving Aegis mercenary in Afghanistan to the author.
42 For that privatisation agenda, see Donald Rumsfeld, ‘From Bureaucracy to Battlefield’, Speech to the Pentagon, September 10, 2001 <www.defense.gov/speeches/speech.aspx?speechid=430>
preparations were drawn up for the invasion of Afghanistan and Iraq a huge ‘homeland security industry’ began to proliferate in a corporate sector involved in outsourced repression. (Briody, 2004)

Because of the boom in the homeland security industry, the neo-cons became seduced by their own rhetoric that war with Iraq could be outsourced, waged for profit, and still be a military success. (Risen, 2006, pp. 134-135). Thus war with Iraq was being billed as a ‘war to remake the world’ along free market lines, even as Rumsfeld ignored advice on how the war in Afghanistan might best be fought. One result of this was that, having pacified the civilian population and circumvented any democratic forces on the ground, Rumsfeld cut so many corners in the invasion of Iraq there weren’t enough troops to stop foreign fighters flooding into the country through the porous border with Syria.

Under George Bush Senior, the privatising zeal of the neo-cons had been held in check and figures such as Cheyney and Rumsfeld (both protégés of Henry Kissinger and Milton Freidman) had to ‘cool their heels’. Even James Baker III (Bush Senior’s Secretary of State and a one time friend of Hafiz Asad in Syria) had been more of a pragmatist than an ideologue during the first Iraq War. So, too, was George Bush Senior – until he became a board member of the Carlyle Group.

The Carlyle Group and the Caspian Shield

Linked to both Halliburton and Gazprom, Carlyle was involved in both energy production and ‘energy security’ in the former Soviet Caucasus and Central Asia. This was the region later referred to as ‘the Caspian Shield’ from 2001.

Baker’s law firm (in Texas) later got Kuwait to wave its compensation claim against Iraq (a necessary precondition for the 2003 invasion) in exchange for Kuwait investment in the Carlyle Group. (Klein, 2007, pp. 317-318) Under the pretext of defending the oil pipeline from Azerbaijan to Turkey (to which Iranian influence was seen as a threat) the establishment of the Caspian Shield involved the deployment of corporate mercenaries in the region. Almost a decade before the Arab
Spring, these mercenaries were also involved in the repression of democracy protests in Central Asia. (Scahill, 2007)

The security companies also established a network of ‘black sites’ that were later central to the rendition and outsourced torture strategy initiated by Cofer Black at the CIA. The same sites, operated for profit within the Caspian Shield, may also be strategically placed to service military incursions in Iran both by MEK terrorists and mercenaries.

**The dawn of the corporate mercenary – Britain and the US**

The most significant and high profile private army to rise to prominence during the war on terror was Blackwater, founded in 1996. As we have seen, while Bill Clinton was in the White House the activities of Blackwater were confined to the training of Special Forces and SWAT at its vast facility in South Carolina.

The transition from ‘the Circuit’ to corporate mercenary warfare in the UK was no less controversial. Here, the British equivalent of Blackwater was Tim Spicer’s Sandline which also operated as Executive Outcomes in South Africa. In keeping with the entrepreneurial spirit of David Stirling, these organisations recruited former British Special Forces and those of the South African Defence Force under apartheid. Its unique selling point was that it fought wars in exchange for mineral concessions e.g. in Angola and (most controversially) in Sierra Leone.

On coming to power, New Labour championed the role of these new corporate mercenaries. In an interview in *The Independent*, Jack Straw emphasised that they were quite different from Colonel Callan’s cut-throat mercenaries in Angola in the 1970s. The sanitised public image was tarnished, however, when Sandline were implicated in a bungled military coup plot in Equatorial Guinea linking Simon

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43 <www.sourcewatch.org/index.php?title=Executive_Outcomes>
44 <www.independent.co.uk/news/world/politics/mercenaries-may-be-peacekeeping-force-says-straw-660502.html>
Mann of Executive Outcomes to Mark Thatcher. This should have been seen as an ill omen for future efforts to conduct foreign policy through corporate mercenary warfare.

Although British military support to the 2011 revolution in Libya was both grudging and minimal it seems that many of the ‘military advisors’ to the Libyan revolutionary forces were, in fact, private contractors employed by Aegis and its subsidiaries – Sandline and Executive Outcomes. With Sandline at its core, and links to the Royal United Services Institute, Aegis is effectively the ‘British Blackwater’ and had replaced Erik Prince’s corporation (now run by Cofer Black) as the main mercenary army in Iraq, when Blackwater were eventually expelled from the country in 2007. Following disclosures that Aegis mercenaries had also murdered civilians in Iraq (and have been shown on YouTube doing it) Aegis has moved its headquarters to Switzerland and reverted to calling itself Executive Outcomes in the UK.45

During the early stages of the Libyan revolution, when the National Transitional Council still wasn’t recognised in the UK, Tony Buckingham of Executive Outcomes lobbied Tory politician Christian Sweeting for a group of Libyan insurgents to be hosted in the UK.46 This followed the cynical abandonment of the original revolutionary leadership in Benghazi to Qaddafi’s forces, and was at a time when Liam Fox was being reprimanded (by the military leadership and RUSI) for seemingly advocating regime change in Libya – a possible factor in his subsequent downfall. During this period, the further the insurgents pushed west towards Tripoli the less support they got from the West and many in the Tory Cabinet were mooting a partition of Libya at the time.47

Tony Buckingham’s company, Heritage Oil, which is based on Sandline’s ‘war for concessions’ policy in Africa, has since become one of the first companies to cash in on oil.45 See <www.sourcewatch.org/index.php?title=Aegis_Defence_Services>

46 ‘Heritage Oil chief recruits former Tory candidate for access to Libya’s reserves’ <www.guardian.co.uk/business/2011/nov/13/oil-commodities>.

47 Patrick Wintour and Nicholas Watt, ‘Cameron’s War: Why PM felt Gaddafi had to be stopped’, The Guardian, 2 October 2011.
privatisation in post-revolutionary Libya. It may also be behind a developing ‘separatist agenda’ in the East of the country, exploiting tribal divisions between armed militia groups and distrust of Jabil’s National Transitional Council government in Tripoli.

There may also be a connection between the activities of Aegis and Heritage Oil in Libya, and the murder of rebel commander General Younes, ahead of the rapid and largely unexpected fall of Tripoli (aided by the Western Military Front, armed by the GCC out of Tunisia, mostly without NATO’s knowledge).

In this way (while in no sense detracting from the legitimacy of Libya’s revolution) Heritage Oil brings full circle the hitherto shady and marginal strategy of Sandline and Executive Outcomes, in a corporate form that is fully endorsed by the British government and state.

Heritage Oil has a highly controversial background in Africa, precisely because it builds its oil deals directly on the back of its ‘security consultancy’ role. The company is also involved in oil and gas production in Iraqi Kurdistan, where it also builds on its ‘security role’ running Iraqi intelligence from the Green Zone (and providing a significant portion of the mercenaries in the country) while also pushing a separatist agenda in Iraqi Kurdistan itself.

Forced to sell its Ugandan assets amidst accusations of wholesale tax evasion, Heritage Oil were looking for new investment opportunities when the Libyan revolution began. With Aegis and Reflex Reactions mercenaries now allegedly in Syria, what implications does this have for any future conflict with Iran?

Conclusions

US and British state policy towards Iran does seem geared towards provoking an Iranian closure of the Gulf of Hormuz, thereby legitimising war with Iran. In this way, the US administration has come into conflict with the Israelis for whom military aggression with Iran is all about the latter's

For the energy security companies, their lobbyists and right-wing media allies, war with Iran has never been about nuclear proliferation – this is simply the excuse. Rather, the western-corporate drive for war with Iran is about the oil and gas resources of the Persian Gulf, the plunder and privatisation of Iran’s state-run industries (as happened after the Shah was imposed by the West in 1952) and the dashing of Iran’s ambitions to create a ‘gas OPEC’ that runs counter to the interests of Halliburton and Carlyle Group. But for the interests of these forces to be fully served, war has to come through the closure of the Gulf of Hormuz. Why?

Alex Jones of infowars.com isn’t the only person to draw parallels between the strategy of the Joint Special Operations Group–GCC in the Gulf of Hormuz and Gulf of Tonkin incident that led to the Vietnam War. Further parallels with Iraq have meantime surfaced with the extradition, without due legal process, of a retired British businessman accused of arms deals with Iran to Texas, where private intelligence agency Stratfor has also been pushing the fiction of an Iranian plot to assassinate the Saudi ambassador in Washington. The parallels with the Matrix-Churchill affair in Britain in 1990 are obvious.

When plans to invade Iran were first drawn up in 2005, Rumsfeld even mooted using Navy SEALS in false flag attacks on US shipping to trigger conflict in the Gulf of Hormuz. This is because the Gulf of Hormuz is core to the US energy-security-industry’s plans for the whole of the Persian Gulf, and not just Iran. At its simplest, the GCC now exercises limited but significant independence from a declining US imperialism in the region (e.g. in supporting revolution throughout Libya and also in Syria, which the West doesn’t want); and forcing the Iranians to close the Gulf of Hormuz would make the GCC states once more dependent on the West for security. Ergo, it brings them into line, and leads to the deployment of ever more corporate mercenaries in these countries to keep them in line.
Even a superficial study of the facts suggests that plans to invade Iran predated the war(s) in Iraq. At the same time, evidence as to how such a war might be fought are revealed in the bungled war for profit that dismantled the Iraqi state and wrought sectarian devastation on the country. Further worrying factors on the road to war are the further entrenchment of corporate interests in the US and British militaries as well as the GCC and Saudi Arabian response to the Arab Spring – especially in Bahrain.

While Saudi intelligence links to al-Qaida formed a factor in the road both to 9/11 and war in Iraq, the Obama administration relies increasingly on corporate mercenaries and intelligence gatherers, as well as the terrorists of the MEK. In this way, a tragedy of history seems poised to repeat itself in deadly farce.

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The two Goulds

Robin Ramsay

In ‘The crisis’ in issue 62 of Lobster I referred to the economic debate during the Labour Party’s policy review, which produced the Meet the Challenge, Make the Change document in 1989. On page 6 of that are these sentences.

‘The Conservatives are the party for the City. We are the party for industry and, like the governments of our competitors, we will form a government that helps industry succeed.’

This is the last time a major British political party suggested opposing the City of London. My treatment in issue 62 was a sketch. Here is some more detail.

The back story

Without seeking to confront the overseas lobby – the City-Bank of England-Treasury-Foreign Office nexus of the period – the Wilson, Callaghan and Heath Governments between 1964 and 1979 tried to create an alliance of domestic interests – unions, state and employers – to manage the domestic economy. The Labour governments’ problems were that Labour was too closely identified with the trade unions; and a significant minority of its members, MPs and trade union supporters were socialists who did not approve of working with capital, domestic or otherwise. Heath’s difficulties were that his party was identified with the financial and overseas apparatus in London; and a significant minority of his party, some of its financial backers and some domestic capital wanted to destroy unions, not work with them. Consequently, for both parties what became known as corporatism or the
producers’ alliance proved difficult.\(^1\)

Mrs Thatcher briskly resolved these difficulties by declaring trade unions ‘the enemy within’, abandoning the domestic economy, and giving the financial/overseas sector what it wanted in the 1980 budget: the abolition of exchange controls, high interest rates and no controls on lending.\(^2\)

This had predictably and predicted disastrous consequences for the domestic manufacturing economy. The beginning of all our present economic troubles is here, with that budget: this is when the first group of bankers were set free from the constraints of civil society.

In very broad strokes, the Labour left then divided on economic policy. The Bennite left had adopted the so-called Alternative Economic Strategy (AES), essentially a kind economic national socialism. In the deep recession of 1981/2 the City-versus-industry thesis spread in the Labour Party and some of the non-Bennite, non-socialist left – the so-called soft left – began considering controlling the City in the interests of the domestic manufacturing economy.

Neil Kinnock, party leader after 1983, chose as his economic advisor the Cambridge economist John Eatwell. In 1982 Eatwell had written and fronted a BBC TV series,

\(^1\) In most other European countries what we might call the Heathite Conservatives and the centre-right of the Labour Party would have long since formed a third party, a social democratic party, and consigned the Tory free marketeers and the Labour Party’s socialists to the fringes. It is a measure of the power of tribe and class in this society that this had not happened before Roy Jenkins was finally persuaded to try in 1981 with the SDP. Jenkins was the key figure in the ‘gang of four’ in my view; and people around him had been trying to get him to form another party for the previous decade.

\(^2\) It is unclear to me if this is what Mrs Thatcher thought she was doing. (It certainly isn’t what she has written that she thought she was doing.) Like most politicians, her grasp of political economy was slight. It is frequently said that Mrs Thatcher did not care greatly about the working class unemployment she created: she was punishing them for supporting the left. Mrs Thatcher was in most senses a strange throwback to the 1930s, someone who had been barely touched by the great currents of social change and thinking of the 20th century. The figure she reminds me of is Dorothy Crisp, founder of the British Housewives League in the 1940s. Crisp has a Wiki entry.
‘Whatever happened to Britain?’ 3 This was in the tradition of analyses, going back to the 1950s, bemoaning Britain’s relative economic decline; but it was unusual in laying the blame at the door the City of London and its dominance of British economic policy making. Even more unusual from today’s perspective was getting to say this on the BBC. But it was 1982 and ‘Thatcherism’ was not yet triumphant. Thatcher was then the most unpopular prime minister since records of such things were kept; her government’s central economic policies were failing; but for the creation in 1981 of the Social Democratic Party, the Conservatives were going to be replaced by a Labour government at the next election; and the BBC’s upper echelons had not then swallowed the managerialist baby-talk which dominated it for the succeeding 30 years.

As others had before him, Eatwell argued that the recovery of the British economy centred on the reconstruction of manufacturing; and that this entailed the adoption of something like the German or French relationship between manufacturing and finance capital.

‘The experience of France, Germany and Japan since the war teaches us that a successful reconstruction policy requires some system of central direction and co-ordination, and in market economies this means some form of direction of flows of finance....The crucial point is that the interests of the financial community should be subjugated to the interests of the manufacturing

3 The series was followed by a book, *Whatever Happened to Britain?*, (London: Duckworth/BBC, 1982). Neither the book nor the TV programme is referred to in the bibliography on Eatwell’s Wiki entry, which I presume was written if not by Eatwell, certainly with Eatwell.

On his Cambridge University web page Eatwell writes:

‘From 1985 to 1992 John Eatwell served as economic adviser to Neil Kinnock, leader of the British Labour Party, and was responsible for much of the work that led to a substantial re-alignment of the Labour Party’s economic policies.’

<www.jbs.cam.ac.uk/ research/faculty/eatwellj.html>

By ‘realignment’ he means moves away from his thinking in *Whatever Happened to Britain?* towards neo-liberalism. I e-mailed Eatwell about this change on his part but did not receive a reply.
In 1986 Eatwell’s views hadn’t changed: Neil Kinnock’s book that year, *Making Our Way*, which said the same sorts of things, was at least partly written by Eatwell.\(^4\)

**Bryan Gould**

Bryan Gould MP also shared these views. A New Zealander, Gould had been a Rhodes Scholar, an Oxford don, a TV journalist and a diplomat.\(^6\) This was an exotic combination in the Labour Party of the time. Equally exotic, he understood British political economy.

Gould had been one of the successes of Labour’s 1987 election campaign and topped the poll of MPs for election to the Shadow Cabinet that year. After the 1987 defeat, the party began a full-scale policy review. Neil Kinnock appointed Gould chair of the committee dealing with the economy, industrial strategy and public ownership. This group included Gould’s researcher Nigel Stanley, John Edmonds of the GMB union, Gordon Brown and newly elected MP, Ken Livingstone. John Eatwell, Neil Kinnock’s advisor on economics, attended ‘as an observer and as a link between the committee and Neil’s office.’\(^7\) Gould welcomed John Eatwell’s presence at the group because he assumed that Eatwell – and Kinnock – thought as he did. Gould’s team commissioned 75 papers on the British economy, and produced a radical critique, emphasising the damage done to it by the dominance of the City.\(^8\)

But this was not what the party leadership then wanted

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4 Eatwell p. 159 and 160
5 One of the entries in the index to Neil Kinnock’s papers reads: ““Making Our Way”: draft. Draft text by John Eatwell [Economic Adviser to NK] of the first two chapters, with notes, synopsis and some correspondence with the publisher.’ See item 9 at <http://janus.lib.cam.ac.uk/db/node.xsp?id=EAD%2FGBR%2F0014%2FKNNK%206F1>
6 He was in the Brussels embassy in 1966-68. He was not impressed. See his *Goodbye to all that*, (London: Macmillan, 1995) pp. 72-75.
7 Bryan Gould, *Goodbye to all that* p. 205.
to hear. The election defeat of 1987 – the third in a row – had changed the minds of Kinnock and his close advisors and radical economic thinking was out. But what the Soviet Union’s strategists used to refer to as ‘the balance of forces’ within the party meant that this could not be stated openly at the time. Instead Neil Kinnock tried to get the paper changed on the q.t.. He sent a delegation of Eatwell, Gordon Brown and Tony Blair – an early sighting of the Brown-Blair tandem – to see Gould the day before his committee’s document was going to the printer.\(^9\) Gould was:

‘extremely irritated at this last-minute *démarche*. I was not clear what Tony was doing there, since he was not a member of the relevant committee. Gordon and John had had every chance to make their views known at meetings yet had chosen to say nothing.’ \(^{10}\)

The economics prof and the two young ‘modernisers’ were rebuffed by Gould; but the party leadership did get the paper watered down prior to publication as a section of *Meet the Challenge, Make the Change*; and that was pretty quickly dumped into the recycling bin as actual – as opposed to theoretical – policy-making returned to the leadership group, guided by opinion polling and focus groups.\(^{11}\)

At the time the pressing political economic issue was UK membership (or not) of the EU’s Exchange Rate Mechanism (ERM). Gould notes that by the middle of 1988 – before the publication of *Meet the Challenge, Make the Change* –

‘it was clear that powerful figures in the Shadow Cabinet and in Neil’s office were keen to change the party’s policy on the Exchange Rate Mechanism. John Eatwell, in particular, but with strong support from John Smith and Gordon Brown, was convinced that the party lacked credibility on counter-inflationary policy. What he wanted to to do, in effect, was to reassure the City and other critics that they need have no fears about inflation under

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9 Hughes and Wintour (see note 8) p. 132
10 Gould (see note 7) p. 209
11 Peter Mandelson and focus-group guru Philip Gould were among those then advising Kinnock.
a Labour government since monetary policy would no longer be under the control of government but would be contracted out to an independent mechanism.’

Gould attended a meeting of the parliamentary party’s economic subcommittee and warned that if the party supported ERM membership:

‘we were in danger of repeating the mistakes made by so many of our predecessors. If we were to commit ourselves to the ERM, we would not be waiting for the City to shackle us. We would in effect be offering up our wrists in advance for the application of the handcuffs.’

Gould won the economic argument that day but ERM membership was embraced. The issue had ceased to be about economic policy and Gould, anti-the City and anti-the European Union, was paddling against tides with which the leadership had decided to swim.

A few months later, a year after topping the poll in the Shadow Cabinet election, Bryan Gould was removed from Labour’s economics team, the first shadow cabinet casualty of the leadership’s new embrace of ‘modernisation’ – economic orthodoxy in the pursuit of electability.

On Gould’s account, the deputation of Brown, Blair and Eatwell had objected:

‘in particular to what remained of any commitment to return privatised industries to “some form of public ownership” and to the formula agreed for purchasing the 2% shareholding in British Telecom which would give a Labour Government a majority shareholding.’

In his version of this period from the ‘moderniser’ side of things, the pollster/PR adviser Philip Gould saw the Bryan Gould committee-inspired economic policy of this period this way:

‘We were stuck with “functional interventionism”, “social ownership” (a euphemism for back-door nationalisation), and a commitment to retake majority ownership of British Telecom and totally renationalise the water

12  Gould (see note 7) pp. 216/7
industry. A highly interventionist supply-side strategy was still regarded as the only key to industrial recovery.’ (emphasis added)13

Philip Gould felt ‘stuck with’ all this ‘old Labour’ stuff because in 1988 his focus groups still perceived Labour as it had been portrayed in the 1970s, the source of strikes, chaos and economic incompetence.14

The big lie

This story of Labour incompetence and union dominance has been at the heart of the British political narrative since 1975.15 The great inflation of the 1970s and the conflict it produced with the unions was the first really big bump in the economic road since 1945, and the Labour Party allowed the Conservative Party and its supporting media to produce a false narrative about the decade, which blamed the unions and the party they funded.

The true story was that there was a world-wide rise in inflation which caused problems for all the social democracies in Europe (all the sitting governments were toppled by the inflation of the 1970s); a situation which the Heath government made worse by making a ‘dash for growth’ prior to joining the EU, allowing the banks unlimited lending, and thus creating a credit bubble. By the time of the Labour government of February 1974 inflation was approaching 20%.

14 That is if you believe in the legitimacy of focus groups in general (I don’t: the groups are too small and open to manipulation) and these in particular. I know a man who was in a focus group. To make up the required demographic of the group, a childless Labour Party member, he was asked to be (if I remember the details correctly) a Lib-Dem-voting single parent.
15 Kitty Ussher, briefly Economic Secretary to the Treasury in the Brown government, wrote in a recent essay that Labour had to get ‘permission’ from the City because of ‘the perceived failure of Labour’s economic record of the past’.(http://laboursbusiness.org.uk/h/2012/03/23/shaping-the-city-reforming-financial-services-to-encourage-enterprise-kitty-ussher/) That ‘past’ is Wilson and Callaghan, over 40 years ago. I discuss Ms Ussher’s paper in more detail in ‘The View from the Bridge’ in this issue.
Unions exist to defend their members’ incomes and, as inflation rose, they began submitting inflation-equaling or -busting pay claims (how could they not?) and the inflationary spiral began. Heath’s dreams of a German-style social compact with the unions (to accompany EU membership) were destroyed by the inflation he helped to create.

Why did the Labour Party accept the false narrative of the 1970s? There’s an interesting bit of research to be done here, because I don’t know and can think of no discussion of this. If I had to guess, to give an impression, I would say it was a bit of several things. Some – maybe most – of Labour’s leadership in the post 1979 period simply didn’t know enough about political economy to sustain a coherent position under the kind of pressure they would have received from the media, had they challenged the dominant narrative. Few of Labour’s leaders had ever been willing to challenge any dominant narrative – e.g. on defence – not least because such challenges were perceived by them to be left-wing and they did not want to be contaminated by such an association. And underlying all this was the belief that society’s dominant narratives – patriotism, Queen, country, armed forces, nuclear weapons, NATO; and all that those entailed – were fixed; to challenge them was electoral suicide; the ‘Tory press’ and the Tory Party would have a field day. Gerald Kaufman’s famous description of the 1983 election manifesto as ‘the longest suicide note in history’ comes to mind. Maybe this is true; but since no Labour leader has ever had the courage and/or intellectual competence to make such a challenge, there are no examples to consider. The nearest we have is Neil Kinnock’s brief, fumbling attempt at presenting a unilateral disarmament nuclear policy, which he quickly abandoned under pressure.

16 And so, immediately, does the thought, as has been discussed in these columns before, that the ‘suicide note’ itself is part of the false narrative of the times. For the manifesto was the left’s plans unchallenged by the right and centre in the normal process of manifesto drafting. For the right had decided that since Labour was going to lose the 1983 election (the Falklands effect and the existence of the SDP) they would let the left have its fantasy manifesto and be defeated once and for all by the electorate. Tactical defeatism.
Finally, it is my impression that many of the people who came to be identified as New Labour basically believed the dominant narrative which said that the unions did the damage in the 1970s and Mrs Thatcher was right to attack them. (Tony Blair certainly did.)

A central part of New Labour’s ‘project’ was to reduce the contamination caused Labour by its financial links to the trade unions and replace their funding. Hence the existence in Labour Party headquarters during the Blair years of the High Value Donor unit which collected the money from the rich.

**Not being Neil**

Leading a political party through major ideological changes is difficult. Labour’s abandoning of Keynesian social democracy fell to Neil Kinnock. In his account of the years before and after the 1987 election, Philip Gould – the ‘moderniser’, pollster Gould – portrays Neil Kinnock, under fire from the media, as stressed, anxious, self-doubting. Some of this was caused by him trying to be something he could not then be.

During the 1987 general election campaign I was in a room in ITN’s building in London one day, while in another room in the building Neil Kinnock was filming a live Q and A session with a studio audience. This was being shown on a TV in the room I was in. Kinnock had his prime ministerial face on. He was stiff and formal: trying not make a mistake, trying to remember the lines, trying not to be Neil Kinnock. In the wings, off-camera, was Patricia Hewitt, one of his media advisors.

Kinnock was dull; the audience was bored; the half-watching ITN journalists were bored. (Patricia Hewitt looked pleased: no blobs.) Then a voice announced that they had ceased recording and everyone relaxed. Kinnock undid his jacket and carried on the Q and A with the audience. Off-air Kinnock was relaxed, confident and witty. The Neil Kinnock, for whom I had voted as leader of the party in 1983, reappeared. And in the wings Patricia Hewitt was agitated, trying to get him off-stage, because ‘old Neil Kinnock’ was on the loose and God knows what he might say.
The story of the two Goulds – the ascent of the ‘moderniser’, PR man Philip and the decline of the economic nationalist Bryan – symbolises and summarises the conflict at the time within the Labour Party. After the report of the (Bryan) Gould committee, in a series of little steps Labour’s leadership inched towards ‘respectability’ – the neo-conservative, ‘Washington consensus’ – while loudly proclaiming to its members that nothing was going on.

Philip Gould’s PR perspective prevailed and once again Labour policy came to be determined by small groups in back-rooms; but not by the trade union leaders of old but by the members of focus groups, feeding back impressions of politicians conveyed to them by the mass media.

Bryan Gould stood for leader of the party after the 1992 election loss, was defeated by John Smith and departed soon after for New Zealand.

Postscript

In his memoir Bryan Gould suggests without actually quite saying so, that he was the only one of the senior members of the Shadow Cabinet at the time who understood the economic story. Having returned to New Zealand in 1994, he wrote this in the Guardian:

‘I remember [Gordon] Brown addressing the Parliamentary Labour Party on the great advantages of joining the ERM [Exchange Rate Mechanism], using arguments I knew to be erroneous. He suggested that by fixing the parity within the ERM, we would be applying socialist planning to the economy, rather than leaving an important issue to market forces. The party responded warmly to the notion that speculators would be disarmed. They all seemed unaware that the only thing
which gave speculators their chance was a government foolish enough to defend a parity seen to be out of line with a currency’s real value.....John Smith and Gordon Brown truly believed that the ERM was a new, magical device which would insulate their decisions about the currency against reality.’

I e-mailed Mr Gould: was he suggesting that his colleagues didn’t understand economics? He replied thus:

‘I found that most of my colleagues had no knowledge of economics and either steered well clear of economic policy – preferring to concentrate on more general topics such as foreign or social policy – or else they swallowed whole the current orthodoxy since they had no capacity to take an independent view. Gordon Brown fell into this latter category – Tony Blair the former. John Smith had only a rudimentary knowledge of economics, but was a little more confident on the nuts and bolts of tax and accounting. I don’t think these failings are unique to the Labour Party. I think one of the reasons for all of this is that economists have made economics such an arcane science that most people are frightened off it.’

This is very striking. If you’ve been a literate, intelligent human and you have been interested in politics for years (if not decades) how do you avoid acquiring some economic understanding? And if you want to be a member of a government – the ambition of most MPs – how can you consider doing so without understanding British political economy? Even if you aspire no higher than representing the interests of a constituency (to put an MP’s role at its simplest) if you don’t understand the economy, how can you do this? I’m sure Bryan Gould is right in part: all the bullshit, pseudo-scientific economics of the last 30 years has turned people off. But there must be more going on here. I wonder if there is some subliminal understanding that mainstream political careers have rarely benefitted from economic understanding.

17 The Guardian, 19 August 1995
Everybody now loves widgets!

Robin Ramsay

On the *Guardian’s* Comment is Free site there is an interesting series of interviews with people working in the City of London, trying to show us how they see the world and what their jobs look like. In an item in February 2012 ‘a financial recruiter’ hit a very important nail on the head.¹

‘...the left seems lost. It insists on solidarity across the nation, with higher tax rates for rich people to help their less fortunate countrymen. But this solidarity is predicated on a sense of national belonging, to which the left is allergic; national identity comes with chauvinism and nationalism, and creepy rightwing supremacists.’

This is the central dilemma for the non-Marxist left: as we *are* going to return to the nation state – the bankers did, quick as a flash – after the collapse of banker-driven globalisation, how is the concept of ‘the nation’ to be cleansed of its right-wing smell? If you like: how is the concept of the nation to be detoxified of nationalism?

I could feel the sharp intake of breath across Guardianland when Ed Miliband referred in a speech on 6 March to a ‘patriotic economic policy’. The phrase became the headline in the media which mostly didn’t bother reporting the rest of it. (Not that economic speeches by the leader of the opposition would be high on the agenda of many news editors.) But the speech is interesting.² In it he rejected protectionism, twice.

‘Governments of both parties have been right for decades to oppose protectionism – propping up lame

¹ <www.guardian.co.uk/commentisfree/joris-luyendijk-banking-blog/2012/feb/17/how-can-bankers-live-with-themselves>
² The full text is at <www.newstatesman.com/uk-politics/2012/03/british-business-government>
ducks or putting up trade barriers.’

And again, later in the speech:

‘So patriotism is not about protectionism. I have no interest in going back to those days.³ What I want to do, however, is to ensure the British Government supports British manufacturing....The next Labour government will put British design, British invention, British manufacturing at the heart of our economic policy. When I talk about how we need to encourage productive forms of business behaviour to help those, it is you who I am thinking about. We need to back those who invest, invent, sell, make – the producers of this country.’⁴

David Cameron addressed the Confederation of British Industry (CBI) in November, and, though not quite so explicit, talked the same talk. He seeks:

’a fundamental rebalancing of the economy: more investment, more exports, a broader base to an economic future...... I’m not interested in ideological arguments about intervention versus laissez faire. I want an industrial strategy that works. We need government to get behind those high growth, high value sectors which will be the backbone of the new economy. Everyone agrees now that in the past Britain’s economy had become lopsided - too dependent on debt, consumption and financial services.’ ⁵

These speeches are examples of the change of tack – at any rate change of rhetoric – which has taken place in British politics since we were bankered in 2008/9. Take David Green’s ‘Three powerful reasons why British manufacturing matters’, – complete with a genuflection to the blessed Margaret in his

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³ Which days are those, Ed? I have no idea to what his speechwriter is referring.
⁴ The choice of Miliband’s venue for the speech was as striking as its tone: he was not addressing the City but the first annual conference of EEF, the Engineering Employers Federation, now the clunkily self-styled ‘Manufacturers Organisation for UK Manufacturing’.
⁵ The text is at <www.newstatesman.com/writers/david_cameron>.
subheading ‘Margaret Thatcher spoke enthusiastically about regional aid’ – in the *Telegraph* (24 November 2011). Green noted in his opening paragraph:

‘Despite the hype, the City (financial services and insurance) contributed only £47 billion, less than a quarter of the export earnings of manufacturing.’

And he concluded that ‘we need to be in the vanguard of re-industrialisation.’

Who is David Green? He is director of Civitas, a conservative (and Conservative) think tank.

The *Telegraph*’s business pages have run many articles in the last year about manufacturing, past and present, some looking enviously at the German economy. For example Chuka Umunna MP, Labour’s Shadow Secretary of State for Business, had a piece in the *Telegraph*, ‘If we want the UK to grow, we should take lessons from Germany’ (23 February 2012). The German lessons for Umunna are: more medium-sized firms, better education and a state bank – and an ‘active government approach for business and industry’, though quite what this would look like was not spelled out.6

**Back to the future?**

In his speech to EEF, Ed Miliband seems to be hinting at a return to the economic policy before the arrival of *laissez faire* in 1980; or, in Labour Party terms, before the big shift which began in 1988/89, which is discussed in ‘The two Goulds’ in this issue. We appear to be heading back to the ‘producers’ alliance’, last sighted in 1979. But there are obvious difficulties. If Labour eschews trade barriers, Miliband cannot be proposing to *rebuild* manufacturing, because that cannot be done while the British economy is exposed to the goods of societies which pay their labour force a fraction of the British minimum wage. China, to take the obvious example, built its manufacturing base behind import controls and an artificially

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6 He omitted one obvious one, of course: don’t have the world’s biggest offshore financial centre in your territory. But that is politically unsayable by a career-minded shadow spokesman.
low currency. All post-WW2 manufacturing bases have been created this way. And the UK remains part of the EU (and its rules) and the World Trade Organisation (and its rules) which exist to prevent the state doing much. The British state cannot even decide to simply ‘buy British’: EU competition rules forbid it. So what does Cameron’s talk of the government ‘getting behind’ sectors, let alone Miliband’s talk of putting ‘British design, British invention, British manufacturing at the heart of our economic policy’ actually mean?

Just how difficult recreating the lost world of industrial policy is going to be is suggested by ‘Promoting Growth and Shared Prosperity: the lost origins of industrial growth’ by Chris Benjamin, former under secretary in the Department of Trade and Industry, which opens with this blunt paragraph:

‘Amid the clamour for a “plan for growth”, or a “plan B”, or even a “plan A+”, it is generally forgotten that British industry has been losing international competitiveness for at least three decades. It is perverse to rely on the institutional structures and attitudes that have contributed to this decline to reverse the trend.’

Welcome though the change of political rhetoric is, I’m going to get really interested when someone like Benjamin is given an office suite in Whitehall with a large budget and the government makes it clear that the WTO and EU and their fixation on international neo-con economics can take a running jump. And how likely is that?

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7 Even in defence procurement. New regulations from the EU came into force last year. They are summarised by the MOD at <www.mod.uk/NR/rdonlyres/0F3618D3-A07C-4B44-833E-DCA4D28EF65C/0/dsd_govt_awareness_guide.pdf> Reporting on this, the Financial Times article was headed ‘MoD will no longer favour UK companies’.

8 <http://m.ippr.org/publications/55/8240/the-lost-origins-of-industrial-growth>
One of the striking features of the apartheid years was the courageous determination of many South African Jews to bring down a regime significantly sustained through close alliance with Israel. In part this was a relationship of mutual economic and military interests. But as the author of this excellent book points out there was more to it than profit and battlefield bravado:

‘After Menachem Begin’s Likud Party came to power in 1977, these economic interests converged with ideological affinities to make the alliance even stronger. Many of the leaders of the Likud Party shared with South Africa’s leaders an ideology of minority survivalism that presented the two countries as threatened outposts of European civilisation defending their existence against barbarians at the gate.’

Sasha Polakow-Suransky is well placed to throw light on this still largely hidden history. With family roots in both South Africa and Israel, he worked up the book in what reads like a labour of love from his Oxford doctorate. His investigative methods are a model combination of historical perspective, extensive archival research in an area ‘where information and disinformation are equally important’ and interviewing many of the key players in both countries.

‘I traced former ambassadors to desert kibbutzim and elderly South African Jewish émigrés to designer apartments in the posh northern suburbs of Tel Aviv,’ he writes. ‘From the office of defence contractors to assisted living communities, I was treated to battlefield tales and old photo albums offering glimpses of a relationship that until now few government officials have dared to talk about.’

Along the way ‘a Soviet spy who had sent some of South Africa’s and Israel’s most sensitive military secrets to
Moscow invited me to his home on the windswept coast of the Cape Peninsula, where he now lives comfortably among the retired naval officers he once betrayed.

Polakow-Suransky reminds his readers of the unlikely antecedents of this relationship. John Vorster, the prime minister of apartheid South Africa, supported the Nazis during the Second World War. Owing its creation in large part to the consequences of that war, Israel forged close ties with the newly independent black states of Africa in its first 20 years of existence. The Six-Day War of 1967 began to move the two countries closer together, he says. But the alliance began in earnest after the Yom Kippur War of 1973:

‘Though both countries were receiving various degrees of support from the United States, neither enjoyed a defence pact with Washington and both were wary of relying too heavily on the Americans for their survival – especially in the early 1970s, when unconditional US support for Israel was by no means assured.’

In subsequent years

‘Israel’s war-battered industries desperately needed export markets and the possibility of lucrative trade with South Africa was hard for Defence minister Shimon Peres to resist. As [Yitzhak] Rabin, Peres, and a new generation of leaders inherited the [Labour] party from David Ben-Gurion and Golda Meir, the conviction that compromising certain values was necessary for survival gained sway and socialist idealism gave way to realpolitik. During the Rabin years, South African arms purchases breathed life into the Israeli economy and Israeli weapons helped to reinforce the beleaguered and isolated apartheid regime in Pretoria.’

The author then details in a narrative that reads like a thriller an ever-closer but largely covert relationship that sustained both countries, enabled their nuclear weapon development and much else under a succession of public relations initiatives to conceal that reality.

But this Cold War alliance wasn’t to last. During the
mid-1980s mounting international pressure for sanctions against South Africa, growing divisions within Israel over ties to the apartheid regime and rising resistance within South Africa itself began to undermine the solidity of the alliance. Ronald Reagan’s policy of ‘constructive engagement’ with South Africa notwithstanding, mounting pressure in the US for apartheid sanctions and growing awareness of South Africa’s links with Israel began to unnerve AIPAC and other Zionist lobbyists in Washington.

Israel then began to distance itself – at least publicly – from Pretoria with sanctions moves of its own in 1987. But this, writes Polakow-Suransky, did not sever the largely hidden business and military ties between the two countries:

‘As apartheid crumbled in South Africa, the proceeds from old arms contracts continued to fill the Israeli treasury. Making sure that no one exposed these ongoing military ties was a task that fell to Israel’s allies abroad.’

But even the efforts of the Anti-Defamation League and other Israel support networks could not halt the direction of change in South Africa:

‘In Pretoria, the Israeli government went to great lengths to improve its image after [Nelson] Mandela’s release. Veteran leftwing critics of apartheid were appointed to key posts, including Alon Liel, who became ambassador in 1992 and worked hard to redefine Israeli-South African relations for the post-apartheid era. Even so, the legacy of the 1970s and 1980s left Mandela with a sour taste.’

Polakow-Suransky tells the story of this Cold War relationship with enthusiastic energy and critical balance. In concluding reflections on the current state of Israel and its supporters’ reactions to Jimmy Carter’s use of ‘apartheid’ in the title of his book on the Israel-Palestine conflict he says this:

‘To argue that all Israeli leaders after 1967 supported apartheid South Africa’s rulers due to natural ideological affinities between Zionism and Africaner nationalism is misleading. After all it was a small – albeit
powerful and influential – minority of leading right-wing generals and politicians such as Raful Eitan, Eliahu Lanking and Ariel Sharon, who openly admired the apartheid regime, defended its political programme, and identified with its leaders. Many left-wing Israelis vehemently opposed the alliance both in rhetoric and practice — with the notable exception of the ever-sanctimonious Shimon Peres. Yet rather than honestly confronting the complexity of Israel’s relationship with apartheid South Africa or countering the apartheid analogy with evidence of the genuine differences between the two systems, Israel’s defenders have resorted to vitriol and recycled propaganda.’

The author finds the apartheid comparison an imperfect one:

‘Unlike white South Africa and many other colonial regimes, Zionists never banned miscegenation or kept people they had conquered as servants in their homes. Nor did they rely on others to build the Jewish state they dreamed of.’

But he also warns that while the apartheid analogy may be inexact today, it won’t be forever:

‘By failing to heed the lessons of South Africa’s demise, Israel risks remaking itself in the image of the old apartheid state. Pretoria’s efforts in the mid-1970s to airbrush its image abroad ended in scandal; today, Israel’s glitzy tourism promotion and marketing of its high-tech industry have in many ways been undermined by an overwhelmingly bad reputation generated by the use of devastating force against seemingly powerless civilians, most recently during the Gaza offensive of January 2009.’

He concludes:

‘Benjamin Netanyahu is clinging to a status quo that is demographically and geographically untenable.’

Tom Easton
'Forty per cent of the British people believe that Blair should be tried as a war criminal. I am one of that number’. Obviously the memoirs of any Labour MP with such admirable views are worth a look and Bob Marshall-Andrews’ extremely witty, indeed laugh-out-loud volume, *Off Message*, does not disappoint. He recalls the heady days when he first entered the Commons in 1997, looking forward to a long period of Labour government that would ‘buttress parliamentary power, entrench historic civil liberties which had been threatened by the Thatcher administration and address the twin problems of poverty and inequality’. He was, in his own words, a ‘poor innocent fool’.

What went wrong? He fixes most of the blame on Blair’s ‘irresistible addiction to money and those who possessed it’ and Mandelson’s ‘arriviste vanity.....which demanded intimate association with celebrity and wealth’. These character flaws led to New Labour being ‘drawn without protest into the bed of market capital’. While his comments on Blair and Mandelson are undoubtedly true, he is focussing on symptoms rather than causes. The origin of New Labour is to be found in the historic defeats that the Thatcher government inflicted on the labour movement in the 1980s. Without these defeats, Brown would have remained on the left and Blair would never have become party leader.

Marshall-Andrews’ own particular concerns are with New Labour’s colonial wars and its assault on civil liberties. Blair
told barefaced lies to secure British participation in the Iraq War. Marshall-Andrews makes the interesting point that if he had told the truth then he would never have got a Commons majority in favour of war. As for civil liberties, New Labour from the beginning set about cultivating a climate of fear, with the enthusiastic assistance of the tabloid press, in particular that ‘creeping stain’, the *Sun*. One of the principal villains was David Blunkett, ‘the most morbidly reactionary Home Secretary of modern times’. After his resignation, Blunkett, of course, went on to become a columnist for the *Sun*. Marshall-Andrews was one of the most determined opponents of the New Labour assault on civil liberties and certainly deserves our thanks.

There is, however, a glaring gap in his concern for civil liberties that indicates the great weakness of his political stance. When New Labour came to power Britain had the most repressive anti-trade union laws in Western Europe. Solidarity, the bedrock of a strong trade union movement, was illegal. When New Labour lost office nothing was changed. This was one of the conditions that Murdoch imposed on the government in return for the support of the *Sun*. It does not seem to concern Marshall-Andrews at all. And yet it was precisely Thatcher’s defeat of the trade unions in the 1980s that made Blair possible. New Labour was the product of a historic shift in the balance of class forces in Britain. Marshall-Andrews is oblivious to this. And, of course, the corollary is that the tide of neo-liberalism will only be rolled back by a revival of trade union militancy.

All this is a foreign country to Marshall-Andrews. Indeed, he actually considers the politics of class as a thing of the past, that the working class is no more relevant in Britain today than the landed aristocracy. Instead, he advocates ‘the politics of conscience’. Clearly he is mistaken and while we cannot go into the whys and wherefores here, it is interesting to see where his politics of conscience lead him. The book has a Postscript where he actually argues that some good might come from the LibDems being in coalition with the Tories. Still a ‘poor innocent fool’ I’m afraid, Bob! Quite how someone of
Marshall-Andrews’ experience could be taken in by Nick Clegg, Vince Cable and the rest of them is anyone’s guess. What does he think now, one wonders?

Much less interesting is Mark Seddon’s *Standing for Something*. This is a bit of a surprise as one would have expected a much better book from the former editor of *Tribune*. Instead, the book does not really know where it is going. Is it Mrs Seddon’s little boy’s personal account of his encounters with celebrity, of his career in the Labour Party, a critique of New Labour, or what? Do we really want to know about how Arnie Schwarzenegger nearly pushed him off the sidewalk, or how while having a drink with Andrew Neil, he noticed Yoko Ono on another table? And when it comes to New Labour, while he is ferocious about the brand, there is really no rancour against those responsible. Not even the likes of Alistair Campbell can excite animosity. Indeed, he tells how he presented Blair’s mouthpiece with one of the *Tribune* staplers that George Orwell had (probably) used, ‘a journalist equivalent of the True Cross’, as he puts it. This is positively obscene.

Seddon claims to have written an account of how it was that once in power Blair and Brown ‘essentially maintained the old Thatcherite consensus’ and transformed the Labour Party from ‘being a force for liberal social democracy to one of illiberal neo-conservatism’. While there are some telling anecdotes, he is not really successful in explaining the zombiefication of the Labour Party. Once again, like Marshall-Andrews, he identifies symptoms rather than causes. Nevertheless, some of his evidence is of considerable interest. He tells, for example, of his shock when he stumbled across the Speechwriting Unit at the party conference. Those delegates selected to speak by the chair were given the speeches they were to make! This was part of the process that reduced party conferences ‘to a hideously stage-managed charade, infested by lobbyists, PR companies and the rest of the flotsam that attaches itself to politics and power’. The conference hall is routinely packed out with these people ‘because there simply aren’t enough members to fill
the space’. As for his own ambitions to become an MP, well, he thought he had a chance of the nomination in Stoke-on-Trent, but Peter Mandelson arranged for the seat to be bestowed on a friend of his, Tristram Hunt. At this point, ‘a number of the remaining activists walked out for good’ and Stoke became ‘the quintessential New Labour “rotten borough.”’ Seddon comes across as sad and disappointed rather than angry, however, and this is the disabling tone of the whole book.

One last point, he does go some way towards explain one of the mysteries of the Blair years: the silence of Dennis Skinner. Skinner, we are told, ‘actually had a good relationship with Tony Blair, who would have him round to Downing Street on a regular basis’. Why? Seddon believes that Blair needed someone prepared to ‘speak truth to power’. What rubbish! Indeed, he rather undermines this generous assessment when he reveals how surprised he was to find out that Skinner ‘regularly reported back from the NEC to Alistair Campbell’. Dennis Skinner as a closet Blairite fink? Surely not! And Skinner voted for David Miliband in the leadership elections, for the Blairite who thought the dole was around £100 a week and last year earned £21,000 a week. How depressing!

Seddon ends up asking whether Labour has ‘so far lost touch with what it is supposed to be for that it will not be able to rediscover what it is supposed to do’ in opposition? The party’s abysmal failure to mount any sort of campaign against Cameron’s privatisation of the NHS, a process the New Labour government began when they were in power, provides the answer to that question.

John Newsinger

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Mary’s Mosaic
The CIA conspiracy to murder John F. Kennedy, Mary Pinchot Meyer and their vision for world peace
Peter Janney
New York: Skyhorse, 2012, $26.95, h/b

Mary Pinchot Meyer is one of the footnotes to the Kennedy assassination. She married future CIA bigwig Cord Meyer in 1945 and their social circle in the 1950s included many of Washington’s ruling elite. As far as it was then possible for a woman to be an insider, she was one. She was good-looking, talented and financially independent. After divorcing Meyer in 1958 she became a bit of a bohemian amongst the Wasps of Georgetown – a painter, a doper and an LSD user. She might have lived a long and interesting life had she not become one of JFK’s lovers and joined the list of those linked to the Dallas event who died a violent death. She was shot in Washington in 1964 while taking her daily walk along a canal towpath. The Washington police duly arrested the nearest available black male and tried to convict him of her death. Thanks to spectacularly sloppy police work and a very good defence lawyer, the frame failed.

Meyer surfaced in Timothy Leary’s memoir Flashbacks with Leary’s account of phone calls from Meyer talking of smoking dope with JFK in the White House and forming a kind of LSD conspiracy with some female friends, to turn on the powerful men of the Washington elite.¹ Meyer was also one of the people who knew enough about Washington and its secrets not to believe the Warren Commission’s account of the murder of her lover. In 1964 she was the personification of a loose cannon for those trying to sell the crudely constructed fable created around the events in Dallas.

Meyer is a very interesting figure who was close to the centre of the power structure of the American empire. This book’s author, Peter Janney, had known Meyer when he was a child; his father was a CIA officer and part of the same social

circles in Washington. Janney appears ideally equipped to write this book; and as far as describing the social and political setting goes, it is very good. But I didn’t buy the book for that (and I skimmed those sections). I bought it looking for new information on the deaths of Meyer and JFK.

Completing research begun by others, Janney has pretty well solved Meyer’s death, identifying the shooter. No, he doesn’t have evidence that would satisfy a court, but by the standards of investigations of fifty-year-old murders, he has produced a well-documented solution. Though I think it very likely that it was the CIA who organised the killing – who else? – his evidence that it was the Agency is less substantial; and for the same reason that his account of Kennedy’s death is unconvincing: he relies on sources who are not reliable.

One is Robert D. Morrow, who had a minor role in the anti-Castro operations and wrote two books about the assassination which none of the JFK researchers have taken seriously.² Of Morrow, Janney writes on p. 313 that ‘some of his claims have been questioned, even discredited’; he then immediately quotes Morrow on the death of Meyer. This will not do. If Morrow is unreliable in some areas – and he is³ – he is unreliable, period.

His second unreliable source is Gregory Douglas. A.k.a. Peter Stahl and other *nommes de guerre*, Douglas is perhaps the best known fabricator in the English-speaking historical world. He has produced at least four books – one on the

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² If you Google ‘Robert Morrow + JFK’ you will find that a Robert Morrow is very active, putting out lots of material on the assassination. This is not the Robert D. Morrow to whom I am referring. Robert D. Morrow died in 1998.  
³ Morrow’s claims are destructively examined at <http://mcadams.posc.mu.edu/morrow.htm>. At best Morrow knew some things and surmised others.
Kennedy assassination – which are accepted as fabrications.\(^4\) Janney is apparently aware of this. He refers to Douglas’ ‘history of shady dealings’ and the fact that he is ‘considered a pariah within the JFK research community’. (p. 353)

Douglas made contact with a retired CIA officer, Robert Crowley, who had been assistant deputy director for operations, and an acolyte of James Angleton. Crowley talked to Douglas on the phone – they never met – and eventually, says Douglas, Crowley gave him boxes of documents, including Crowley’s account of the CIA’s role in the assassination of JFK. Crowley – says Douglas – called this document his ‘personal insurance policy’. This forms the core of Douglas’ book, *Regicide*. Crowley died in 2000, providing a fabricator like Douglas with an opportunity: his real relationship with Crowley could be the basis of something bigger, the kernel of truth at the heart of all successful disinformation. In the first instance the ‘transcripts’ of some of the conversations with Crowley,\(^5\) and then the solution to the Dallas mystery.

A witness to the relationship between Douglas and the CIA officers exists. A retired FBI agent, Tom Kimmel, who knew Crowley was talking to Douglas, commented that he could not understand why the ‘very introspective, very accomplished intelligence officer’ Crowley ‘embraced Stahl [Douglas] so unequivocally’. (p. 353) It might just have been that Douglas was skilled at flattering an old intelligence officer who had developed a bad case of flapping jaw in his dotage. But it might have been that Crowley saw Douglas as the vehicle for

\(^4\) I wrote about Douglas in the *Fortean Times* in 2006. See <www.forteantimes.com/strangedays/conspiracycorner/371/the_conspiracy_fabricator.html>; and David Irving has written about Douglas. See <www.fpp.co.uk/docs/Irving/RadDi/2002/100602.html>. As far as I can tell, no orthodox academic historians have bothered with Douglas. Gitta Sereny exposed Douglas the fabricator in ‘Spin time for Hitler’, in *The Observer* 21 April 1996. This is reproduced at <www.jfklancerforum.com/dc/dcboard.php?az=show_topic&forum=3&topic_id=178&mode=full#179>

\(^5\) Some of these are on-line at <www.fourwinds10.net/siterun_data/government/homeland_security_patriot_act_fema/news.php?q=1265732241>. They are very interesting indeed but, without evidence of the recordings, entirely incredible.
a nice piece of disinformation – a bad CIA–killed–JFK theory which would fall apart on examination, thus discrediting other CIA–dunnit theories – and gave it to Douglas.

Janney’s account of Douglas’ conversations with Crowley is sort of qualified, with several uses of ‘allegedly’. Janney even notes that none of the hard evidence – in this case the recordings of the phone conversations with Crowley, let alone the actual Crowley ‘insurance policy’ document (though why would we believe it to be genuine, if it appeared?) – has been forthcoming. Nonetheless, having established that Douglas is not to be relied upon, Janney presents Douglas’ version of Crowley’s comments on the Kennedy and Meyer murders (CIA-dunnit) at face value. This will not do.

How does Janney square this circle? First, he tell us that the transcript of the alleged (Janney’s word) phone conversations with Crowley contained ‘specific details about Mary and Cord Meyer that Douglas, in my opinion, could never have fabricated.’ (p. 354) Which merely tells us that Janney hasn’t looked at Douglas very closely; for Douglas is a brilliant faker. More importantly, he thinks he has had the documents’ veracity confirmed.

There are two sets of Crowley documents in this story. One apparently went to Douglas; but an earlier set went to a journalist and author on intelligence matters called Joe Trento. When Trento read Douglas’ book Regicide he saw that it apparently contained documents from Crowley. Trento wrote to Douglas telling him that as he, Trento, was the literary executor of Crowley’s estate, he wanted the documents back. Douglas told him to get lost and there it ended. Janney prints this exchange between Trento and Douglas and concludes that ‘Joe Trento has inadvertently confirmed that the Crowley documents Douglas had in his possession were, indeed, legitimate’. (p. 360) Has he? At best Trento has confirmed merely that the documents appeared to have come from Crowley. And since Regicide has been shown to be bogus,⁶

does it matter whether it was Crowley or Douglas who faked the documents upon which it was based?

As for the Meyer/JFK ‘vision for world peace’ in the book’s subtitle, of that there is almost no evidence. The best that can be established is that JFK wanted to cool the Cold War and spend less of America’s taxes on the Pentagon and its satellite corporations. Beyond that all we have are wisps of stuff, chiefly Timothy Leary’s account of what Meyer said to him about JFK, upon which we cannot rely.7

So, in the end what we have is an interesting account of the death of Mary Meyer, a portrait of the Cold War milieu of the time and the Washington elite, with a section about Dallas tacked on which tells us almost nothing which is new and reliable.8 Having said that, two JFK researchers with infinitely more knowledge of these events than I, Douglas Horne, who worked for the Assassination Archives Review Board, and Professor David Mantik give this rave reviews on Amazon.com.

Robin Ramsay

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8 There is a snippet of new evidence of the Zapruder film being altered.
What has been Rupert Murdoch’s response to ‘Hackgate’? He has made clear his willingness to throw overboard as many people, reporters and executives, as are necessary in order to protect his son, James. He has ruthlessly sacrificed the News of the World, although some have argued that this was actually a shrewd commercial decision as the Sun on Sunday is a lot cheaper to produce; and he has turned on Cameron’s government with a vengeance. On 25 March the Sunday Times broke the ‘cash for access’ story with accompanying video, forcing the resignation of the Conservative Party’s co-treasurer, the appropriately named Peter Cruddas. This was accompanied by a systematic savaging of George Osborne’s budget in the Sun. It was condemned as a budget that looked after millionaires but that clobbered ‘ordinary Brits’. And on 9 April, the Sun could proudly boast that ‘Labour’s Shadow Chancellor writes for the Sun’. Yes, indeed, despite all the evidence of criminality and corruption within News Corp, Ed Balls had an article condemning the ‘Millionaires’ Budget’ in the Sun. Murdoch clearly suffered some hard knocks, but fundamentally nothing has changed. He is still in a position to punish quite openly a government that has crossed him without it causing any apparent public disquiet. If Cameron had resisted the pressure to establish the Leveson Inquiry and had remained loyal to his close friend and riding partner, Rebekah Brooks, the Sunday Times sting would never have taken place and the Sun would have supported the budget as a masterpiece of statesmanship and fairness.

The ability of a billionaire newspaper owner, one of Britain’s oligarchs, to behave in this way is a far greater scandal than ‘Hackgate’, but it goes virtually unremarked. Indeed, it looks as if Murdoch is actually succeeding in the old game of playing the Labour and Conservative parties off
against each other. Not only has the Murdoch press given Cameron a public warning, but the Sun also made clear that it was both flirting with and being courted by the Labour leadership. And, of course, at the same time as he was warning Cameron off, Murdoch was sending a clear message to Labour that some sort of rapprochement was not out of the question. All they would have to do is shut up Tom Watson MP! Indeed, Murdoch has actually let it be known that he wanted to back Gordon Brown at the general election, but was persuaded by young James and Rebekah Brooks that Cameron was the coming man. This, one suspects, is a decision that he now deeply regrets. With the support of the Murdoch press Labour might well have kept the Conservatives out and if that had happened there is no way that Watson, a loyal Brownite, would have been unleashed to inflict the damage that he so ably and enjoyably inflicted.

One thing is absolutely clear: the British political class is not going to dismantle the Murdoch empire in Britain or eliminate the man’s malign political influence. They have got neither the stomach nor the balls for it. Instead, we apparently have to look to OfCom to decide whether or not the Murdochs are ‘fit and proper’ people to control a TV company. Considering that OfCom had no problem with the pornographer, Richard Desmond, a man who has publicly boasted of not knowing the meaning of the word ‘ethics’, one should not expect too much. Or there are News Corporation’s shareholders, who might be morally outraged enough to bring Murdoch down. Despite some huffing and puffing, while the company’s profits continue to rise this seems most unlikely. At the time of writing it seems distinctly possible that rather than the ‘Hackgate’ scandal illustrating how someone like Murdoch can be called to account, it might turn out to indicate the exact opposite: how he got away with it. Certainly, this is what Murdoch is hoping; although so far the scandal has had a tendency to go out of control no matter how much money and how many lawyers he throws at it. What stands out is the character, or rather lack of it, of the British political class, willingly subordinating itself to such a man.
How have we come to this sad state of affairs? David McKnight’s new book, an investigation of Murdoch’s political power, is arguably the best account of this that we have. So far it has only been published in Australia, with a British edition not due until July; and predictably it has been attacked in the Murdoch press over there. McKnight’s research was paid for by the Australian Research Council and this has inevitably led to complaints that the state has been funding a left-wing attack on a leading businessman of unimpeachable character.¹

This attempt to distract attention from the book’s central argument is testimony to how important it is. Essentially, what McKnight argues is that most commentators on and critics of Murdoch have misunderstood the man because they have regarded him as primarily a businessman, motivated overwhelmingly by profit. What he shows is that Murdoch is, in fact, very much a political animal, a man committed to political causes, with a vision that his newspapers and Fox News aggressively propagate. As McKnight puts it:

‘Murdoch is at least as devoted to propagating his ideas and political beliefs as he is to making money.………
Murdoch has a particular conservative view that has evolved over the years and on whose evangelisation he spends many millions annually, through both corporate spending and personal (often secret) donations’.

He goes on:

‘Key parts of his empire are deeply enmeshed in their nation’s politics and operate as megaphones for Murdoch’s values and leverage’.

Indeed, Murdoch has for many years subsidised loss-making newspapers precisely because of the political influence they have brought him: The Australian lost money for twenty years, The Times has lost money every year since he acquired it, and the New York Post has cost News Corporation millions of dollars. These subsidies are not motivated by some sort of sentimental attachment to print journalism, as is sometimes suggested, but have one purpose and one purpose only: ‘to

¹ Lobster regulars might be familiar with McKnight’s earlier book, Espionage and the Roots of the Cold War.
give Murdoch a seat at the table of national politics in three English-speaking nations’.

In Britain, the focus has always been on Murdoch’s close relationship first with Thatcher and then with Blair and Brown. What McKnight brings out is the extent to which it is the United States that is the real object of Murdoch’s affection. While he was very close to Thatcher, it was Reagan and Reaganism that ‘were the most important influences on Rupert Murdoch’s political world view’. This is an important corrective. Indeed, when Thatcher and Reagan disagreed, as over the US invasion of Grenada, Murdoch invariably sided with Reagan. If anything, Thatcher was not Thatcherite enough for Murdoch. He was in favour of dismantling the NHS and privatising state education, measures that had to await the arrival of first New Labour and then of the Coalition.

One of McKnight’s achievements is to uncover some of Murdoch’s connections with what he describes as the ‘ultra-Thatcherites’, the likes of David Hart and Brian Crozier. Murdoch was right behind Hart during the miners’ strike when Hart was instrumental in establishing the scab Union of Democratic Mineworkers. Indeed, there is a suspicion that Murdoch helped finance the UDM, but this has never been proven. Certainly his relationship with Hart and Crozier indicates that he had a little-known ‘covert role in British politics’ that requires further investigation.

The close relationship that Murdoch had with Reagan was demonstrated when he was appointed one of the fifteen trustees for the Ronald Reagan Presidential Foundation. By 1996, Time magazine could describe him as the fourth most powerful man in the United States. He was, at this time, a pillar of the neo-con opposition to Bill Clinton. Murdoch established the neo-con Weekly Standard with a start-up cost of $3 million in 1995. Edited by William Kristol, it became ‘the flagship of the neo-cons’, losing some $30 million over the next fifteen years. This was money well spent, however, because it ‘was designed purely to exert influence both within the Republican Party and inside Washington’. And in 1996, he established Fox News which has played an important part in
helping to pull US politics to the right over the years, most recently championing the Tea Party movement.

One reassuring assessment of Murdoch is that his political influence is exaggerated because in practice he always backs whoever wins. Murdoch, so the argument goes, inevitably ingratiates himself with whoever is in power or looks likely to be in power soon. This supposedly explains his abandonment of John Major for Tony Blair in 1997: Major was clearly doomed, whereas Blair looked a certain winner. McKnight decisively puts this comforting myth to rest. As he points out, Clinton was certainly a winner in the United States, and yet Murdoch remained irreconcilably hostile. And it has been the same with Obama. And as for Major, the Murdoch press had supported him when Neil Kinnock had looked the winner. Kinnock was, it is worth remembering, the victim of one of the most sustained exercises in character assassination and reputation destruction in British political history. As McKnight puts it, if Murdoch had ‘been a mere opportunist who loved winners’, he would never have subjected Kinnock – who looked like he was going to win the 1992 general election – to ‘the extreme journalist thuggery’ that the Sun unleashed. The Murdoch campaign against Kinnock was exultantly celebrated by the headline claim ‘It’s the Sun wot won it’. The reason for this absolutely ferocious assault was that Labour under Kinnock had not yet embraced Thatcherism, was still recognisably a social democratic rather than a neo-liberal party, might have taken a look at the question of media ownership and might not have keep the unions hobbled. Blair was to change all this.

Why did Murdoch turn so quickly against Major? The Major government never courted him in the way he had become accustomed to under Thatcher. Indeed, there were powerful figures in the government, most notably the Deputy Prime Minister Michael Heseltine, who regarded Murdoch’s influence with considerable hostility and had ambitions to curb it. Major’s mistake was to believe that, however much his government offended Murdoch, in the end he would support the Conservatives to keep Labour out. He never recognised
how far to the right Blair and Brown were prepared to go. Blair gave Murdoch the necessary assurances regarding media ownership, trade union rights and Europe; and the *Sun* declared for Labour in 1997. To be fair to Major, no one recognised how right-wing the Labour Party would become so that today any connection it has with the pre-1990s Labour Party is purely sentimental.

With the election of Cameron, Murdoch must have felt that, despite his misgivings that the man was veneer all the way through, everything was coming together. The new Prime Minister was a personal friend of Rebekah Brooks, had installed the former editor of the *News of the World*, Andy Coulson as his right-hand man, had cut the BBC’s funding, and was all set to wave through his takeover of BSkyB. In the first fifteen months of the Coalition government a Cabinet member met a Murdoch executive once every three days. This was access!

Moreover one of his creatures, Michael Gove, a former senior *Times* journalist, was installed as Secretary of State for Education. Most commentators have missed the significance of this last success. Although he is very much a political lightweight, Gove’s appointment was of tremendous importance to Murdoch because he had identified for-profit education as the next big commercial opportunity after satellite television, and the Coalition was going to prepare the way. In the months before the ‘Hackgate’ scandal made such meetings politically dangerous, Gove met Murdoch seven times and had another dozen meetings with News International executives. He is today the only prominent politician still prepared to defend publicly, indeed praise Murdoch. Not even David Blunkett is that stupid. Murdoch was getting ready to sponsor an Academy school to be set up in Newham, specialising in journalism (!), where the educational software developed by his US company, Wireless Generation, would be put in place. The Academy would demonstrate that schools could do without half their teachers and that most of those remaining could be effectively deskilled, with all that involved in terms of reduced pay and worsened conditions. It was not
to be. The ‘Hackgate’ scandal has left Murdoch’s empire wounded, but far from dead. The saga is still unfolding.

John Newsinger

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Reading Treasure Islands I have realised that injustice is no perversion of the system; it is the system. Tony Blair came to power after assuring the City of his benign intentions. He then deregulated it and cut its taxes. Cameron didn’t have to assure it of anything: his party exists to turn its demands into public policy. Our ministers are not public servants. They work for the people who fund their parties, run the banks and own the newspapers, shielding them from their obligations to society, insulating them from democratic challenge.

Our political system protects and enriches a fantastically wealthy elite, much of whose money is, as a result of their interesting tax and transfer arrangements, in effect stolen from poorer countries, and poorer citizens of their own countries. Ours is a semi-criminal, money-laundering economy, legitimised by the pomp of the Lord Mayor’s show and multiple layers of defence in government. Politically irrelevant, economically invisible, the rest of us inhabit the margins of the system. Governments ensure that we are thrown enough scraps to keep us quiet, while the ultra-rich get on with the serious business of looting the global economy and crushing attempts to hold them to account.

And this government? It has learned the lesson that Thatcher never grasped: if you want to turn this country into another Mexico, where the ruling elite wallows in unimaginable, state-facilitated wealth, while the rest can go to hell, you don’t declare war on society, you don’t lambast single mothers or refuse to apologise for Bloody Sunday. You assuage, reassure, conciliate, emote. Then you shaft us.¹

That was the reaction of the normally controlled George

¹ http://www.guardian.co.uk/commentisfree/2011/feb/07/tax-city-heist-of-century
Monbiot in the *Guardian* on reading *Treasure Islands*. For my part I went to see Nicholas Shaxson present his book’s findings at the Centre for Investigative Journalism, City University, London in 2011. I found him to be a shy, modest man who, as a professional journalist, seems to have stumbled onto his theme by merely following the story. In his case the story was curious goings-on within the oil industry of West Africa. The ELF affair is written up in his previous book, *Poisoned Wells: The Dirty Politics of African Oil*, which had large multinationals, the political and intelligence elites of leading nations, corrupt leaders of developing nations and slush funds administered offshore as ‘a great brothel where nobody knows who is doing what’. It was, he said, only in 2005 that the threads properly started to come together.

The result is this book, describing the current extent of the offshore world and its consequences; and how the jigsaw came to be assembled. He leaves us on a positive note with calls to action and suggestions for reform. But in the flesh he couldn’t help but convey his depression. To read the book you need a strong stomach.

His claim is that ‘offshore connects the criminal underworld, the financial elite, the diplomatic and intelligence establishment and multinational companies.’ It is not to be underestimated as a fringe activity.

‘More than half of world trade passes through tax havens. Over half of all banking assets and a third of foreign direct investment by multinational companies are routed offshore. Some 85% of international banking and bond issuance takes place in the so-called Euromarkets, a stateless offshore zone. The IMF estimated in 2010 that the balance sheets of the small island financial centres added up to $18 trillion – a sum equivalent to a third of the world’s GDP……83 of the USA’s 100 biggest corporations had subsidiaries in tax havens. 99 of Europe’s 100 largest companies used offshore subsidiaries.’

He defines a tax haven as ‘a place that attracts business by offering politically stable facilities to help people or entities get
around the rules and regulations of jurisdictions elsewhere’.  

‘The whole point is to offer escape routes from the duties that come with living in and obtaining benefits from society – tax, responsible financial regulation, criminal laws, inheritance rules and so on. This is their core line of business. It is what they do.’

He helps define the characteristics which make up a tax haven and which gives the City of London its status.

1. Tax havens have very low or zero tax. Hence Britain has very loose ‘non-domiciled’ rules for foreigners wanting to park their assets in the UK free of tax.
2. Secrecy protects those who park their money.
3. The financial services industry is very large compared to the size of the local economy. In the UK the size of financial services is exaggerated to neuter and intimidate would-be critics.
4. Local politics is captured by financial services interests and meaningful opposition to the offshore industry has been eliminated; there is little or no risk that democratic politics will intervene and interrupt the making of money. NB contributions from financial services interests are said to finance 50% of the funds of UK political parties.
5. These places have become steeped in pervasive inverted morality, where turning a blind eye to crime and corruption has been accepted as best business practice, and alerting the forces of law and order to wrongdoing has become the punishable offence.

In Shaxson’s words, ‘Rugged individualism has morphed into a disregard, even a contempt, for democracy and for society at large.’

British tax havens work by being scattered all round the world’s time zones attracting and catching mobile international capital flowing to and from nearby jurisdictions. Much of this money is then funnelled through London. It allows the City to be involved in business that may be forbidden in Britain. The spider’s web is a cleansing network: by the time the money gets to London, often via intermediary jurisdictions, it has
become clean.

The two biggest tax havens are Manhattan and the City of London.

Shaxson provides the link to the recent financial crisis which, in official discourse, remains surprisingly quiet on the contribution of tax havens.

'The Offshore system helped financial corporations escape regulation; this helped them to grow explosively creating the “too-big-to-fail” status and gain the power to capture the political establishment in Washington and London.

.......They forced onshore jurisdictions to compete in a beggar-thy-neighbour race towards ever looser regulation....Huge illicit cross border flows added to global imbalances....offshore incentives encouraged companies to borrow far too much and helped to hide their borrowings.....as companies fragment it fed mutual distrust.

All the great losses through financial trickery – Enron, Madoff, LTCM, Lehman Brothers, AIG – were all thoroughly entrenched offshore. When nobody can find out what a company’s true financial position is until after the money has evaporated, bamboozling abounds.

Offshore did not cause the financial crisis. It created the enabling environment.’

It is thus worth buying the book for the pleasure of reading the charges against our elites who allowed this to happen; but each chapter is a self-contained gem which explains the processes and techniques by which this carefully constructed edifice came to be created.

He covers, for example, the Vestey brothers, pioneers of tax evasion across a multinational corporation, able to hide profits by transfer pricing and use of Trust funds. They were also pioneers in sneering condescension at the efforts of governments to stop them.

He covers the less than glorious rise of Switzerland as a haven for German wealth worried not by Nazi seizure (as the
Swiss propagande) but, firstly, war reparations after the First World War and then as a haven for loot during the Second World War.

Further chapters consider the impact of Keynes on efforts to manage the consequences of WW1; the Crash of 1929; the 1930s recession; and post WW2 reconstruction, including the construction of the Bretton Woods Agreement that provided the basis for control of the world financial system up until 1971. This makes it clear that the US reacted to the Crash in 1929 by imposing strict regulation and controls of its financial system – far more so than in the UK. But the USA came out of World War 2 attracting ever greater inflows of capital, as the european elites, concerned about the prospects of Communists coming to power, looked to protect their assets (Shaxson claims that the Marshall Plan merely recycled some of the funds coming to the US from Europe); and its corporations started accumulating funds that it did not want to be taxed or controlled. The City of London came to the rescue by establishing the Eurodollar market completely outside of US and UK financial controls. (The creation by the Bank of England of the Euromarket was said to be prior to any discussion or debate with the Prime Minister, the Treasury, Cabinet, or Parliament.) Shaxson regards the Euromarket as far more significant than the remodelling of the City in ‘Big Bang’ in 1986. He quotes Cain and Hopkins:

‘As the imperial basis of its strength disappeared, the City survived by transforming itself into an “offshore island” servicing the business created by the industrial and commercial growth of much more dynamic partners.’

But the City’s success in developing these markets was quickly emulated by the USA which used the financial crises of 1971 to escape from the auspices of Bretton Woods. In retrospect the era 1945-71 was a period of unprecedented growth (4% per annum) and stability that has not been reproduced since. Yet there are few calls for a similar arrangement now.

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Subsequent chapters describe how Britain built its overseas empire of tax havens over a ten year period during the 1960s. This was a ‘London-centred web of half-British territories scattered around the world that would catch financial business from nearby jurisdictions by offering lightly taxed, lightly regulated and secretive bolt holes for money.’

A chapter covers the growth of the US offshore empire, despite John F Kennedy’s attempts to stop this. The big issue is that the overseas earnings of the US multinationals (in 2009 estimated at $1 trillion) are held tax free, offshore, greatly advantaging those corporations. The author describes how attempts to control US money supply in 1979-81 were thwarted; and six months after Ronald Reagan took office the International Banking Facility was introduced in America, allowing US banks to pretend to be overseas banks. Thus the US moved to the UK model of banking.

In 1986 the Japanese followed, leading to their spectacular market crash as $400 billion surged into their markets, creating a crisis from which they have yet to emerge.

Thus during the 1980s America became the most alluring tax haven in the world and the state of Delaware could advertise itself as offering to foreigners ‘protection from politics’.

Shaxson considers that:
‘the London based Euromarket, then the wider offshore world, provided the platform for US banks to escape domestic constraints and to grow explosively again, setting the stage for the political capture of Washington by the financial services industry, and the emergence of too-big-to-fail giants, fed by the implicit subsidy of taxpayer guarantees and the explicit subsidies of offshore tax avoidance.’

Shaxson turns again to his past in considering the impact on developing nations and Africa in particular. He quotes sources estimating that developing countries lost up to $1 trillion in illicit financial outflows in 2006 alone. This is over 10 times any development aid provided. In his view the rise of Third World
lending in the 1970s and 1980s laid the foundations of a
globalised haven network that now shelters the worlds most
venal citizens. Henry and Bradley, in their The Blood Bankers:
Tales from the Global Underground Economy, are quoted as
calculating that at least half of the money borrowed by the
largest debtor nations flowed out under the table within a
year, and typically in weeks.\textsuperscript{3} In 2003 it was estimated that
half of all Latin American wealth lay offshore.

Shaxson then brings the story up-to-date by considering
the roots of the current crisis in more depth. He looks at the
elimination of restraints on usury, the creation of limited
liability partnerships to protect accountants and lawyers, and
the use of legislatures-for-hire in driving through such
measures in Jersey and Delaware. He considers that the
limited liability provision took away the most powerful
incentive for self-policing by the corporate professions of law
and accountancy and helps explain the wave of corporate
cheating that swept the USA and UK.

Concluding chapters consider the ideological supporters
of the offshore empire who are able to co-ordinate opposition
to government agencies who can see the damaging
consequences of the offshore havens. In particular he shows
how OECD initiatives on tax havens have been neutered and
the ideology of tax as theft has gained ground. The net result
is that the richest 400 Americans only paid 17.2\% in tax.
Capital saved has not resulted in the allocation to increased
investment, as its supporters suggest, but merely to offshore
bank accounts.

He explores the offshore world on the ground and
reports back. It is not a pretty sight – with it being ‘riddled
with crime’ and the ‘whole bloody system corrupt’. He takes a
dim view of those in Jersey in particular.

‘America, the great democracy, is now in thrall to the
world views of unaccountable, abusive and criminalized
elites, in large part thanks to offshore finance. Having
colonized the economic and political systems of the large

\textsuperscript{3} James S. Henry and Bill Bradley, The Blood Bankers: Tales from the
nation states where most of us live, offshore finance has
gone a long way in capturing our attitudes too.’

In his final Chapter on the City of London Corporation he
bestows on the City the title of the biggest offshore financial
hub.

‘Time and again the US banking catastrophes of recent
years can be traced to those companies’ London
offices…..Having gone out of its way to welcome wealthy
Arabs in the 1980s and Japanese and oil rich Africans in
the 1990s the City has most recently courted Russian
oligarchs. Some 300,000 Russians live in London…..In
June 2009 US authorities fined Lloyds bank $350m for
secretly channelling Iranian and Sudanese funds into the
US…..60,000 non-doms offered tax exemptions are
based in the UK, many in London…..Richard Branson
freely admits his empire would be 50% smaller without
being able to exploit offshore havens.’

The City has always been powerful and aided the powerful. It
defied William the Conqueror and monarchs, and lobbied for
the American colonies. But with power comes danger and
Shaxson quotes Father William Taylor, who works in the City
and understand its values: ‘We are in the grip of a programme
for our collective happiness which is illusory. It is a phantom,
and it will enslave us.’

Further asides which may whet the appetite of the
assiduous Lobster readers are the references to the
interventions of JFK in 1963 to prevent the growth of offshore.
He had put down legislation to crack down on deferred
taxation. ‘The corporate community went ape-shit.’ JFK had
very large enemies indeed in 1963. The book also names the
Mafia sponsor of Ronald Reagan and the Jersey solicitor of
Margaret Thatcher’s family and BAE.

Most intriguingly of all he claims that he has self-
censored a great deal for fear of retribution from the forces he
attacks.

At the outset I said Shaxson leaves on a positive note
and calls for action which governments and politicians alike
could take up. For example land taxes, changes to accounting
rules and measures to increase transparency. There are no shortage of ideas and things to do to reverse the tide; but in person, at the Centre of Investigative Journalism, he had the air of a depressed man, knowing it may be too late to rebalance the UK economy and defeat the forces given freedom by Thatcher, Blair, Brown and successive governors of the Bank of England.

Despite a positive reception and widespread reviews the book has not fired up resistance. But it has become fashionable to decry the power of conspiracy and to regard the path of history as the unfolding of the action of great men and forces beyond our current understanding. This book puts the machinations of the powerful elite, backed up by naked class interests, back to the top of the explanatory tree. This is not to say that market forces did not play a part; but not as much as did the Governor of the Bank of England.

Read this book and follow this man – I think there is more to come.

Bartholomew Steer

Bartholomew Steer is an accountant and student of finance, history and politics.
On what basis can one review a book? I wonder, because I haven’t read this properly: I’ve skimmed it and noted some sections. Much of it is territory I am not competent in and I have little idea how one would try and check many of Symonds’ claims in this. Nonetheless, this is very interesting and probably important. There are a lot of striking leads in here, none of which are good news for the police or MI5; so it’s not too surprising that he has been largely blanked by the major media, even though they are fascinated by spies and Symonds is the only British citizen to act as a KGB agent and return to tell the tale.

Symonds was a detective in London in the late 1960s and early 1970s, at the time when the Metropolitan Police was seriously corrupt in places, and, on his account, riddled with Freemasonry. Bits of the Met joined forces with the then illegal porn industry, regulating it essentially: deciding who would take the token busts required, managing its relationship with the legal system. Symonds describes a world in which very large sums were changing hands and many senior careers were potentially in jeopardy. Symonds got tangled up in this and in 1972 he was about to go to court to face minor bribery charges – which he denies – when he decided he was going to be stitched-up by the system, and left the UK. Almost casually he allowed himself to be recruited by the KGB and then spent 8 years as an agent of theirs. He describes his peripatetic life trying to seduce female employees or the wives of employees of NATO officials. But not UK citizens: he says he refused to work against British interests. (I have no idea whether or not to believe much of this.)

When the Soviet empire began to fail, Symonds became embroiled in KGB bureaucratic politics not unlike those which forced him out of the Met. He bailed out, returning to the UK. He went to MI5 to confess his work for the Soviets but was turned away; they didn’t believe him. Symonds says MI5 rang the Met, were given the Met line – Symonds is a fantasist – and believed it. It was only in 1992 when the

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1 On the Masons see pp. 22-24, 31, 39, 65-6 and 96 in particular.
world noticed that Symonds was mentioned in the *The Mitrokhin Archive*, the book based in part on documents copied from KGB files smuggled to the West by an archivist, that he was taken half seriously.

On first skim these are the bits I noted.

‘After sentencing I had just six weeks to serve so, after a brief spell at Durham, I was sent to Rudgate open prison near Newcastle, where I became acquainted with Joe Kagan, who offered to make contact with the KGB for me, and then finally was transferred to Ford open prison for release.’ (p. 298)

Joe Kagan was a friend of Harold Wilson’s and also of a KGB officer in London. This is the first claim I have seen that Kagan was more than just a businessman.

‘My exposure as a key KGB agent for eight years, as disclosed by *The Mitrokhin Archive*, at least served one purpose, which was to embarrass MI5, the organisation that had failed to take me seriously, but when I read the pages describing my exploits, my jaw dropped and my blood pressure rose. Much of the information in the account could not have come, as alleged, from the KGB’s archives, and in the text it was hard to distinguish between what was really Mitrokhin’s own version, and what had been inserted by his editor, Christopher Andrew.’ (p. 305)

‘However, my doubts about the veracity of Mitrokhin’s version increased when I learned that of the thirteen footnoted source references to me, all from more than forty paragraphs devoted to me in ‘Volume 5, Chapter 14’ of the defector’s notes, none were available for independent scrutiny, either in their original form or as photocopies. Then there was the issue of the chronology described in Mitrokhin’s account. According to his version, I had marched into the Soviet embassy in Rabat to offer my services, but that was untrue. Did this assertion appear in the KGB file or in Mitrokhin’s notes, or was it supposition on the part of Professor Andrew?’ (p. 310)

‘Then I had been recruited as the KGB’s “first British Romeo spy” and “posted to Bulgaria” to cultivate suitable targets, with “the wife of an official in an FRG government department” as my “most important sexual conquest”. In reality, of course, I had met Nina
entirely casually, while I was recuperating from malaria, and the idea that I had been deployed to seduce her was laughable. But again, was this material reproduced faithfully from Mitrokhin, or was it another example of Dr Andrew joining up the dots and drawing a completely false picture? (pp. 311/2)

'The other incidents described by Andrew were equally misleading, and his version had me blundering around Australia, whereas I completed the mission without any mishaps. With one finger in the source notes, and the other following the text, I read that I had been a corrupt detective “in the pay of criminals such as south London gang boss Charlie Richardson”, and that while awaiting trial I had gone “into hiding for several months” and then had used a false passport in the name of John Freeman, supposedly my “girlfriend’s mentally handicapped brother” to flee abroad, finally approaching the KGB at the Soviet embassy in Rabat in August 1972. Every detail of Mitrokhin’s version was an absurd travesty, and I certainly was never in hiding before I left for Morocco. Indeed, I had been in constant contact with my colleagues at Camberwell police station who, with typical generosity, had arranged a regular whip-round for me, organised by Colin Crisp. Several officers, including Michael Smith and Peter Lang had been frequent visitors at my house, and of course during those two and a half years awaiting trial I had also been in direct touch with my co-defendants, Robson and Harris. Although I had briefly known Eddie Richardson as a young man, of course, I had absolutely no connection with the Richardson gang beyond working on the edge of the police investigation, like many hundreds of other Met detectives. Of course I did obtain the Freeman passport, but not until long after my departure from England, a journey for which I had used my own passport. As for Barbara’s brother being mentally handicapped, the idea is absurd. He spent twenty years working for British Rail and then had another career with Westminster City Council, a total of forty years of exemplary service without a single day of sick leave, and certainly no mental problems. (p. 312)

‘For good measure, Dr Andrew claimed that my photo in the Freeman passport application had been ‘authenticated by the
mistress of a member of the Richardson gang’. Was this embellishment in Mitrokhin’s files, or had it been added by Dr Andrew?’ (p. 313)

Symonds does not tell the reader that Andrew’s sources could only have been MI5 or MI6: perhaps he thinks it too obvious to state.

‘Another bizarre assertion was that I had “made the dramatic claim that Denis Healey, the Secretary of State for Defence, regularly bribed Chief Superintendent Bill Moody of the Met ‘to smooth over certain unpleasantness’”. Once again, this was sheer invention, only on this occasion I could see how it might have been possible for some ignorant KGB officer to have confused DS Harley’s name with that of the Labour politician, although I thought it unlikely. In any event, the context was completely wrong, although I do admit that in Moscow I often sounded off about the injustice I had suffered at the hands of Moody and his cronies. Certainly Moody was corrupt and was shown at his trial to have been bribed by many, but as far as I knew there had not been any politicians involved. Nevertheless, this example strongly suggested that poor transliteration may have been a factor in building a ridiculously inaccurate account of my activities. No wonder that Mitrokhin himself had been so disappointed with the eventual publication. He had wanted his life’s work to be an unchallengeable history of Soviet misdeeds, not a compendium of inaccurate tales of espionage.’ (p. 314)

Symonds’ account ends with this devastating final paragraph.

‘In retrospect, nobody emerges from the Mitrokhin affair with much credit. The BBC and The Times competed against each other to see who could renege on their agreements first; MI5 tried every slippery trick to conceal Dame Stella’s stunning incompetence; Alpass tried to protect his former MI5 colleagues and then caved in to pressure brought by SIS on behalf of the BBC; senior civil servants conspired to keep their ministers in the dark and played Robin Cook off against Jack Straw. Michael Howard complained he had never been told of the project, while Straw insisted he ought to have been informed much earlier; Rimington and Lander retired with the grateful thanks of the nation, Warner received a knighthood, while King and Butler
joined their Lordships’ House. All of this would be funny if it was not so tragic, and as I read and reread the *The Mitrokhin Inquiry Report* I was struck by one of the key items contained in the Intelligence and Security Committee’s central questionnaire, which was never answered. It was to be found in point three out of a total of five principal issues to be addressed: “Why was Symonds not taken seriously when he offered his services in 1984/5?” Obviously the Committee was not completely serious when it posed this question, because it never asked me.’

Robin Ramsay
Cold War, hot bunkers

Paul Ozorak
Illustrated, notes, references, index, £25.00.

It was the ‘Spies for Peace’ pamphlet, Danger! Official Secret RSG6, that was distributed on the 1963 Aldermaston March, and mailed to the media (some 4000 copies in total were printed), that first alerted us slumbering public that if we weren’t going to survive a nuclear war, the government certainly was. Vast underground bunkers had been built up and down the country during the Cold War to ensure the state would survive even if its subjects didn’t. A big secret had been kept for nearly twenty years.

Well, it wasn’t some insider whistle-blower who let this cat out of the bag: it was Nicolas Walter and the far left Solidarity group (I should be more precise here: Nick Walter was an anarchist, and, if I remember correctly, Solidarity was anarcho-syndicalist). What else was out there? Members of CND and the Committee of 100 were ever vigilant for suspicious constructions, and there were many. Investigations into these Cold War contingency structures produced Peter Laurie’s Beneath the City Streets: A Private Enquiry into the Nuclear Preoccupations of Government (1970) and culminated, it would be fair to say, with Duncan Campbell’s War Plan UK: The Truth about Civil Defence in Britain (1982).

Since then many of these bunkers have been declared obsolete and closed down or sold off to private companies and used for document storage or computer hubs; or even, in one case, opened as a tourist attraction.

The literature on the subject has steadily grown, whether on the structures themselves or the policies behind them: for example, English Heritage’s Cold War: Building for Nuclear Confrontation 1946-89 (2005) and Peter Hennessy’s
The Secret State: Preparing for the Worst 1945-2010 (2010). A special mention should be made of two volumes by Nick McCamley, Secret Underground Cities: an Account of Some of Britain’s Subterranean Defence, Factory and Storage Sites in the Second World War (2000) that details the WW2 installations out of which the Cold War bunkers would arise, and Cold War Secret Nuclear Bunkers: The Passive Defence of the Western World During the Cold War (2007), that between them leave little more to be said.

If we have a pretty fair idea of what was going on in the UK, what of other countries? Ozorak in Underground Structures of the Cold War has produced a detailed and comprehensive account, in alphabetical order, of some 64 countries starting with Afghanistan and ending with Vietnam, via such unlikely suspects as Lesotho, Panama, and Qatar which, numerically, demonstrates if nothing else how good the Cold War was for Big Business generally, and the construction industries particularly. However, no entry for Australia. How come? Did they think the money would be better spent on Fosters, or what?

Some of the entries are slim but are still revealing. This is the entry on Panama in its entirety:

‘The US Army built a bunker in Ancon Hill in the Quarry Heights section of Panama City. It was used by US Southern Command, and included an intelligence centre. Other underground bases include tunnels at two anti-aircraft posts and a bunker at Gordo Hill between Paraiso and Gamboa which were built during the Second World War.’

Not much escapes Ozorak.

Sections on the United Kingdom and the United States run to, respectively, around 30 pages and 90 pages, both of which contain a lot of information that is new to this writer. There are also lengthy sections on Canada, France, and Germany, and Ozorak (the name does sound like an acronym) has done a skilful job on researching and collating information on Russia and its former satellites.
There are several appendices of lists that Cold War
anoraks will find of interest: lists of nuclear storage sites in
Russia, ‘Earth-covered Ammunition Bunkers in the United
Kingdom’ and Nike missile launch sites; while Appendix L is
‘Examples of Cover Organisations throughout the World’ and
details about forty instances. Or how about, Appendix N, ‘East
German Ministry of State Security Emergency Operations
Bunkers’?

For a one volume, global round-up of Cold War detritus
this will surely stand for some time as the first port of call for
any serious researcher. The work is richly illustrated. I haven’t
counted the number, but according to the jacket there are
over 170 illustrations. However, there is a serious failing in the
work. The ‘Notes’ are just that, notes not references; while
the ‘References’ should more rightly be termed a bibliography,
which lists upwards of 360 items and is neither annotated or
linked to the country entries. So, sources are not provided,
and this does flaw the book.

The publishers have done a fine job with the
typography, paper and printing; and, surprisingly, it is printed
not in China, but in the UK, a bit of a rarity these days.

Anthony Frewin

Anthony Frewin is a screenwriter.
I asked for this after receiving an e-mail from the publisher which announced: ‘This is the personal account of the start of the Lebanese civil war in 1976 as seen through the eyes of the British Chargé d’Affaires and MI6 Head of Station in Beirut, Geoffrey Hancock.’ Oh, thought I, how many other memoirs by an MI6 Head of Station do we have? None that I can think of. The book, unfortunately, does not live up to the advertising. There is nothing about MI6’s role (if it had one). Hancock was acting ambassador during this period after most of the embassy staff were evacuated and it is that role which the book describes. There is a great deal about the day-to-day difficulties involved in maintaining the British presence in Beirut during a sporadic civil war when food, energy and transport became unreliable.

The major incident in this period from Hancock’s perspective was the killing of the American ambassador; and we get the old, familiar message of British diplomats and MI6, the Greeks and Romans story. In this version the British state, a declining power, represented by Hancock, tiptoed round, trying to maintain contact with all sides in the civil war in which they could play no part; while the much more powerful Americans blundered about. It was this which got the US ambassador killed. Hancock notes that he ‘died as the result of mistakes made on the ground and Washington’s poor assessment of the degree of risk to which they were exposed’. Hancock adds that the context was the world-wide ban on US diplomats meeting PLO officials imposed by Henry Kissinger. (p. 36) If we haven’t got the point, in an afterword John Wood, chair of the Trilateral Group, restates it:

‘The actions of self-consciously bright and overly self-assured statesmen, when combined with gross ignorance, can have fatal effects not just for single
individuals but for whole societies and nations.’ (p. 103)
This account and the extracts from Hancock’s diary do convey considerable sang-froid on the author’s part; and at the rear of the book there are reproductions of some of the declassified telegrams which the author sent to London during this period. These may be of interest to students of diplomacy or to those who are studying this period in the Middle East. But mostly it’s just details of life under siege – he had to tune his own piano! – and how to Keep Calm and Carry On.

Hancock died in 2011 and his obituary was carried in the Telegraph at <www.telegraph.co.uk/news/obituaries/politics-obituaries/8684846/Geoffrey-Hancock.html>.

Robin Ramsay