

Rushdie affair is part of Anglo-Soviet 'New Yalta' deal

by Scott Thompson

From Feb. 26-28, Soviet Foreign Minister Eduard Shevardnadze visited Teheran, where he pointedly refused to condemn the Ayatollah Ruhollah Khomeini's placing a bounty upon the head of Salman Rushdie, the British author of the blasphemous *The Satanic Verses*. Shevardnadze is the first Soviet foreign minister to visit Iran since the 1979 Islamic Revolution and the first foreign minister from any country to meet Khomeini alone; he signed cultural, political, and expanded economic agreements with others in the Iranian leadership.

While Britain's Foreign Minister Sir Geoffrey Howe was urging the West to break ties with Iran over the Rushdie affair, there was not a hint of criticism from Britain or the United States when Shevardnadze swooped into Teheran, praising its "great revolution" as similar to the Russian Revolution. His job was to pick up the pieces of Western influence, precisely as Iran's official daily *Teheran Times* had been predicting would happen in its editorials. The visit was made possible because Moscow had met the demands of British Prime Minister Margaret Thatcher by staging a partial withdrawal from Afghanistan, which had been the major thorn in the side of closer ties between the Soviet Union and various Middle East states practicing the Muslim religion.

The timing of Shevardnadze's visit during the height of the Rushdie crisis, raised the question whether the growing Soviet influence in Iran was part of a "New Yalta" deal, arranged between London and Moscow.

It was not until March 1, after Shevardnadze had left Iran, that it was confirmed that the Rushdie crisis was indeed a major feature of his visit. Soviet Foreign Ministry spokesman Gennady Gerasimov stated at a press briefing that Shevardnadze had raised the issue with Iranian leaders. According to Gerasimov, the Soviet side gained the impression that Iran thought the Soviet Union could play a "positive role" in resolving the furor; Gerasimov also elaborated that if a "reasonable solution" to the crisis were not found, there could be "unpredictable consequences."

Were these "unpredictable consequences" the same that had been spelled out by Shevardnadze on Feb. 23 in Cairo, where he raised the threat of nuclear war in the region: "Time in the Middle East is working for war, which sooner or later could degenerate into a nuclear face-off." Taken within the context of the ongoing rapprochement between barbaric Russia and the insane Islamic regime in Iran, it is grounds for alarm. It also highlights statements from a high-level source within British freemasonry made to *EIR*, that a significant

British faction *desires* precisely such a nuclear showdown with the Soviets within two to four years, after an orgy of "New Yalta" appeasement.

Behind 'The Satanic Verses'

Salman Rushdie is a pawn in the crisis that erupted internationally over the publication of his *The Satanic Verses*, almost four months after the book appeared. This surrealistic, poison pen author was born to Muslim parents in Bombay, India in 1947; he attended Kings College, Cambridge, which is one of the centers of the sort of British cultural warfare used to control the Commonwealth countries and prevent the emergence of sovereign states, free from British imperialism, that are based upon republican "natural law." Rushdie has amassed a long track record for libel and slander, which are part of British efforts to destabilize Commonwealth countries, especially his homeland of India.

His first major work, *Midnight's Children*, contained outrageous libels of Indian Prime Minister Indira Gandhi, a leader who gave moral courage to the Non-Aligned nations. On July 31, 1984 Rushdie lost a lawsuit brought by Mrs. Gandhi before the London High Court, and was forced to issue a public apology. Libelous passages from his book were excised from later editions—passages that were a "cruel attack" upon Mrs. Gandhi and her late son Sanjay. However, when the Prime Minister was slain by assassins whom *EIR* identified as part of an Anglo-Soviet conspiracy in the book *Derivative Assassination: Who Killed Indira Gandhi?* Rushdie got back his own. Writing in the *New Republic*, whose publisher, Michael Straight, admits to having been recruited as a Soviet agent by Sir Anthony Blunt through the Cambridge Apostles, Rushdie said: "The Queen is dead. *Vive la république!*" He proceeded into a diatribe against any succession by Indira Gandhi's son, Rajiv, saying that the family of Mrs. Gandhi's father, India's first prime minister, Jawaharlal Nehru, had already turned New Delhi into a "court" for their "dynasty." In an article in the British press at that time, Rushdie proved an apologist for the Anglo-Soviet-backed Sikh terrorists, when he wrote: "The wind was sown in Amritsar. Now, perhaps, the whirlwind ripens." Next, Rushdie in 1985 wrote the introduction for a burning indictment of the Gandhis entitled *An Indian Dynasty: The Nehrus and the Gandhis*, written by the Marxist editor of the *New Left Review*, Tariq Ali.

In Rushdie's next book, *Shame*, he trained his guns upon Pakistan. There he simultaneously libeled Prime Minister

Zulfikar Ali Bhutto and his daughter Benazir. He referred to her as “the Iron Virgin,” while using the judicial murder of Benazir’s father to attack Zia ul-Haq. Finally, Rushdie showed his true Socialist International colors when he formed the Nicaraguan Solidarity Committee in London, before accepting an invitation to visit the Sandinista regime in Nicaragua, writing *The Jaguar’s Smile* on his return. Rushdie’s only quibble with the Sandinista regime was that it had censored the opposition paper *La Prensa*. Its alliance with the Soviets and the Manichean heretics of “Liberation Theology” did not disturb him. Rushdie emerges from this picture as a pink-tinted typical product of the Cambridge cultural warfare arm of the British Establishment.

If he himself is too unimportant to merit the international attention paid his latest scribblings, then the question is raised who might be behind the outrage? On the first approximation, the answer is to be found by looking at the Penguin Publishing Co., Ltd., which produced *The Satanic Verses*. Penguin is a subsidiary of Pearson PLC, which is controlled by several leading families of the Anglo-American Establishment, foremost among whom is Lord Victor Rothschild, the head of the British branch of the Rothschild family. The connection between Pearson PLC and the Rothschilds arises from the former’s 50% ownership in the weekly *The Economist*, whose chairman is Lord Victor’s cousin, Evelyn Rothschild.

While the largest stockholder in Pearson PLC (owning 20.4%) is Australian publisher Rupert Murdoch, he does not control the publishing policy of the firm. It is notable, however, that Murdoch gained his lead in stock ownership, when he purchased a 4.9% stake in Pearson held by Turin financier Carlo De Benedetti, a far more influential person, who recently gained some added notoriety for advocating a \$100 billion Eastern European “Marshall Plan” of expanded trade and credits with the U.S.S.R.

Equally influential within Pearson is British media baron and corporate raider Robert Maxwell, who is regarded in Britain as a top-level Soviet agent of influence, a kind of “British Armand Hammer.” A socialist and former Labour Party parliamentarian, he comes originally from Czechoslovakia (his real name is Jan Ludwig Hoch), and his publishing empire has been compared to the famous empire of “red millionaire” Willy Münzenberg in the 1930s. Maxwell is a leading promoter of the “Europe 1992” federalist scheme to destroy the nation-states of Western Europe, and his Pergamon Press is the official publisher of the Club of Rome and of books by Soviet leaders, as well as of the magazine of the Soviet Cultural Fund. Maxwell recently announced his support for Israeli Prime Minister Yitzhak Shamir’s vow never to negotiate with the Palestine Liberation Organization.

Whatever the true extent of Maxwell’s undisclosed holdings in Pearson, in September 1987 he issued a warning to Murdoch that should he attempt to take over Pearson fully, Murdoch would “not get a free ride.” Then on March 23, he spent £13.75 million to buy up a Penguin subsidiary company called Sphere.

Pearson PLC is diversified in several areas besides publishing, that include:

- **Oil and oil services:** Pearson’s subsidiary Camco, for example, is one of the world’s leading manufacturers and suppliers of equipment to the energy industry. It recently sold its 100% ownership in Whitehall Petroleum Ltd., which had 28 licenses in North Sea oil, to Amerada Hess.

- **Investment banking:** Led by its chairman Lord Michael Blakenham, Pearson exchanged its 79.4% position in Lazard Brothers Company Ltd. (U.K.) for 50% interest in Lazard Partners, which assumed full ownership of Lazard Brothers and took 12% stakes in Lazard Frères and Co. (U.S.A.) and in Maison Lazard et Compagnie (France). The chairman of Lazard Partners, which was recently extended as a partnership for 21 years, is Michel David-Weill, while through Lazard Frères of the United States, its top deal man is Felix G. Rohatyn. The French David-Weill family lost control of its British operation to its minority partner, L. Pearson & Son, in 1919, but Lazard New York went on under their control to pioneer the modern dealmaking of the 1950s and 1960s under André Meyer. Michel David-Weill, who apprenticed under Meyer, has since emerged to run Lazard Partners with an iron fist.

Enter Lord Victor Rothschild

While these are certainly powerful interests capable of fueling the Rushdie crisis, political analysts in Britain believe that the real *éminences grises* behind the operation are the British Rothschilds. Lord Victor Rothschild, the head of the family, is correctly viewed by counterintelligence experts as part of the “Circle of 25” that included Soviet spies Kim Philby, Guy Burgess, Anthony Blunt, and Donald Maclean. Not only was Lord Rothschild a member of the sodomic Cambridge Apostles along with Blunt and Burgess at Cambridge, but his mother, Rozsika (a descendant of a Hapsburg-connected *Hofjuden* family), employed Burgess extensively as an adviser, including sending him into the Anglo-German Fellowship, where Burgess gained a berth for Philby. Rothschild’s ties with Burgess were so close that Lord Rothschild rented him his London flat at 5 Bentnick Street, when Victor was in wartime MI-5 intelligence. Burgess shared the flat with Anthony Blunt, and they held wild orgies there, attended by, among others, Lord Rothschild’s second wife, Tessa Mayor, a roommate.

Suspicion that Lord Rothschild was the “Fifth Man”—a highly inaccurate numerical designation of what was actually a sizable Anglo-Soviet “Trust” faction of the British Establishment—reached such a high point in 1986, that Rothschild demanded haughtily in a letter published in the *Daily Telegraph* that Sir Anthony Duff, the director general of MI-5, must issue “unequivocal, repeat unequivocal” clearance of him on all charges. Instead, Prime Minister Thatcher gave lukewarm clearance (“a Scotch verdict”) of Lord Rothschild in subsequent parliamentary debate that left him simmering.

Apparently Thatcher was angered about Rothschild’s role

in pushing Assistant MI-5 Director Peter Wright to publish his memoirs, *The Spycatcher*, which the British government sought unsuccessfully to suppress, in marked contrast to their treatment of Rushdie's *Satanic Verses*. Wright, a protégé of Lord Rothschild, not only dutifully clears Lord Rothschild of charges by Soviet defector Anatoli Golitsyn that the lord had been a lifelong Soviet "mole," but even makes the outrageous assertion that it was Lord Rothschild who tipped off British authorities to Philby's treason in the first place.

What does come across in the book that is relevant to the Rushdie affair, is that Lord Rothschild—even after he left MI-5—maintained private networks at a high level in Iran, as well as Israel. He maintained these networks while he served as Prime Minister Edward Heath's chief "brain truster" (running the Central Policy Review Staff) in the early-1970s, before he parted company with Heath under a cloud, and it can be presumed that Lord Rothschild maintains such networks even after the ouster of the Shah of Iran, who was toppled as part of a combined operation of the Anglo-American Establishment.

There is another reason, perhaps, why Thatcher was so angered at Lord Rothschild. Only days before his angry letter to the *Daily Telegraph*, British and American press hinted that the adulterous love affair between Lord Rothschild's daughter Emma and Swedish Prime Minister Olof Palme (who was assassinated in 1986) might have held the key to unlocking the murder, but that they were thwarted from pursuing this lead by the Swedish government. Sources close to Swedish law enforcement authorities speculated that either Emma had been trailed by the assassins, or that she herself had tipped off the Soviets to an impending break planned by Olof Palme, leading to a Soviet decision to kill him and blame it on the CIA. Peter Wright has told *EIR* that this exposé of Emma "still troubles Lord Rothschild greatly," as no doubt would a serious spotlight being placed upon his family's shared financial interests with Pearson PLC, whose Penguin subsidiary published Rushdie's *The Satanic Verses*.

Riots destabilize India and Pakistan

Moderate Muslims have found channels other than riots and death threats by which to treat Rushdie's blasphemous *The Satanic Verses*, but there is no doubt that fundamentalists have employed the crisis to destabilize the governments of such countries as India and Pakistan. The book has been banned in India, Pakistan, Malaysia, Indonesia, and elsewhere. The Council of Islamic Jurisprudence, made up of legal experts from several West Asian Muslim countries, has recommended that the Islamic Conference Organization take a page from Indira Gandhi's treatment of Rushdie by suing him for libel against Islam in London's High Court.

Moderates among the 5 million Muslims in the United States have recommended similar actions, culling through Supreme Court decisions in an effort to discover the precedents by which the book might be banned here, because it is

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pornographic, libelous, obscene, depraved, and incites riots or breach of peace. "Freedom of speech" is not an "absolute right" in the United States, but assumes some congruence between that speech and the "natural law" upon which the Constitution is based.

The situation has been different, however, throughout the region stretching from Iran through India:

● **Iran:** While tens of thousands demonstrated against Rushdie in Teheran, Ayatollah Khomeini proclaimed his death sentence and leaders of the "mullarky" quickly raised a multimillion-dollar bounty to place on the author's head. The subsequent break with the West was largely stage-managed, according to the British paper the *Independent*, which wrote on Feb. 22, "Ayatollah Khomeini's opponents in Western exile contend that the Islamic Revolution was a British plot, to oust the Americans from the Gulf, and that beneath the Imam's beard are tattooed the words: 'Made in England.'" Readers of *EIR*'s exclusive coverage of the Anglo-American faction behind the destabilization of the Shah during the Carter administration, because he sought rapid industrialization of his country among other reasons, would not be shocked by this analysis, nor by the assertion that both Britain and Russia would welcome an expanded war in the Gulf, threatening Western oil supplies.

Just how far the "New Yalta" deal permitting the Soviet Union to step into the gap has gone, was revealed in the \$140 billion Iranian national budget, released March 21. Iran announced plans to purchase 180 Soviet T-54/55 tanks which Czechoslovakia makes under license, and there are also plans for a Warsaw Pact factory in Isfahan, Iran, to produce anti-tank and anti-aircraft missiles. Romania, another Warsaw Pact country, is slated to produce armored vehicles for Iran, and a naval base is under discussion. North Korea has sold \$250 million worth of arms already to Iran in the first half of 1987, including Soviet-designed Scud-B missiles and a ver-

sion of the MiG-19. There are negotiations directly with the Soviets for a possible new naval base at Qesh Island in the Strait of Hormuz, which controls access to the Persian Gulf and passage for one-third of the West's oil supplies.

Reuters reported on March 21 that the Soviets may sell to Iran the older tanks they proclaim they will withdraw from Eastern Europe—all since the Shevardnadze visit. “If the West wants to squeeze us,” said one source close to the Teheran government, “then that is one way to show them that our hands are not tied.”

● **Pakistan:** On Feb. 12, a 10,000-person mob rioted in front of the American Center in Islamabad, resulting in five persons being shot by police as the mob prepared to enter the center, where it would likely have killed 18 occupants trapped inside. The newly elected Prime Minister Benazir Bhutto, absent from the country on a trip to the People's Republic of China, announced on her return that the riots had been led by her political opponents as “a last-ditch attempt to destabilize the government.”

“The question,” she said, “is whether these agitations were really against the book . . . or was the book a pretext by those who lost the election to try and destabilize the process of democracy? . . . The dying order always likes to give a few kicks before it goes down.”

Investigation uncovered the information that the leaders of the riots were all opponents of the moderate Bhutto family, including:

1) Maulana Kausar Niazi, who recently visited the Soviet Union and considers himself a protégé of Ayatollah Khomeini, had earlier “made peace” with the military regime that murdered Benazir Bhutto's father Zulfikar Ali Bhutto in 1979, by writing a book, *And the Telephone Is Cut*, which provided justifications for the military overthrow of the Bhutto government;

2) Maulana Fazlur Rehman, a leader of the Jamiat-Ulema-e-Islam, had been rejected from a coalition with Bhutto's Pakistan People's Party (PPP), and is now trying to secure the lead of the mullahs as well as the Sardars (clan leaders) of Baluchistan; and,

3) Nawabzada Nasrullah Khan, who had earlier run the opposition against the PPP government in 1977 to bring down Zulfikar Ali Bhutto.

U.S. Ambassador to Pakistan Robert Oakley said of the riots, “There is the smell of money around, but it is too soon to say for sure. There is a tradition of Libyan and Iranian money here. We will look. The Russians aren't happy about either the Pakistanis or us not backing down on Afghanistan either.”

● **India:** Riots in India against *The Satanic Verses* started on Feb. 7 in Srinagar in Jammu and Kashmir state, then quickly spread to Bombay, where a crowd of 10,000 stoned cars and burned buses on Feb. 24. Police were forced to open fire, killing more than a dozen rioters in a series of clashes.

In New Delhi, on the same day as the Bombay riots, the

most powerful leader of the country's 100 million Muslims, Syed Abdullah Bukhari, told a Friday prayer congregation in the Jama Masjid: “I congratulate the Imam Khomeini. No leniency should be shown to Rushdie.” Likewise, accompanying the riots in Srinagar, the newly formed Islamic Unity Movement placed a 1 million rupee reward on Rushdie's head. In Calcutta, the IUM organized a march on the British consulate.

“A delay in imposing the ban could have resulted in the worst riots since Independence,” said Salman Khurshid, a member of Prime Minister Rajiv Gandhi's Congress Party and a key figure in the campaign that resulted in India being the first country to ban the book on Oct. 5, 1988. Perhaps another reason why the Indian riots could not take on the full weight of the opposition that they did in Pakistan, is that Prime Minister Rajiv Gandhi's mother, Indira, had earlier been so viciously attacked by Rushdie, an avowed enemy of the Nehru and Gandhi families.

Replay of the ‘Great Game’

The Rushdie affair is no different than Rudyard Kipling's “Great Game,” which pitted Russian imperialist expansion in the Middle East against the British Empire in a balance-of-power conflict, where there was no “good” and no “evil”—only shifting alliances, balanced through regional arrangements that preceded Yalta.

Orientalists at Oxford and Cambridge devised the cultural warfare ingredients of the “Game” through syncretic distortions of Sufi freemasonry, which is similar to the “dualism” of Christian Gnosticism and Manicheism, in recognizing Satan as a power who rivals God. This Sufi mysticism is the fundamental stew of Rushdie's *The Satanic Verses*, just as it is the underlying ingredient of the Muslim Brotherhood, which carried out the grassroots organizing to topple the Shah and install the “Made in England” Ayatollah Khomeini. On the level of epistemology, there is only a dime's worth of difference between the protagonists in the “Great Game,” Rushdie and Khomeini.

Immediately upon seizing power, the Bolsheviks entered the “Great Game” in the place of their Russian imperial predecessors, when the Comintern opened the 1920 Baku Congress of the Peoples of the East, held in Baku, Azerbaijan. The Baku Congress formulated how Islamo-Marxism would launch a *jihad* (holy war) against the six “imperial powers”: the United States, Great Britain, France, Japan, Belgium, and the Netherlands. Present at the Baku Congress was Harry Bridger St. John Philby, the orientalist Arab Bureau father of H.A.R. “Kim” Philby, the later associate in treason of Lord Victor Rothschild. Also present was Graf von Reventlow, whose wife, Fanny, from a base in Ascona, Switzerland, helped to shape syncretic “dualist” religions as part of the cultural warfare of the “Great Game,” just as the Cambridge-educated pawn Salman Rushdie has done with his *The Satanic Verses* today.