

Britain's 'new Empire' strategy invades Asia

by Michael O. Billington

Over the past year, the British have launched a highly publicized campaign to reestablish, openly rather than covertly, the policies of the Empire, utilizing the existing structure of the British Commonwealth of Nations. This campaign was dramatically advanced through the organizing for an "Asia Europe Meeting" (ASEM), a conference of 25 European and Asian nations which took place in Bangkok, Thailand on March 1-2. ASEM was designed and executed by the British, in large part through the auspices of "former" colony Singapore, and their favorite comprador in Asia, Singapore's senior statesman Lee Kuan Yew, with assistance from the Entente Cordiale faction in France, typified by former prime minister and Trilateral Commission leader Raymond Barre, and others who have significantly influenced President Jacques Chirac. The conference, attended by the Heads of State or leading representatives from the 15 members of the European Union, the 7 members of the Association of Southeast Asian Nations (ASEAN), joined by Japan, China, and South Korea, was promoted as a vehicle for dialogue and collaboration between Europe and Asia. However, as this *EIR* report will demonstrate, those who designed and directed the conference were guided by the goal of furthering London's new "Empire" strategy in Asia. Four objectives can be identified:

1) The establishment of an institution through which European economic relations with Asia (and ultimately *all* economic relations with Asia) will be directed, from London, utilizing London's dominance of the world financial markets, especially through Hongkong and Singapore. This effort has the included purpose of *preventing* the real physical development of the Eurasian land-mass, envisioned in the plans for a "land-bridge" of high-speed rail lines and development corridors connecting Europe to the Pacific, a concept strongly supported by leading political circles within China, Korea,

Germany, and other nations.

2) To drive a wedge between the United States and Asia, targeting in particular the efforts of President Clinton to replace the Bush-Thatcher foreign policy, which was characterized by the "globalization" of low-technology process-industries and the spreading of the Western financial speculative bubble, with a policy of exporting technology and heavy industry into the developing sector nations.

3) The creation of a new, synthetic "Asian nationalism," using the methods perfected by Lord Palmerston in the 19th century, by creating local and regional ideologies as a means of division and control over the Empire. Lee Kuan Yew has played a special role in this particularly nasty bit of cultural warfare.

4) To further the cause of transforming all of East and Southeast Asia into an extension of the Hongkong model of deregulated money laundering (called "free market economics"). An included purpose here is to maintain control of the Golden Triangle drug flow.

The 'new Empire' strategy

The ASEM conference was first proposed in autumn 1994, by Singapore Prime Minister Goh Chok Tong, but incorporated the ideas of an earlier, July 1994 European Union proposal, "Towards a New Asian Strategy," nominally to give higher priority to Asia. However, the goals defined were Europe and Asia—without Eurasia. The EU proposed to bring Asia more and more "into management of international affairs," and economic relations, defined as "trade and investment," with the emphasis on the private sector. The World Economic Forum, based in Davos, Switzerland and a creature of the monetarist Raymond Barre, also promoted ASEM.

In March 1995, the Foreign Office's primary think-tank,

the Royal Institute of International Affairs (Chatham House), sponsored another conference on "Britain in the World" (see *EIR*, March 31, 1995), in which leading British establishment figures (including Sir Henry Kissinger) decried the onrushing collapse of the nations of continental Europe, and proclaimed that England must return to its roots in "globalism," utilizing the experience of the Empire, and the structure of that Empire as preserved in the Commonwealth. The British press has been filled with such drivel ever since. The *Sunday Times* editorialized on Dec. 31: "Our global balance sheet . . . invites the political community to lift its eyes and respond to the lure of the high seas, as our forebears did. . . . The fastest-growing part of its trade and investment is with the tiger economies, of Southeast Asia and the Pacific Rim. . . . There has seldom been a better time to rekindle this country's historic interests. . . . Parts of Whitehall [the British government] need to stop believing the world is Euro-centric and to readjust their focus. There is still time—just."

Chatham House also released a report called "Economic Opportunities for Britain and the Commonwealth," by the Australian-based Katherine West (Australia is to play a crucial role in the renewed Empire in Asia). West wrote that "globalism is Britain's natural and logical style, and the world as a whole, including the Commonwealth, is Britain's natural economic territory." She favorably quoted the economics editor of the *Sunday Telegraph*, Bill Jamieson, praising the "experience of empire and the dynamics of an informal financial empire that maintained its vibrancy long after the formal empire went into decline." All the voices in this imperial chorus sing of the East and Southeast Asian nations as Britain's special sphere of interest.

A news analysis praising ASEM, printed in the *Asian Times* of Jan. 22, by François Godement of the French Institute for International Relations (a spokesman for the French faction advocating a new "Entente Cordiale" with the British), was entitled "Europe Building a Bridge to Asia." The term "bridge" is often used in this context, but, in fact, the British designers and controllers of the conference have spared no efforts to sabotage the building of an actual, physical land-bridge between Europe and Asia. As envisioned by *EIR* founder Lyndon LaRouche, the land-bridge would consist of multiple rail connections between China and Europe, creating development corridors, extending outward from a revitalized industrial heartland of Germany and France, which LaRouche called the "Productive Triangle." The Productive Triangle, as well as the land-bridge, require both international cooperation and extensive government investment from the nations involved. The British have deployed to prevent such government involvement, through both financial and geopolitical warfare against the nations of continental Europe and Asia. Like their colonial forefathers, the British today consider such development to be a deadly threat to their power and influence, which rests on the *containment* of national development, through the control of the institutions of international

trade and finance.

Europe, on its side, is destroying its industrial capacity, the highest concentration of productivity and productive power in the world. Since the wrecking of the great potential of the 1989-90 peaceful revolutions and the reunification of Germany, by the British-led operation to impose shock therapy on Russia and eastern Europe, the nations of western Europe have succumbed to monetarism and fiscal austerity. This operation was enforced by Margaret Thatcher and George Bush's geopolitical wars in the Persian Gulf and in the Balkans, with the included purpose of provoking division and confrontation in Europe, especially between Russia and Germany. In this situation, the recently deceased, British-allied French President François Mitterrand engineered the passage of the Maastricht Treaty in 1991, which is the chief instrument for creating economic chaos in Europe today.

Similarly, in China, the British, with some success, have encouraged Beijing to direct investment credit, both foreign and domestic, into the Hongkong-style coastal development zones, rather than the desperately needed national infrastructure, while various and sundry British intelligence operations are promoting ethnic revolts in the border areas, civil war over Taiwan, and splitting off southern China from the north. Gerald Segal, of London's International Institute for Strategic Studies (IISS), and director of Britain's Pacific Asia Program, has been so outspoken in his advocacy of splitting up the Chinese nation that he has been declared *persona non grata*.

Nonetheless, Britain is still concerned that the collaboration between China and Germany on the land-bridge could bring in Russia, France, and others to that perspective.

Also, a recent agreement for the German construction of a power plant in Shandong Province, originally arranged during Chancellor Helmut Kohl's visit to China last year, has provoked the ire of the British. Kohl agreed to extend German export credits despite the Chinese refusal to provide official government guarantees. The Hongkong-based *Far Eastern Economic Review*, a voice for British colonial policy, reported that the Western powers and Japan had "informally agreed not to supply concessional funds for Chinese infrastructure projects without such guarantees. . . . The Germans broke ranks. That greatly irritated the other export control agencies which had been trying to shape a common front." It is precisely such "breaking of rank" which the British hope will be prevented in the future through new institutions established through ASEM and subsequent dialogue.

An old tradition

The effort to keep China (and Asia generally) weak and divided is, of course, nothing new to the British, and their most recent efforts will be informed by their history. In the period leading into World War II, the British established a Consortium of Western nations, directed by the Morgan interests of London and New York, to regulate credit into China, which succeeded in *preventing* any new loans to China from

the member nations for 17 years (Germany broke that unofficial blockade as well). During and after the war, Churchill used various means to undermine Franklin Roosevelt's commitment to building a strong China and a strong Asia. Roosevelt stated unequivocally that America did not enter World War II in order to preserve the wretched 18th-century British colonial methods. With FDR's death, however, Churchill succeeded in retaking the colonies, and turning Asia into a continent of continuous warfare for another 30 years.

Twice before in modern history there have been international efforts to overcome such oligarchical policy, by building an alliance of East and West to the purpose of developing the entire Eurasian land-mass. In the late 17th century, Gottfried Wilhelm Leibniz, in collaboration with the Jesuit missionaries in China, proposed a "Grand Design" linking Europe with the highly developed culture and economy of China, such that, as he explained it, "as the most cultivated and distant peoples stretch out their arms to each other, those in-between may gradually be brought to a better way of life." He published a journal of philosophical, theological, and historical

works sent from China by the Jesuits. He proposed to the Russian czar and other European governments that the ancient silk routes be reopened, and that educational centers in Europe establish relations with those in China.

This potential for a Confucian-Christian alliance was sabotaged early in the 18th century through intrigue, both within and without the Catholic Church, by agencies of the Venetian oligarchy. Venice had established its power in Europe through an alliance with Genghis Khan, profiting from a "free market" for their trade among the nations of both Europe and Asia left in ruins by the ravaging Mongol hordes. By the early 18th century, the Venetian oligarchy, whose "Venetian Party" assets had recently consolidated power in England, recognized the threat which the "Grand Design" of Leibniz, uniting the nation-states of Europe and Asia, represented to continued oligarchical power. Through methods of cultural warfare, the Venetian enemies of the Renaissance succeeded in turning the Vatican against the Jesuit mission in China, resulting in the destruction of both scientific and cultural relations between Europe and China. When the British opium peddlers and war-

The message of Venice'

What is not being sufficiently addressed, in problems of international relations, and particularly European-Asian relations, is "the cultural dimension," one of the European promoters of ASEM noted last autumn. At the behest of the European Commission, the Giorgio Cini Foundation, the most important institution shaping cultural and strategic thought in Venice, moved to fill the void.

Its founder, Count Cini, decisively undermined Italy's industrial development. Early in this century, in cooperation with Thomas Edison, Italian scientists had established Europe's first electricity plant in Milan. But Cini joined the Italian branch of Edison's company, and, over time, sabotaged the infrastructure projects planned to modernize Italian industry. He used his profits to set up his foundation on the island of San Giorgio in Venice.

The foundation invited over 100 "esteemed experts," to attend the Europe-Asia Forum, "On Culture, Values and Technology, Towards Mutual Understanding," on Jan. 18-19. Manuel Marin, vice president of the European Commission, told the forum: "No city is better placed than Marco Polo's hometown, to serve as a background for this renaissance, this new impetus in relations between Europe and Asia. . . ."

Europe first saw Asia, he said, through the eyes of travellers, "or through the ill-informed prism of our En-

lightenment philosophers." Then came the colonial period. Now, Europe and Asia look at each other, as "equals." Marin emphasized, "'All is in all and vice versa,' we are saying more and more in Europe, taking our cue from the Asian model . . . to build on the sustained strength of our trade, to foster our social and intellectual commerce."

Discussion included such topics as "Understanding Asian Values," and "A Geopolitical Approach to Unity and Diversity in Asia." The summaries' language gushed: "Mutual benefit and new synergies in a win/win situation must be the main principles underlying these exchanges of technology. . . . For business, what is at stake are relations between global business and local politics. . . . Beyond trade and investment issues geopolitical concerns have to be recognized much more clearly. . . . The differences are mainly cultural, hence in ways of doing things."

Most revealing is the summary of "Religions in Relation to Progress." The values of the European Golden Renaissance were buried deep. Instead, "The main conclusion is that religion does not stand in the way of progress, provided that progress is rooted in moral and spiritual values and does not violate these standards," the participants noted. "Progress is defined as the capacity of a society to learn continuously from inside and from outside. Even if the name of religion is sometimes used for the sake of extremist violence or for impeding social reforms, religions have contributed to the strengthening of tolerance, social cohesion, humanitarian concerns, the creative accommodation of plurality, family values, and environmental care."—*Mary Burdman*

ships arrived in the next century, the isolated Chinese were technologically unprepared to resist.

By the beginning of the 20th century, a new Chinese nationalism had emerged in China behind the person of Dr. Sun Yat-sen. Sun had been educated in Hawaii by networks of the "National Party" in the United States, those who carried on the traditions of Benjamin Franklin, Alexander Hamilton, Abraham Lincoln, and the virulently anti-British economists and theorists of the American republican tradition. Sun recognized that China's plight was only one aspect—although a particularly ugly one—of the devastation wrought upon the entire world by the continuing existence of the British Empire. In the middle of the First World War, Sun wrote *The International Development of China*, in which he argued that, unless the colonial order were overturned, and the Western nations united around a concerted policy for the development of China and the rest of the world then occupied by colonial powers, the alternative would be genocide against the people of color, and a second world war. It was precisely to prevent Sun Yat-sen's *International Development of China*, that the British in 1920 formed the Consortium mentioned above—to keep the Americans in line on a policy of containment of China.

This is the legacy guiding today's Empire builders.

The modern-day offensive

In January 1995, two months before the Chatham House conference on "Britain in the World," British Chancellor of the Exchequer Kenneth Clarke toured Malaysia, Thailand, and Vietnam. His message was that Asia was becoming the center of the world economy, and that, although Britain was not among the leading industrial powers, it was the leader in the "service industries," especially in finance. Based on the expertise and experience of the City of London and colonial Hongkong, Clarke was most graciously offering Britain's assistance in setting up the financial operations necessary for the coming transformation in Asia. The ASEAN nations have, in fact, been falling all over each other, especially in the past year, trying to "win" the honor of becoming the "new Hongkong" after the return of that British colony to China next year, by deregulating their banking institutions, rapidly eliminating the laws and regulations protecting their economies, and opening up their financial systems to myriad forms of speculation. Virtually every one of these economies is now facing a Mexico-style disaster, as enormous debt and speculative bubbles are festering on top of woefully underdeveloped infrastructure.

Simultaneously, the British began a "charm offensive" toward the Chinese, repairing the strained relations of the past several years created by the antics of Hongkong Governor Chris Patten, who had decided that, due to England's great love of democracy, he would impose a few democratic reforms on the colonial dictatorship run by the Hongkong banks before turning things over to Beijing in 1997. Chinese Foreign

Minister Qian Qichen travelled to London last summer, and British Foreign Minister Malcolm Rifkind went to Beijing in January, and both simply pretended that Governor Patten doesn't exist.

Throughout this exchange, British assets in the United States, centered around the Conservative Revolution fanatics in the Congress, carried out a series of provocations against China (concerning Taiwan, Tibet, weapons sales, trade, and human rights), introducing a debate about the need to contain China in the manner of the Cold War containment of the Soviet Union, and thus creating an apparent crisis between China and the United States. Although President Clinton has generally succeeded in sustaining a stable relationship, the highly publicized conflict created an international environment in which the British were able to assert themselves as the "more reasonable and understanding" foreign power with the Chinese and other Asian nations. As discussed below, Commonwealth leaders Lee Kuan Yew, Malaysia's Mahathir Mohamad (a friend of former British Prime Minister Margaret Thatcher), and Australia's Paul Keating played the crucial roles in this effort to provoke anti-U.S. (but pro-British) sentiment.

The most amazing aspect of the preparation for the ASEM conference took place in London during the last week of January. The entire financial leadership of Thailand was flown to London for a full week of indoctrination by the practitioners of the new Empire strategy. In the delegation were: the Thai finance minister, the Bank of Thailand governor, the Fiscal Policy Office's director general, the Securities and Exchange Commission head, and the president of the Bangkok Stock Exchange. Besides meeting with Chancellor of the Exchequer Clarke, their itinerary included meetings with the full array of the current representatives of the banking institutions which have historically run British colonial policy, including SBC Warburg, Morgan Grenfell, Lloyd's, and the Hongkong drug banks themselves, Standard Chartered and the Hongkong and Shanghai Banking Corp.

When the Thai delegation returned home, it was announced that a draft declaration for the ASEM conference had been prepared by the Thais! The document pledged to strengthen the free trade policies of the World Trade Organization, further reduce protective tariffs, and pursue "sustainable development," an environmentalist neologism used to justify the elimination of virtually any large-scale infrastructural development. Omitted was any discussion of measures to deal with the emerging financial explosion, either in Europe or in Asia.

The final resolution at the ASEM conference mandated subsequent meetings for foreign and economic ministers to further the free trade agenda, while a new "Asia-Europe Business Forum" and an "Asia-Europe Foundation" were established. The next ASEM meeting will be held in Britain in 1998.

The South Koreans did succeed in bringing to the table a

Lee: 'The best bloody Englishman east of Suez'

Singapore has shared with Hongkong the distinction of being an island run by British intelligence. Although Singapore became nominally independent in the 1960s, Lee Kuan Yew continued to serve as, in effect, the British Governor General, overseeing the offshore banking haven and protecting the drug-money laundering.

With the death of Mao Zedong, Lee began a collaboration with the reform faction in the Chinese leadership, centered around Deng Xiaoping and Zhao Ziyang, while his economic czar, Goh Keng Swee, went to Beijing as an adviser. At about the same time, Lee converted overnight to Confucianism, although grossly misinformed about the true character of Confucianism, which had previously been neither part of his education nor part of his political worldview. He began discussing the potential of a "Greater China," an Asianized update of Max Weber's *Protestant Ethic and the Spirit of Capitalism*. Just as Weber had argued that Protestantism turned Western man into a profit-

oriented, Darwinian beast of prey, which supposedly caused the development of modern industrial capitalism, so Confucian ethics were declared by Lee to be at the root of the economic miracle of Japan and the "Little Tigers" of Taiwan, South Korea, Hongkong, and Singapore. Lee made no distinction between the State-directed, American System methods which guided the development of Japan, Taiwan, and South Korea, and the British, "Dope, Inc." source of the free-trade economies in Hongkong and Singapore. This confusion has had a dramatic impact on the course of the reform in China, since Deng Xiaoping and Zhao Ziyang modeled much of the reform on Lee Kuan Yew's Singapore, which Zhao referred to as "the eyes and mouth for China's stomach."

Lee embraces a bestial concept of man which is coherent with that of the Legalists of ancient China: "Certain basics about human nature do not change. . . . You are just an evil man, prone to do evil things, and you have to be stopped from doing them. Westerners have abandoned an ethical basis for society, believing that all problems are solvable by a good government, which we in the East never believed possible." Such a view, that the Chinese have always believed that strict punishment and reward, rather than "good government," is the primary basis for a moral society, or that man is essentially evil rather than essen-

proposal for an Asia-wide rail network to interface the Eurasian land-bridge, which will be pursued by a committee.

New 'balance of power': containing the U.S.

Pervading the diplomatic reports and media coverage of ASEM has been an overt declaration of intent to contain the influence of the United States in Asia. A cute formula, worthy of British geopoliticians, was invented, declaring that the world has become "triangular," with Europe, Asia, and the United States representing the three primary vertices of world trade, and that this triangle must be subject to a "balance of power." Accordingly, the United States is portrayed as too influential in Asia, due to its domination of the Asian Pacific Economic Cooperation (APEC) forum, while the Europeans had been lax in their relations with Asia. In this manner, the establishment of a European-Asian dialogue at ASEM is construed as a "step toward establishing Europe as a strategic counterweight to the U.S.'s often overweening presence in the region," as editorially expressed by a newly established voice for the Empire, the *Asia Times*.

An examination of the U.S. policy changes over the past few years reveals a different story, however. APEC was set up in 1989 primarily through the efforts of Australia, the Commonwealth's primary asset in Asia, in close collaboration with the Bush administration, to create the semblance

of dialogue between Asian nations and the United States, Canada, and Australia, while the free trade policies of Margaret Thatcher and her lap dog George Bush were imposed, under the aegis of "supranational consensus." APEC encouraged the "globalization" of the West's low-skill process industries, which poured into the tax-free trade zones across Asia, exploiting the cheap labor, while the speculative disease from the hyperinflated financial markets in the West infected the increasingly deregulated Asian economies.

However, President Clinton initiated a dramatic change in U.S. foreign policy. In the summer of 1994, Commerce Secretary Ron Brown declared a new "National Export Strategy," which pledged government support for the fostering of advanced technological and heavy industrial exports into the developing sector, targeting 10 "Big Emerging Markets." These included China, Korea, and Indonesia. The policy explicitly called for an end to the "sourcing" of low-technology industries in the Third World (which simply used cheap labor to produce goods subsequently exported back into the United States), in favor of investments in major infrastructure and heavy industry, helping the most productive sectors of the U.S. economy while promoting real development in the underdeveloped nations. Commerce Secretary Brown announced that Clinton had "junked a 12-year tradition of *laissez-faire* government."

tially good, is to totally deny the very existence of Confucius and Mencius in Chinese history.

Lee Kuan Yew is a virulent eugenicist who believes that tropical races are genetically inferior to those from the temperate zones, which says much about his attitude concerning the racial differences between the Chinese and the Malays in his native land.

In a 1994 *Foreign Affairs* interview, Lee explicitly endorses the racist and fascist policies which were to be published later in the year by Charles Murray and the late Richard Herrnstein in *The Bell Curve*. He explained that the American Indians came from the same stock as the East Asians, but were cut off by the separation of the Bering Straits. "But if you start testing them," says Lee, "you find that they are different, most particularly in their neurological development and their cultural values. Now if you gloss over these kinds of issues because it is politically incorrect to study them, then you have laid a land mine for yourself. This is what leads to the disappointments with social policies, embarked upon in America with great enthusiasm and expectations, but which yield such meager results. There isn't a willingness to see things in their stark reality." It becomes clear why the 1960s British foreign secretary told Lee he was "the best bloody Englishman east of the Suez."—*Michael O. Billington*

Also, in March 1994, the Coordinating Committee for Multilateral Export Controls (Cocom) system was scrapped, with the blessing of the Clinton administration. Cocom had been used to prevent the export of essential technologies to various nations under the guise of "dual use," whereby virtually any civilian technology could be demonstrated to have a potential military application, whether machine tools, computers, or fertilizers. Cocom's demise ended a wide range of senseless restrictions on development. Not surprisingly, *Far Eastern Economic Review* (owned by Dow Jones) has engaged in a crude slander campaign against U.S. Defense Secretary William Perry and other U.S. officials over supposed corruption in connection with high-technology exports to China, with the stated objective of reviving Cocom in its old form.

Although the Clinton administration has not been consistent in the application of the new National Export Strategy, the imperial free traders considered the policy to be one of several signs that Clinton would not follow the Royal Decrees emanating from London, as had his predecessor, George Bush. APEC was destined to be less effective in disciplining its member-nations to accept the free trade manna of deregulation, privatization, lower tariffs, and open markets. At the November 1995 APEC meeting in Osaka, which Clinton decided not to attend (primarily due to the budget battle with

the Conservative Revolutionists), the pro-development, anti-free trade impulses among the Asian nations tended to dominate the discussions. The international banking set had hoped that firm target dates would be set for reducing tariffs and implementing related concessions to free trade, but the declarations which emerged from the Osaka meeting were all modified by an agreement that such measures were "voluntary," according to the needs of each nation.

Palmerston and the 'Asian way'

To counter the perceived threat from the Clinton Presidency of a renewed American "FDR" tendency, the British have adopted classical colonial strategic methods, made infamous by Lord Palmerston in the 19th century, by sponsoring a "radical" identity for a new "Asian nationalism," carefully structured to be anti-American, but pro-free-trade and pro-British. Their anointed leader is Lee Kuan Yew, whose life has been dedicated to overseeing Singapore as a British banking enclave, a sister State to the drug-money haven of colonial Hongkong. Like Hongkong, the island of Singapore is small enough that the profits from financial flows, including from the Golden Triangle drug business, are adequate to create the appearance of prosperity without any agriculture or heavy industry. Lee has become the darling of the fascist economists promoting Newt Gingrich's murder spree against the U.S. population, and similar austerity in Europe.

Lee Kuan Yew, educated at Cambridge and admitted to the English bar in 1950, led Singapore through the process of achieving nominal independence from the British in the 1960s. He subsequently, in the 1980s, adopted a persona as a "Confucian" (based on an outrageously distorted view of Confucianism, as the accompanying box explains) as part of an effort to create an "Asian identity," custom-made for the Empire. Lee and his associates openly modelled their Singapore on Venice, which had allowed free rein for international banking and financial speculation, while retaining dictatorial control over the population.

Lee has been joined in this new Asian ideology project by his neighbor and Commonwealth ally, Malaysia's Mahathir Mohamad. Mahathir has built a reputation of himself as the radical among the Asian leaders, by standing up against often hypocritical Western demands in regard to human rights, environmentalism, etc. In 1994, Mahathir co-authored a book with the raving Japanese nationalist Shintaro Ishihara, called *The Asia That Can Say No*, which virulently defends British-style free trade and speculation, but under "Asian" control, and with the yen replacing the dollar as Asia's reserve currency. The copyright for the English edition states: "Sale of this edition is authorized only in Asia, but is strictly prohibited in . . . other countries throughout the world." Ishihara blames the demise of the West on monotheism (which doesn't seem to concern arch-Muslim Mahathir), while both of them virtually deny the existence of the Renaissance or the scientific revolution in Europe, accrediting the West's superior strength over

the past two centuries solely to the plunder and exploitation of colonialism during the 19th century.

Mahathir's record as prime minister of Malaysia since 1981 has been accompanied by a series of financial debacles, offsetting, in part, progress in building infrastructure, in such areas as transportation, energy, and potable water, and increasingly pouring profits from national development into the coffers of British speculators. Attempts to corner the world tin and rubber markets, through speculation in futures contracts on the London Metals Exchange, resulted in major losses to the Malay economy. When the State-owned Bank Bumiputra backed speculators in Hongkong real estate in the early 1980s, the 1982 collapse of that bubble blew another hole in the Malay coffers. Then, the central bank, Bank Negara, lost an estimated \$2-5 billion in betting against George Soros on currency futures. Along with the rest of ASEAN, Malaysia is opening up its economy to the "casino mondiale" of derivatives trading, while leading the way in building actual casinos and tourist resorts in the Philippines and even in impoverished Cambodia (again, without any apparent concern for the contradiction with the Islamic condemnation of gambling).

Mahathir has long proposed the creation of an East Asia Economic Caucus (EAEC), to serve as an "Asian only" institution. In contrast to APEC, which he viewed as being dominated by the United States, Canada, and Australia. Opposition from the United States, and U.S. pressure on Japan, was blamed for hindering the founding of such an institution. When the British launched their new Commonwealth project, the EAEC, which includes the ASEAN nations together with China, Japan, and South Korea, precisely fit the bill as the structure required to facilitate Commonwealth goals. Britain's IISS Asia hand Gerald Segal brags, in the *Asia Times*: "It has gone virtually unremarked that ASEM brings together the EU with the countries that constitute the Malaysian notion of an East Asian Economic Caucus. . . . In effect, Asians have Europeans [i.e., the British] to thank for having created an East Asian region."

Mahathir, in fact, explicitly intervened to prevent the inclusion in ASEM of India, Pakistan, Russia, and other Eurasian nations, whose presence was absolutely crucial for any real development planning for the Eurasian land-mass. Mahathir's lame excuse to reporters was: "If it becomes too big and confusing, there will be many conflicting interests and we cannot have a real dialogue."

The absence from ASEM of Britain's primary Commonwealth outpost in Asia, Australia, was, however, only apparent. In fact, Prime Minister Paul Keating (who was overwhelmingly defeated in the March 2 elections) made a high-profile visit to Malaysia and Singapore in January, patching up past differences with Mahathir and singing the praises of Lee Kuan Yew's new Asian nationalism. Keating made clear, in his "Singapore Lecture," that he wanted Australia to be accepted as an Asian nation, but only on strictly "Asian"

terms. He established a "New Partnership" with Singapore, and advocated a new "regionalism" as opposed to the "outmoded global structures," such as the United Nations. Regionalism, he said, "offers the capacity to generate new ideas, to subsume old enmities, and provide new ways of doing things. I believe it can let the light in, in a way that global structures are too large or unwieldy."

It is not accidental that during the same week that Keating was carrying out his Southeast Asia mission for the Commonwealth, British intelligence launched an hysterical diatribe against the co-thinkers of Lyndon LaRouche and *EIR* in Australia, the Citizens Electoral Councils (CEC). A series of front-page slanders against LaRouche and the CEC in *The Age*, controlled by British intelligence's Conrad Black, whose Hollinger Corp. press empire has also led the international campaign to slander and threaten President Clinton, were followed by equally slanderous television broadcasts, and calls for a federal investigation of the CEC from Isi and Mark Leibler, the Australian spokesmen for the Anti-Defamation League and organized crime's Bronfman interests.

Nor is it coincidental that last December, the new Asian-wide English-language newspaper *Asia Times*, was launched from Bangkok. Published and financed by media and real estate mogul Sondhi Limthongkul of Thailand's Manager Group, with a planned \$60 million investment, the *Asia Times* (known in some circles as the *Asia Hot Money Times*) is printed in Bangkok, Hongkong, and Singapore, and has quickly established itself as the voice of the new British Empire strategy in Asia. Even Hongkong's *Far Eastern Economic Review*, which is certainly familiar with the hot money flowing through the British banking arteries, in its Nov. 9 issue, questioned the source of funding behind the *Asia Times*: "Business analysts know very little about the funding of these ventures, but many wonder how long Sondhi can spin out the resources with such a diversity of projects."

The 'Asian way' in Europe

The new Empire strategists have also promoted an "Asian Way" craze across Europe, with the purpose of reinforcing the acceptance of austerity conditions. The disastrous measures demanded by the Maastricht Treaty "convergence criteria" have already undermined the industrial reconstruction policies which were essential for the potential integration of Europe after the fall of the Soviet bloc. The recent mass labor mobilizations in France against this austerity, like the groundswell in the United States repudiating the murderous policies of the Newt Gingrich crew in the Congress, demonstrate that such measures can be defeated.

However, the leadership in Europe has shown little understanding of the crisis facing them. After an apparent gesture toward rejecting the British free trade dogma and speculation, which he termed "the AIDS of the world economy," in a speech at the June 1995 Group of Seven summit in Halifax, French President Chirac has now embraced a new Entente

Reality shatters Chirac's Asian dreams

French President Jacques Chirac has recently been deeply embarrassed by his own effusive optimism about the world economic situation, and the "great future" that awaits France in Asia. Chirac, who had warned, at the Group of Seven Heads of State summit in June 1995, of the danger of world "financial AIDS," has since publicly backtracked, and put his foot into his mouth in the process. On French national TV on Feb. 22, shortly before his trip to Singapore and to the ASEM summit, Chirac stated: "I hear much talk about economic difficulties. I do not want to fall into science fiction in the economic field . . . but my conviction is, that the world is today on the verge of an important growth upswing. . . . The world market today, especially in the new countries, such as those of Asia and Latin America . . . is a market where demand—solvent demand which can pay—is exploding. During the next 10 years, this will create considerable demand on the international level. Do not forget that already one Frenchman out of five works for exports. I believe in a growth which will take off, and will be durable, at any rate, over a cycle of 20-30 years."

Chirac is particularly attached to Singapore's Lee Kuan Yew, whom he meets several times a year, and was Chirac's first prominent foreign guest after his election. French press describe Chirac as a "fervent admirer of the Singapore economic model," and report that ASEM was conceived during a visit of Singapore Prime Minister Goh Chok Tong to Paris in 1994.

But Chirac got an explosion of a different type. The week of Feb. 26, the French press reported the disastrous condition of the French banking system. The International Bank Credit Analysis announced that French banks, with 3.9% profits versus equity, are only marginally better off

than Japanese banks, and are far below the British banks' ratio of 20.4%. Bad real estate investments have hit the French banks hard, and, of a total debt of 350 billion French francs, FF 200 billion are estimated to be bad. A "surgical" reorganization of French banks is expected. Crédit Lyonnais already lost FF 12.1 billion in 1994, Paribas just announced a FF 4 billion loss, and Indosuez, BNP, and Crédit Foncionner, "an institution of the republic," are equally shaky.

On Feb. 25, the widely circulated *Journal du Dimanche* was led to wonder why Chirac believes that "a time of full employment will return." "Does he have information that the majority of economists don't know about?" Apparently, it is his dreams of Asia that inspire him, *Journal du Dimanche* noted. "I have a love affair with Asia," Chirac declared, in his Singapore speech on March 1. Asia, he said, "with the vitality of its cultures and civilizations and its economic triumphs," must participate fully in the establishment of "the new world equilibrium of the 21st century."

Chirac went on to proclaim Lee Kuan Yew, "a friend and one of the greatest statesmen of our times . . . a man of vision, a man of firm and creative action, who in less than two generations has shaped a modern and prosperous State. A man of wisdom whose lucid analyses and understanding of the future, continue to be a source of inspiration for decision-makers the world over."

Reality shattered Chirac's musings, when France's bank disaster hit the headlines as he was speaking. His not too courageous response was, "It is a cause for despair," and he complained about the banking system's "inability to assume its responsibilities," in supporting small and medium-sized businesses. The system's problems stemmed from "the fact that it has been badly managed," he added, helpfully.

French bankers were outraged. One said, "It is as if John Major went to Paris and said that all English banks were useless. I have never heard Clinton, Kohl, or Major make that kind of an attack on one of their own industries while on a visit abroad." —Christine Bierre and Mary Burdman

Cordiale with the British (see box). This much-heralded "Asian Way" is definitely not the kind of dirigist economic system which, under the postwar direction of "American System" advocate Gen. Douglas MacArthur, created the modern economies of Japan, South Korea, and Taiwan. Rather, it is an artificial creation which fantasizes that deregulation, free trade, and the East and Southeast Asian bubble economies will somehow save them from the impending collapse.

Meanwhile, European Union Trade Secretary Sir Leon Brittan, a leading spokesman in Asia for the British strategy

of Empire, is demanding that the European nations slash their remaining protective barriers, out of "fairness" to the Asians, who are being coerced to do the same. European workers, and even farmers, are being thrust further into competition with the cheap labor of China and Southeast Asia, as unemployment grows, standards of living plummet, and the economies of both eastern and western Europe continue to unravel.

One would hope that the Asians, as well as the Europeans, would have enough of an historical memory to see through yet another British imperial offensive.