

# British establishment launches New Year 'Empire' offensive

by Mark and Mary Burdman

As Britain's internal tensions and turmoil increase to the point of a major government crisis over the next weeks or months, the British establishment is seeking to outflank these problems, by going on a flight-forward, neo-imperialist binge. British media outlets and political figures have launched a propaganda offensive, to stress that Britain must assert its global power, particularly through the instruments of the queen's Commonwealth and Britain's extensive financial assets and capabilities. The geographical focus of this campaign is Asia.

By so acting, leading British elites are providing "horse's mouth" confirmation of the point made frequently in *EIR* in recent weeks, that the British Empire is alive and well, and that the full extent of British influence and capabilities is generally underestimated. We have documented the stranglehold of Great Britain, through the Commonwealth and City of London, over strategic raw materials, energy resources, and food, as well as speculative derivatives instruments.

The current British disposition also indicates a renewed escalation against sovereign nation-states, and in favor of supranational Commonwealth-centered institutions, as the new year commences. The repeated British line, in recent articles and political speeches, that Britain should stop "focussing narrowly" on Europe, coheres with the London view, that the European continent is about to go into a period of chaos and confusion, whereby, willy-nilly, European influence and capabilities will be vastly reduced. Of course, London has done its all to foster the European crisis. One example was the editorial in the *London Times*, the establishment mouthpiece, on Dec. 5, 1995, accusing Germany of now imposing an "economic Vichy" (the collaborationist regime of World War II) on France.

## The new Empire's 'global reach'

Speaking on Dec. 12, David Howell, chairman of the House of Commons Foreign Affairs Committee, insisted that Britain must be more aggressive in asserting its "wider role" in world affairs. Praising Foreign Secretary Malcolm Rifkind for attempting to draw inspiration from the powerful

19th-century British imperial strategist Lord Palmerston, Howell affirmed: "We are huge investors around the world, second only to America. Vast income comes in from our overseas assets, from the Commonwealth for instance, and south-east Asia." Britain, he stressed, had huge opportunities available to itself, through its "amazing network" of markets.

He chided British policymakers for being too narrowly focussed on countering France and Germany. Four-fifths of Britain's commercial and financial interests lay outside Europe, and 23% of national income came from financial services. For too long, he charged, Britain had been "too busy running after the French and Germans, and being terrified they are going to pull some trick and we are going to be left behind. Our policy needs to be driven, not by a state of perpetual anxiety about what France and Germany are up to, but by a realization that we have a global reach that they don't have. London is overwhelmingly the financial heart of Europe, bigger than New York and Tokyo combined. . . . Cross-border bank lending is one and a half times the size of Germany's. . . . Yet we seem to spend our time worrying that we are going to lose financial dominance to the Germans. It makes you cry sometimes."

Then, on Dec. 31, the *Sunday Times*, mouthpiece of Australian magnate Rupert Murdoch, editorially called on Britain to "reach for the world." Citing Howell and a new paper by the Royal Institute of International Affairs (RIIA, "Chatham House"), the *Sunday Times* stated that "Britain's historic reflexes need to be tested." It is time to look beyond all the bother about the European Union. "Britain enjoys a track record of international activity Brussels can only gawp at. The latest figures of Britain's direct investment overseas shows how the world looks from the privacy of British boardrooms." In 1994, as compared to £6.1 billion in domestic investment, Britain invested £18.5 billion in foreign direct investment; only one-third went into Europe. "Britain is a net investor 'over there' by a very large margin indeed and EC investment, while important, is part of a bigger picture." Britain earned £21 billion from direct foreign investment in 1994, while only £9.4 billion came in from other sources.

“These are huge cash flows by anyone’s yardstick and are greatly to Britain’s advantage. . . . Such figures demonstrate . . . that this country’s reputation as an international wheeler and dealer enjoys undiminished clout. . . .

“Our global balance sheet shows a different picture [from Europe], one that invites the political community to lift its eyes and respond to the lure of the high seas, as our forebears did. They managed it without neglecting essential British interests in Europe. Their genius was to manage the realities of living in an offshore European island while exploiting its unrivalled trade routes to the Americas, Africa, and Asia.” While today’s trade routes carry “vastly different commodities,” Britain can still dominate “information technology,” with its connections and its language, the *Sunday Times* affirmed.

It continued: “The facts show that Britain holds second position in the league table of countries investing overseas. 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 need to stop believing the world is Euro-centric and to readjust their focus. There is still time—just.”

### ‘The world is Britain’s territory’

The cited RIIA report, released more or less simultaneously with Howell’s howlings, is entitled “Economic Opportunities for Britain and the Commonwealth.” The RIIA is the hallmark British official think-tank, and, as its title suggests, a mouthpiece for the monarchy.

The report is authored by Australian economist Katherine West. She boasts that the Commonwealth now contains some of the most dynamic “tiger economies in Asia, like Singapore,” and that trade with these countries would yield mutual economic benefits, rather than costs, for Britain and its partners. Beyond this, West argues, the world economy is becoming increasingly “integrated,” and this process of “globalization” should provide new opportunities for Britain, which has traditionally been an outward-looking world trading economy. “Globalism is Britain’s *natural* and logical style,” she exclaims. “The world as a whole, including the Commonwealth, is Britain’s natural economic territory.”

West cites the burgeoning relationship between Britain and Australia, as a model for what Britain should do in more general terms.

On Dec. 28, the *Wall Street Journal-Europe* published a commentary by Royal Bank of Scotland senior economist Warwick Lightfoot, endorsing West’s thesis, under the title, “Britain’s Call to Globalism.” Lightfoot, formerly a senior adviser to the British Treasury, stressed that “recently, British portfolio and corporate direct investment have swung away from the high-cost and highly regulated European

economies, toward developing economies instituting structural economic reform. . . . Investment in Southeast Asia is accelerating dramatically. . . . Britain’s economic future is best protected and promoted by a genuinely global approach to trade and investment. . . . The shared Commonwealth business culture based on a common language, similar commercial, accountancy and financial practices and shared experience and administrative traditions provides Britain with specific opportunities throughout the world.”

Lightfoot is working with a new think-tank in London, Politea, the chief patron of which is the Viscount Cranborne. Cranborne is a scion of the powerful Cecil clan, which has been at the center of British imperial intrigues for centuries.

### Imperial tours

In line with this policy, British political figures of all stripes have been flocking to Asia, as the new year begins.

From John Major’s Tory cabinet, Foreign Secretary Malcolm Rifkind visited Hongkong and China, after a first-ever trip for a foreign secretary to Armenia, Azerbaijan, and Uzbekistan. Defense Secretary Michael Portillo visited the Philippines, South Korea, and Japan, arranging stronger military ties with both the Philippines and Japan. Home Secretary Michael Howard visited both India and Pakistan, with Trade and Industry Secretary Ian Lang following close on his heels to India. Howard Davies, the deputy governor of the Bank of England, went to Singapore, where he would likely have run into a large Labour Party deployment.

Singapore and Australia have been the favored stopping points of opposition Labour Party leader Tony Blair and his Shadow Social Security Secretary Chris Smith. Blair also went to Japan, to present his visions of a free-trade Labour Britain to business leaders. The Labourites have been gushing over Singapore’s private, enforced-savings welfare system, as a model to be adopted in Britain.

This follows in the wake of the likes of Lord William Rees-Mogg and Sir Alfred Sherman, who have made the “Asia model” *le dernier cri* in New Age neo-conservative circles. This “model,” is based on the alleged success of the high-growth, “tiger” economies of East Asia, in which, the British establishment claims, minimal State economic and social intervention, combined with a highly motivated private sector, are putting the “nanny welfare States” of the West to shame. While there has doubtless been economic progress in many of these Asian lands, the Brits are trying to extract out the most oligarchical features of life there.

Howell provided a typical statement, quoted in the *Observer* on Jan. 8. “A comparison has to be made between the obvious fragmenting consequences for Western society of universal welfare provision and the apparent cohesion of Asian communities that have avoided this kind of statism,” Howell said.

Labour, Blair declared in Tokyo, is joining in. It is ready

for the challenge of globalization, which Blair calls the “defining economic movement of our time.” His party is unashamedly a “pro-free trade party,” but if such policies cause any problems, such as shutting down industries and mass unemployment, he has some neo-Fabian confetti to wave about, to cover over the holes. That Blair concurs with Conservative Howell on this point, is symptomatic of a growing convergence of Fabians and Thatcherites, on “dismantling the welfare state”; Blair is frequently praised by such neo-conservative mouthpieces as the *Times*’s Rees-Mogg, and is openly collaborating with the arch-Thatcherite Adam Smith Institute in London on his “welfare reform” schemes.

A spokesman for Blair, quoted in the British press, said that “left-of-center thinking across the world” has to be “re-shaped,” with stress on low inflation, open trade, “proper” infrastructure, public-private relationships, competitive tax rates, and “above all investment in people as our main resource.” This includes strict continuance of the brutal destruction of Britain’s trade unions under Margaret Thatcher.

In Singapore on Jan. 7-8, there was more. Here, Blair ran on about a “stakeholder economy where everyone has a chance to get on and succeed, where there is a clear sense of national purpose and where we leave behind some of the battles between left and right which really are not relevant in the global economy today.”

Blair’s vision of “the economic justification for social cohesion” is a globalist version of Mussolini’s 1930s corporatism, this time with an ostensibly “Asiatic” flavor. “The creation of an economy where we are inventing and producing goods and services of high quality,” Blair intoned, “needs the engagement of the whole country. It must become a matter of national purpose and national pride.” “Trust” will come from “the recognition of a mutual purpose for which we work together and in which we all benefit.”

Yet there is an interesting note about the Singaporean enforced “savings” policy so praised by Britain’s leaders. The Central Provident Fund was originally set up under British colonial rule in Singapore, in 1955. (British rule in Malaya and Singapore only ended—without a revolution—in 1957.) The original Fund policy was to collect 5% from workers’ salaries, split between the worker and employer, as enforced savings. The policy was then adopted and expanded by Lee Kuan Yew when Singapore became independent from Malaysia. Lee Kuan Yew upped the contributions to 40% of earnings, still split between worker and employer, but the worker gets only 2.5% interest on his “savings.” Since there is no other social security or health care system in Singapore, the funds are used as pensions and health insurance, and can be used for funding mortgages and investments in stocks. After retirement, restrictions are imposed on when a worker can withdraw his savings, and how he can spend them. The \$40 billion Fund, meanwhile, is used by the government for building up Singapore.

## Shubeilat’s trial begins in Jordan

by Our Special Correspondent

On the day that Jordanian King Hussein left Amman for Tel Aviv, to take part in an award-giving ceremony there, a trial opened in the Hashemite capital, on whose outcome the fate of democracy in that country will depend. On Jan. 10, the president of the Jordanian Engineers Association, and former independent Islamist parliamentarian, Laith Shubeilat, went before a State Security Court, on charges of *lèse majesté*, and of undermining the national currency and economy. The first day in court ended early, after defense lawyer Jawad Yunis called for the judge to be recused, on grounds of political bias. The case was adjourned to Jan. 14.

Since he was arrested on Dec. 9, Shubeilat has been treated like a common criminal, although the charges against him are classified as misdemeanors, not felonies. In utter disregard for the law and for basic human rights, Shubeilat was held in solitary confinement, and not allowed to meet his wife or lawyer, until major protests had been lodged. Although the law prescribes it for misdemeanors, he was denied release on bail or recognizance. When he was allowed to meet with his lawyer, it was only in the presence of security guards. A trial date was set for Jan. 8, but neither the accused nor his lawyer was informed in time. It was only after Yunis, who heard from a journalist friend on Jan. 7 that BBC radio had announced the trial would start the following day, had vigorously protested, that a new date was set for Jan. 10. Only on Jan. 9 was Shubeilat allowed to meet with his lawyer alone.

### International protests

For these and other reasons linked to the politics of the case, a chorus of protests has been heard from around the world. Parliamentarians from Spain, Argentina, the Dominican Republic, as well as leading academicians and human rights activists from Russia and Ukraine, issued statements to the Jordanian authorities, demanding the immediate liberation of Shubeilat. In Denmark, Germany, France, England, Sweden, and Italy, similar protests were lodged at the Jordanian embassies. Embassy personnel reported that they had been flooded with calls about the case, and were referring them to Amman. Russian human rights activist Viktor Kuzin