

# The Intended British Blackmail of East Asia

by Hussein Askary

*The material presented in this article is derived from presentations and lectures delivered by the author in a number of public and private seminars in Tokyo and Kyoto, Japan, in December 2013.*

In April 2013, as the carnage in Syria was intensifying, and civil war conditions in Tunisia, Libya, Egypt, and Iraq were reaching horrific levels (as a result of American-British military and political interventions), the British Royal United Services Institute (RUSI), a key military-intelligence think-tank servicing the Royal Family and key institutions of the government of Britain since the early days of the Empire, issued what can be called a manifesto for rebuilding the British Empire's presence in the region "East of Suez," i.e., a safe distance from the carnage, in the oil-rich Gulf States.

While the RUSI report, titled, "A Return to East of Suez? UK Military Deployment to the Gulf,"<sup>1</sup> does not hide the fact that the British in fact "never left this region," securing its sheikhdoms and monarchies with military, strategic, and economic agreements, this time, it argues for redeployment of the British military, at least its "special forces." The report, besides openly declaring that the aim of this new "Return to East of Suez" strategy is to secure the influx of oil money to Britain's financial sector and arms industry, it has one very sinister aspect. That aspect should be understood by all the major economic powers in Asia, as a deadly blackmail capability by Britain against not only Asia, but the whole world. The report states:

"Lastly, this move is not just about securing loyal and wealthy allies in the Gulf. It is also a different itera-



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*The author, Hussein Askary; behind him is the Kinkaku-ji Temple in Kyoto, Japan.*

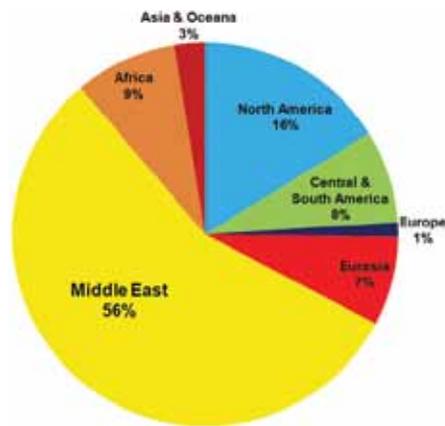
tion of the transatlantic special relationship. Much has been written about the Obama administration's 'Asia pivot'—the refocusing of US efforts away from the Middle East and towards the Far East and Pacific Rim. . . . Indeed, there is a line of thought that the Obama 'pivot' may see the Gulf region become even more important to US strategic planners, with one prominent commentator noting that: 'For geopolitical reasons [including China's increasing reliance upon Gulf energy exports] the American pivot toward Asia, and indeed sub-Saharan Africa for that matter, cannot be completed without control of the Persian Gulf.'

In the foreword to the report, Michael Clarke, director general of RUSI, states the following:

"At a time of economic retrenchment and growing uncertainty within Europe, it may seem strange that the UK sees its future military security increasingly 'east of Suez'. Such an emotive phrase suggests imperial ambitions at a time when UK armed forces are smaller than they have been for 200 years. But there are compelling

1. Gareth Stansfield and Saul Kelly, "A Return to East of Suez? UK Military Deployment to the Gulf," RUSI, April 2013.

**FIGURE 1**  
**World Oil Reserves by Region**



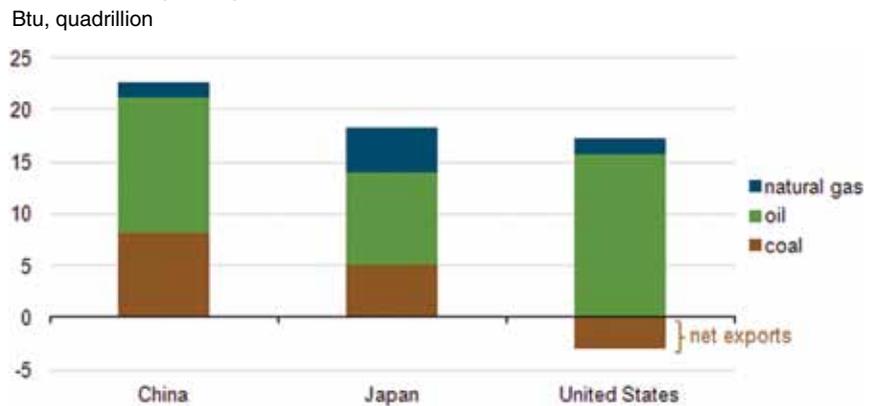
Source: US Energy Information Administration from *Oil and Gas Journal* (2007)

reasons for the UK to take its Gulf relationships much more seriously.”

**The Background of the Blackmail**

The blackmail potential becomes clear from reviewing some facts about the hydrocarbon resources of the region and their impact on the world economy, especially East Asia. Southwest Asia contains 56% of the world’s proven petroleum reserves (Figure 1). The Persian Gulf countries export about 17 million barrels of

**FIGURE 2**  
**Net Imports of the Top Three Net Fossil Fuel Importing Countries (2012)**



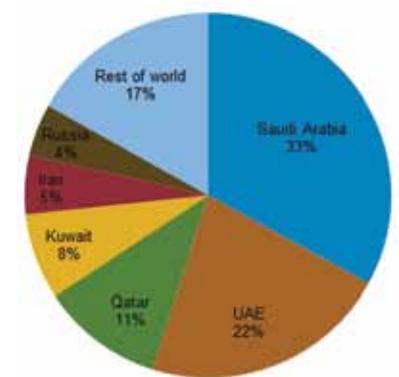
oil per day to world markets. However, 80-90% of that oil is exported to Asia. China and Japan are the number one and number two of the largest importers of fossil fuels in the world. The USA comes third (Figure 2). The difference is that unlike the USA, China’s and Japan’s imports of oil and gas (and we can add South Korea and India) come from this troubled region, through that chokepoint in the Strait of Hormuz (Figure 3). That fact puts Asia and the world economy in a precarious situation. China imports about one third of its

**FIGURE 3**  
**Strait of Hormuz**



crude oil supply from Southwest Asia. Japan imports 80% of its crude oil from this region according to 2012 statistics (Figure 4). South Korea imports 85% of its crude oil from this region, and

**FIGURE 4**  
**Japan’s Crude Oil Imports by Source, 2012**



Source: Global Trade Atlas, METI

India 60%. Japan has increased its reliance on imported oil and gas following the shutdown of the nuclear power plants after the tsunami catastrophe and the Fukushima nuclear power plant incident in March 2011.

Located between Oman and Iran, the Strait of Hormuz connects the Persian Gulf with the Gulf of Oman and the Arabian Sea. The Strait of Hormuz is the world's most important oil and natural gas chokepoint. Flows through the Strait in 2011 were roughly 35% of all seaborne traded oil, or almost 20% of oil traded worldwide. More than 85% of these crude oil exports went to Asian markets, with Japan, India, South Korea, and China representing the largest destinations. In addition, Qatar exports about 2 trillion cubic feet per year of liquefied natural gas (LNG) through the Strait of Hormuz, accounting for almost 20% of global LNG trade.

In January 2012, there was a great deal of commotion in international markets when the Iranian Commander of the Revolutionary Guard hinted, in response to threats by the U.S. and Israel to use military means and/or increased economic sanctions, to stop the Iranian nuclear program, that Iran could easily shut the Strait of Hormuz. Iranian officials tried later to calm down the concerns of the world saying that this was a rhetorical/hypothetical statement.

The International Energy Outlook 2013 ([IEO2013](#)), issued by the U.S. Energy Information Agency, projects that world energy consumption will grow by 56% between 2010 and 2040. It stresses that "much of the growth in energy consumption occurs in countries outside the Organization for Economic Cooperation and Development (OECD), known as non-OECD, where demand is driven by strong, long-term economic growth. Energy use in non-OECD countries increases by 90 percent; in OECD countries, the increase is 17 percent."

It further notes that, "Renewable energy and nuclear power are the world's fastest-growing energy sources, each increasing by 2.5 percent per year. However, fossil fuels continue to supply almost 80% of world energy use through 2040. Natural gas is the fastest-growing fossil fuel in the outlook. Global natural gas consumption increases by 1.7 percent per year. Increasing supplies of tight gas, shale gas, and coalbed methane support growth in projected worldwide natural gas use."

In contrast to the OECD nations, developing non-OECD economies, particularly in non-OECD Asia, have led the global recovery from the 2008-09 recession. China and India have been among the world's

fastest growing economies for the past two decades, according to the IEO2013.

This makes it clear that the British strategists are aiming at something much more significant and dangerous, than milking rich Arab sheikhs for petrodollars and protecting them. Therefore, Southwest Asia will remain the focal point of energy politics in the medium to long term. East Asia's relationship to this region will be the most important subject of diplomacy, economic cooperation, and dialogue. The relations between East Asia and this region have to be solidly established, and built on the basis of mutual cooperation and respect of the nations' rights, aspirations, and independence. The former Anglo-America method of divide and conquer is leading the region and the world to the brink of disaster. Therefore a totally new system of cooperation among nations has to be established.

## **Water and Nuclear Power**

In the long term, if the region does not slide into the lurking 30-year religious war, plunging it and the world into a dark age, this linear relationship between hydrocarbons and the regional and global economy will not remain the same.

In a better scenario for the region and the world, the shift from power politics and imperial geopolitics to a system of respect and cooperation among sovereign nation-states, and the shift from reliance on fossil fuels to modern nuclear fission and fusion power, would secure the needs of nations and prevent war over so-called limited resources. Petroleum would not be burned for the energy content, but become an industrial feedstock to build car parts, building materials, medical materials, fertilizers, etc. In that world, fresh water will once again be worth more than oil. Water would again be recognized as the primary source of life.

One thing has become totally clear for the governments of the Gulf and other dry regions in the world: that the best solution to secure water for drinking, other urban usage, and for industrialization, is the desalination of seawater. Large steps have been taken by the countries in the region to build conventional desalination plants on a large scale, investing heavily in the combined water desalination/power generation process with the use of fossil fuels such as natural gas and oil.

More than two-thirds of the world's production of fresh water by desalination occurs in the region. Saudi Arabia alone produces 25 million cubic meters of water per day, which is estimated to be one-half of the world's



*Saudi Arabia relies on oil to produce the power to run its desalination plants. Nuclear power would be far more efficient. This desalination plant is located in Jubail, Saudi Arabia.*

total. The UAE produces around 3 million cubic meters per day. The largest desalination plants are located on the Gulf, near the locations of oil and gas production.

However, these countries will have to more than double that amount of desalinated water in the next decade, and triple it in the decade beyond. Water consumption will rise from 8 billion cubic meters in 2012 to about 11 billion cubic meters in 2016. Massive investments are already projected in this area.

A major problem in these projections is that the desalination of seawater is reliant on thermal power plants run by oil and gas. Saudi Arabia, for example, reportedly uses 1.5 million barrels of oil daily to produce the electricity and heat used for desalination. Not only the cost, but the physical production burden, and the environmental impact, of doubling and tripling the amount of fuel used for desalination have to be seriously taken into account.

In addition, the use of oil and gas for this purpose represents a net physical-economic loss, in the sense that a valuable industrial feedstock material that can give many times its value, if used as a base for petro-

chemical and other products, rather than burned to achieve a relatively low energy-flux density compared with nuclear power.

### **Nuclear Desalination**

One of the key solutions to this problem is the use of nuclear power for these purposes, and for the increased industrial activities in the petrochemical field. According to the International Atomic Energy Agency's studies, medium-sized nuclear reactors are suitable for desalination, often with cogeneration of electricity using low-pressure steam from the turbine and hot seawater feed from the final cooling system.

At the moment, Iran is the only country in the region which has an operating large civilian nuclear power plant. The Bushehr plant, which is a product of cooperation between Iran and Russia, was inaugurated officially in September 2011, and reached its full capacity of power production (1,000 megawatts) in August 2012. In spite of all kinds of threats, sanctions, and sabotage by the United States, Britain, Israel, and the EU, Iran is planning to build several new nuclear reactors,

with the express aim of increasing energy output and desalinating seawater.

In December 2006, the Gulf Cooperation Council (GCC) announced that it was commissioning a study on the peaceful use of nuclear energy. The UAE was the first to launch its nuclear power program. The Emirates Nuclear Energy Corporation (ENEC) was established in 2009 in Abu Dhabi as an investment vehicle for the nuclear program. In December 2009, ENEC announced its acceptance of the bid offered by the South Korean Korea Electric Power Corporation (Kepeco) to build four 1,400 MW nuclear plants by 2020 at the cost of US\$20 billion. The construction of the first of the four plants was started in Baraka in July 2012, and the fourth and last would be completed in 2020.

Saudi Arabia in turn announced in April 2010 the establishment of King Abdullah City for Atomic and Renewable Energy by royal decree of King Abdullah bin Abdul-Aziz Al-Saud. The Saudi government plans to build 16 nuclear power reactors by 2030. Even the poor nation of Jordan announced in October 2013 that it had signed an agreement with the Russian state nuclear corporation Rosatom to build Jordan's first nuclear reactor. Egypt has declared that it is dusting off its

suspended nuclear program with the construction of the first commercial nuclear power plant in Dhabaa on the western Mediterranean coast to be presented for international bidders.

If these developing nations, which have no domestic industrial capabilities to deliver nuclear power, realize that the choice of nuclear is a question of survival, it seems obvious that Japan, and even Germany, Western Europe, and the USA, which still have the domestic capabilities, should rethink their suicidal anti-nuclear policies. The issue is not simply whether nuclear technology is the superior form of power technology (which should be obvious to any sane person), but that their own economic survival, from one day to the next, is almost completely under the grip of British oil geopolitics, which has controlled this region for more than 100 years, since oil became the main fuel source for the British Royal Navy.

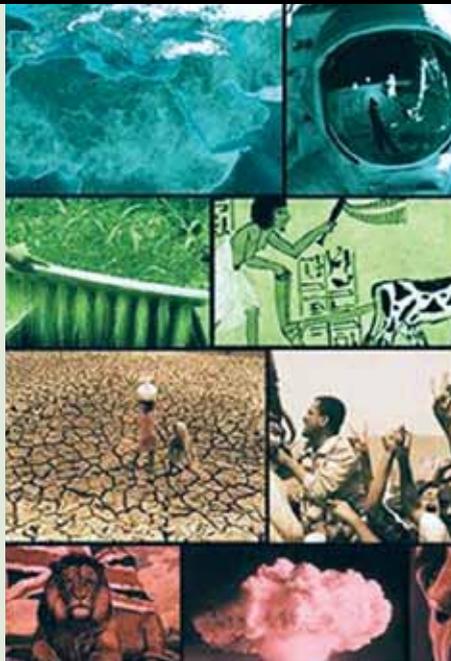
That control has become the declared intention of major British oligarchical institutions. Whether the British and their American lackeys succeed in their devilish schemes or not, oil and gas from this region will not be available beyond the next two decades in the same amounts or prices as they are today.

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