

New Year's Political Shocks Strike Britain

by Mark Burdman

An expression of the international political volatility of a time of fast-growing financial-economic crisis, is the turbulence in the British Establishment as the new year begins. The first days of 2004 have seen elements of the British monarchy, Prime Minister Tony Blair, and the Bank of England facing dramatic challenges. This reflects intra-Establishment warfare, on a scale perhaps unprecedented, at a time when well-connected British figures have told *EIR* that they concur with LaRouche, that the global financial system is unsustainable, and faces upheavals in the period ahead.

The first two weeks of January have seen major tremors. First, Michael Burgess, Coroner of the Queen's Household, announced on Jan. 4 that he would be conducting a new inquest into the death of Princess Diana on the night of Aug. 31-Sept. 1, 1997. This was soon followed by leaks from British police sources, that the official French magistrate's investigation into the case had been fatally flawed. Prince Charles, the heir to the throne, is being most immediately damaged by this unexpected development, although the shock effects of the new investigation may not be containable to him alone.

At the same time, Prime Minister Tony Blair was being hit on three flanks simultaneously. First, Lord Hutton, who conducted the official inquiry into the July 17 apparent suicide death of British weapons expert David Kelly, announced he was delaying release of his final report—originally anticipated in November-December of last year—in response to a panicked new submission from Blair's 10 Downing Street. Second, and linked to this, Blair is facing a growing backlash over his lies and distortions about alleged Iraqi weapons of mass destruction (WMD) in the period leading up to the Iraq war. Third, he is facing an inner-Labour Party revolt over his Higher Education bill, which would impose draconian tuition fees on university students. The Parliament vote on this is scheduled for Jan. 27; as of mid-month, over 100 Labour Party rebels were in opposition.

The three threats in combination could spell Blair's downfall. One London insider affirmed that there is "a battle at the highest levels here in Britain" over Blair's fate. Harold Brooks-Baker, publishing director of the *Burke's Peerage* publication that profiles the British "upper crust," told *EIR* on Jan. 12 that a parliamentary vote of no-confidence in Blair is likely "within three months."

The Bank of England, the institution that is the bedrock of the Venice-modelled Anglo-Dutch central banking system that has prevailed in Britain since the days of the 1688 "Glorious Revolution," is also being shaken. For the first time in its history, the Bank is the defendant in a legal case, accused of lying for nearly 20 years about its regulation of the notorious Bank of Credit and Commerce International (BCCI). The case, which began on Jan. 13, is being held in the same Court 73 which housed the Hutton inquiry into the death of David Kelly. It is brought by depositors, who accuse the Bank of England of misrepresenting the state of BCCI, which collapsed in 1991. The failure was the largest in British history, leaving 80,000 depositors, most in Britain, owed more than £5 billion. The charge now being levelled is "public misfeasance"—that the Bank of England acted dishonestly and recklessly. Evidence includes an internal Bank memo from 1982, labelling the hapless BCCI the "*SS Titanic*." Three former Governors of the Bank will have to testify.

The case may move into uncomfortable domains. BCCI had been involved in all sorts of illicit activities, including being a central funder of the "Afghansi" terrorist operations in Afghanistan, and being a key player in the Iran-Contra complex. BCCI was nicknamed the Bank of Corruption and Criminal Incompetence.

The Case of Diana: 'Sinister Questions'

The 1997 death of Diana is a highly emotive issue in Britain: It triggered unprecedented public memorials and protests against the House of Windsor at the time, and millions of Britons today—nearly half the population, according to most recent polls—don't believe that the car crash was an accident. For years, *EIR* has compiled investigative leads to buttress that view (see article following).

Coroner Michael Burgess announced that the new investigation would be conducted by Sir John Stevens, Britain's top police officer, as head of the London Metropolitan Police. One of Sir John's recent activities was to investigate the murky ties of the British secret services, and the Royal Ulster Constabulary, to Protestant-"Loyalist" paramilitary organizations in Northern Ireland.

According to the London *Times* on Jan. 10, the heads of MI5 and MI6 (and the Secret Intelligence Service, SIS), as well as Prince Charles, may be interrogated in the re-opened Diana inquiry. Charles' name has come to the fore because, on Jan. 6, the *Daily Mirror* tabloid published the text of what purported to be a 1996 letter by Diana, warning that "my husband" planned to arrange her death in a car accident. Informed sources in London and Washington stress that the key consequence of the renewed Diana focus, is a concerted campaign to prevent Charles from assuming the succession.

One source sees the move against Charles as of a piece with the thrust to dump Blair, with the aim being to set up a

new leadership arrangement that can protect Britain from the worsening global monetary instability. Interesting in this light, is that Blair held a private meeting with Charles on Christmas Eve, and Blair's main political "attack dog," Health Secretary John Reid, on Jan. 9 called on Britons to rally behind the beleaguered Charles.

But even bigger matters may be at stake, affecting the wider monarchical structure, and linked elements in France. The Jan. 10 London *Times* revealed, in a front-page lead article which cited British police sources, that they doubt the authenticity of the French investigation's blood sample of Henri Paul, the driver of the car on the night that Princess Diana died. The French investigators reportedly failed to carry out the required DNA test, on the blood sample. This casts doubt on French magistrate's Serge Stephan's claim, that the death was the result of Paul being drunk. The "drunken driver" angle has been the centerpiece of the cover-up of what happened that night.

Paul's family told the paper that it is gratified that the truth about their son is coming to the surface, and that an "Establishment cover-up" has prevailed until now. The irony now, though, is that the impetus for the new investigation is coming from certain Establishment circles. Royal biographer Anthony Holden was quoted: "There is no doubt that the French inquiry was in many ways unsatisfactory. There are several legitimate, not to say sinister, questions that need to be answered."

'He Ought To Stand Aside'

On Jan. 4, Blair had tried to outflank his domestic problems with a well-publicized "surprise" visit to Basra in southern Iraq, to boost troop morale. Back home, however, this was being lampooned in leading British press as a cheap publicity stunt and a diversionary move.

Blair's 10 Downing Street's first move in the New Year, was to dispatch a legal brief to Lord Hutton, trying to counter claims made back in mid-October 2003, on the last day of the inquiry. The claims were made by Sir Kevin Tebbit, Permanent Undersecretary of the Ministry of Defence, who revealed that he had attended the crucial July 8, 2003 meeting, *chaired by Blair*, where the government decided to make Kelly's name public. This is of vital importance: first, because the public naming of Kelly triggered the circumstances leading to his death; and second, because his naming was central to the Blair apparatus' fanatical intent to discredit critics of its lying claims about Iraqi weapons of mass destruction. Back on July 22, 2003, Blair had stated that he "emphatically" had nothing to do with Kelly's being named. But now, an estimated one-half of the British population believes Blair is lying.

When vigorously challenged on the Tebbit matter, during the first House of Commons session this year, by Conservative Party leader Michael Howard, Blair proclaimed that "of

course" he would have to resign, should it be shown that he misled the Parliamentarians (MPs). His aim in saying this, was to "prove" he could not have deceived MPs, because had he done so, he would have resigned!

Certain MPs believe otherwise, especially as the closely interlinked issue, Iraqi WMD, is proving to be Blair's Achilles' Heel. Whatever the final verdict of Lord Hutton, the whole edifice of propaganda that brought Britain into the war, "the imminent Iraqi threat," is dissolving, a process greatly abetted by the rapidly growing, LaRouche-instigated anti-Dick Cheney revelations in the United States, such as the Paul O'Neill book (see article in *National*). Harold Brooks-Baker called the O'Neill dismissal of the Iraqi WMD "the last straw for Tony Blair." On BBC's "Breakfast with David Frost" interview show, Blair admitted that "I do not know" whether or not there are WMDs in Iraq. In response, Tam Dalyell, longest-serving member ("Father") of the House of Commons, proclaimed: "My view is that Parliament has been deceived"—implicitly taking Blair at his word on resigning.

No-Confidence Vote Coming

David Clark, a former Labour government advisor, has asserted, in a Jan. 9 London *Guardian* feature reprinted in the July 11 *Sunday Telegraph*, that Blair is "unfit to govern" whatever the final conclusions of the Hutton inquiry, because the testimony, including from Blair's own Chief of Staff Jonathan Powell, has revealed "a pattern of misrepresentation and selective disclosure" by the government about Iraqi WMD. "The plain truth is that had we known then what we know now (and, more to the point, what the government has known all along), the [September 2002 Blair dossier on Iraqi WMD] would have been laughed out of town."

On the third front, Blair is running into serious inner-Party opposition to his tuition ("top-up") fees policy, a policy that—modelled on the "free market" methods of his predecessor Margaret Thatcher, and on the more nefarious aspects deregulation economics in the United States—seeks to shift the burden for funding higher education away from government grants, and on to families and individuals, who thereby incur big debts. Should Blair be defeated on this when it comes up for a vote on Jan. 27, it would be tantamount to a Parliamentary declaration of no-confidence.

While Blair has tried to cajole opponents with various concessions, he has also alienated many by charging them with "betrayal," as he stated to the BBC's Frost. This brought some most frosty reactions from his Labour opponents, most vocally from MP Eric Illsley, who exclaimed Jan. 12: "Who the hell is he to tell me I am betraying the country? It's crap." He attacked the top-up fees measure as "elitist," charged that Blair himself "has betrayed the country," and advised, "He ought to stand aside, and let somebody else have a go."