

THE INDO-PACIFIC STRATEGY PORTENDS MAJOR SHIFTS IN ASIAN PERSPECTIVES AND REALITIES

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25 November 2017: The Trump administration's assertive use of the term "Indo-Pacific" is not just a cosmetic change as were the post-colonial adjustments of regional nomenclature in the 1970s. It portends a kaleidoscopic shift in Asian perspectives and geopolitical realities that could bring peace to the Middle East, reveal China's bid for Great Power status as something entirely different, and bring to an end Britain's global money laundering empire.

Historical Background

In the Eurocentric heyday of the British Empire, the sub-regions of Asia were the Middle East, the Indian "Subcontinent," Indo-China and the Far East. In the 1970s, the United States did away with that colonial usage by introducing the terms West Asia, South Asia, South-East Asia and East Asia. The "Middle East" continued in use because it encompassed a political rather than geographical reality, stretching from Islamic North Africa to the eastern Mediterranean and across a swathe of Asia to Iran. "Indo-China" also remained in use as Vietnam's anticolonial struggle escalated into an American-sponsored civil war but it lost visibility after the 1967 foundation of the Association of South-East Asian Nations (ASEAN). Meanwhile, the World War II term "Asiatic-Pacific Theater" was slimmed down to "Asia-Pacific" to demarcate a broad area of American interest that quietly excluded South Asia, still then seen in Washington as part of Britain's post-colonial sphere of influence.

Unprecedented Dynamics

In contrast to those changes the "Indo-Pacific" announces a new strategic reality. The "Quad" structure of military cooperation among Australia, India, Japan and the United States is its most obvious manifestation but there are others of greater significance. One is Saudi Arabia's monarchic coup; another is the recognition at the recent 19th Party Congress of the equivalence of "Xi Jinping Thought" to Mao Zedong's founding genius: he is to guide China to the status of a Big Power. Both in Arabia and in China the changes indicate recognition of unique crises threatening the state. The impending end of the Big Oil era is the driver in Arabia; in China it is recognition that the rapid economic growth of the last three decades cannot continue without structural changes within the People's Republic. If all things go well, which is to say, if Britain, North Korea and Iran do not precipitate war, the end result could be some form of democratic governance in both West and East Asia.

End of Violent Extremism

The top-down coup in Saudi Arabia announcing the end of Wahhabi extremism will have a complex impact on world affairs. For one thing, Britain, which set the House of Saud on its extremist path to power more than a hundred years ago, will lose much of its capacity to manipulate the kingdom and the region. The money laundering drug kingpins of London will not be able to count on jihadist terrorists to control opium/heroin production in Afghanistan or police the routes along which they are trafficked to markets that generate revenues of over \$60 billion annually. It will take a great deal of administrative effort, political capital and finance to replicate commercially what jihadist dupes have done for decades

in the name of Allah. Unless London resorts to its well-known “license to kill” the new king or is willing to contemplate neocolonial Red Coats and Viceroy, its hugely destructive influence on Asian affairs could finally be coming to an end.

As post-jihadi realities kick in, Pakistan, Britain’s South Asian proxy for over seven decades, will face existential choices. The Custodian of the Two Holy Mosques has been a major influence on Islamabad during the decades of Wahhabi extremism, and as Riyadh turns to moderation Pakistan will be left out on a limb unless it adjusts too. Both Saudi Arabia and Pakistan are British creations, one intended to outflank the Ottoman Empire, the other to constrain and manage independent India. Those geopolitical contexts are changed but hardly irrelevant, and it will be interesting to see if the Indo-Pacific dynamic puts a stop to Turkey’s descent into pre-Ataturk religiosity and pulls Pakistan into greater cooperation with India. If Britain uses its traditional control of Pakistan’s Inter-Services Intelligence (ISI) to steer Islamabad even more deeply into narco-terrorism, it will be India and Afghanistan that face existential choices. Those contrasting scenarios at the most positive and negative ends of the spectrum of possibilities will have very different outcomes. At the positive end lie a democratic Arab world with a Palestinian State at peace with Israel; a Turkey that bridges Europe and Asia; an Iran in which the mullahs have retreated to their traditional haunts; and rapid economic development in South Asia after full reconciliation between India and Pakistan. At the opposite pole is war.

China Passage

The changes afoot in China will also have global ramifications and, as in West Asia, Britain will be a primary loser. The reasons might not be readily apparent to many because Britain’s prominent role in China’s transformation over the last three decades has been largely hidden, focused as it has been, on secretive money management through Hong Kong. It came to that role by way of the “One country, two systems” formula for returning Hong Kong to Chinese sovereignty. At the unspoken center of that deal was the understanding that if Hong Kong could continue to be Britain’s primary bastion for money laundering in Asia it would funnel a massive flow of investments into China. Amidst the vast ruin of Mao’s economic legacy the offer was a new Mandate from Heaven for Deng Xiaoping. In return, Britain got a market that absorbed without a blink the multi-billion-dollar flow through its global money laundering system. During a recession-induced period of Thatcherite austerity that helped forge the “Iron Lady” narrative of a politician whose death in 2013 the British people celebrated with the “Witch is Dead!” number from the Wizard of Oz.

The issue of China’s dank human rights record was not on the table during the negotiations over Hong Kong. Thatcher in her biography (*The Downing Street Years* page 492) says she had explained the “contents” of the negotiations to President Reagan “and won American support;” but it is unlikely that Washington had a full understanding of what was going on. With the Hong Kong agreement Britain established a condominium with Beijing assuring it of massive economic support no matter what happened. A year after the Anglo-Chinese Joint Liaison Group began operation in 1988 the world saw democracy activists brutally put down in Tiananmen Square. With capital pouring in through Hong Kong, the United States had little leverage for exerting punitive measures.

The “pig on LSD” economy that developed in China vaulted it into the top ranks of the world’s manufacturing and trading nations. As its commodity imports lifted the economies of Africa and Latin America and hundreds of millions of Chinese rose out of poverty, Beijing policy-makers began to think of themselves in grandiose terms, as waiting in the wings to replace a waning America. But the Great Recession brought them down to earth. As demand for Chinese exports fell in world markets an enormous deficit-funded effort was necessary to sustain economic growth. That led to the current scenario of mountainous debt, proliferation of zombie corporations and an endlessly ballooning real estate market. As in the Mao years, economic statistics became an exercise in fiction. Foreign analysts accepted the picture of continuing high growth grudgingly but noted that investment on real estate and infrastructure was disproportionately large, that manufacturing activity and exports were weak, and that warehouses at ports overflowed with unused commodity imports. Social media carried the eerie visual evidence of China’s weird funding arrangement: unpopulated ghost cities in remote locations, new airports that lay unused around the country, bridges and roads that led nowhere.

Despite widespread international skepticism about the continued vitality of the Chinese economy Beijing has not stopped portraying itself as a world Power with global ambitions. On the contrary, the recent 19th Party Congress made Great Power status a formal aim and endorsed “Xi Jinping Thought” as the means to achieve it. Commentators have taken that as a sign of Xi's growing power and confidence, but the opposite might be true, especially if viewed in the context of the anti-corruption drive of the last two years that purged over a million civil and military officials. It is now admitted, off the record, that the purge was actually directed at those who represented a political threat to the Party establishment. That raises the possibility that talk of Great Power status might be purely diversionary.

Past the midway point of the 50-year term of Hong Kong's special status under the “One country two systems” formula, it must be quite clear to the Chinese leadership that the target of catching up with the major industrial countries cannot be achieved without fundamental structural changes in its economy. The elevation of Xi Jinping to equivalence with the Great Helmsman Mao might be aimed at giving him the requisite heft to make those changes. Although the 19th Congress heard warnings about the need to resist the seductive blandishments of Western democracy, the realists in the Politburo certainly know that it will be impossible to continue the current political system unchanged into the second Internet generation. If that means a turn towards more democratic governance, the Indo-Pacific framework would be an effective framework to support change in China. An important priority in that process should be to end the illicit role of Hong Kong and regularize China's economic relations with the rest of the world.

London’s Game of Thrones

As noted in previous sections, Britain will be deeply affected by new Indo-Pacific realities and its response will determine if there is peace or war in the region. Past experience does not warrant optimism, for Britain’s ruling elite has acted with complete lack of scruple when faced with constraints on its capacity to profit from oppressing and exploiting other nations. Some cases in point:

At the end of the Second World War, when the transition of global power to the United States seemed inevitable, Winston Churchill masterminded what can only be called a political [coup against](#)

[constitutional authority in Washington](#). He forged an alliance with the new, unconstitutional military-industrial nexus of power in Washington to sideline the deeply inexperienced Harry Truman and launch the Cold War. That neutralized the United Nations, Franklin Roosevelt's brainchild for postwar stability. It allowed Britain to shapeshift into a “leader of the Free World” and arrange decolonization so that the newly free countries inherited conflicts that left them open to continued manipulation and exploitation.

When faced with the inevitability of giving up its rule in India, Britain cynically initiated a religious civil war to create Pakistan. The human cost was 3 million lives and 14 million people turned into refugees in their ancestral lands. Pakistan has been a permanent British proxy in the region, fielding terrorist organizations with global reach and helping develop the opium/heroin trade in Afghanistan that sends over \$60 billion annually into the tax haven system (see below).

By the 1960s, as decolonization spread to the rest of its empire, Britain arranged for a number of small former colonies to become offshore “secrecy jurisdictions” where wealthy people could hide their assets or use them for criminal purposes. Those so-called “tax havens” now constitute a system that sucks trillions of dollars out of poor countries and facilitates the work of every major criminal organization in the world, including terrorist groups. In effect, Britain responded to the loss of its colonies by creating an underground financial empire controlled through proxy states and policed by “jihadist” terrorists.

Little of this progression has been documented by historians or the mass media. Even after the recent release of the hacked [Paradise Papers](#) mass media around the world chose to ignore the existence of the tax haven system until our articles pointing that out (see [here](#) and [here](#)) set off a wave of calls for its abolition. (Interestingly, after that happened, several articles calling for the abolition of tax havens appeared online, backdated to 2016!) An appeal to the G-7 (major industrialized economies) to abolish tax havens passed its target of a million signatures in a day. Previous action by the G-7 against money laundering has been through the Financial Action Task Force (FATF), a coordinated intergovernmental effort to create greater banking transparency. Even though FATF has clarified the links between money laundering and organized crime, including terrorism, it has not sought to abolish the tax haven system as a whole.

Economists and international organizations have also ignored Britain’s underground money laundering empire even as it subverted sustainable development around the world. UN coordinator Amina Mohammad who steered the *2030 Agenda for Sustainable Development* to adoption by the UN General Assembly in 2015 managed to avoid all mention of tax havens in that long (15,000+ words) document. For that she was rewarded with the post of Deputy-Secretary-General, and in that capacity, has continued to [exclude all mention of the tax haven system](#) in the reports submitted by the Secretariat to ECOSOC and the General Assembly. In doing all this Ms Mohammad has ignored repeated calls by developing countries for strong action on the illicit financial flows out of their economies. Another major indication of [elite connivance in protecting the global underground economy](#) is that the “war on drugs” has done nothing to dismantle the money laundering system without which drug kingpins and cartels could not exist. The Security Council has considered the issue of terrorism financing without focusing on the obvious need to abolish tax havens.

What Should We Expect?

Over the last decade the United States and the European Union have targeted British banks at the center of the tax haven system, imposing multi-billion-dollar fines and steadily strengthening the regulatory framework. The response has been Brexit and a growing number of terrorist assaults on European and American targets.

There has probably also been use of cutting edge environmental modification technology to direct massive hurricanes at the United States (followed by a near-hurricane riposte directed at the United Kingdom). This is impossible to prove but it is necessary to mention the possibility because public discussion is the only constraint on the cowardly use of such fearsome forces, which could include artificially generated earthquakes. See [here](#) and [here](#).

Other cutting-edge weapons Britain is probably using against the United States include [ultrasound](#) and “[mind-hacking](#)” that have long interested conspiracy theorists and Hollywood filmmakers. The American diplomats in Cuba who suffered brain damage and the string of inexplicable naval accidents over the past year might indicate that the technologies are more real than most people think. Given Britain’s Game of Thrones psychology it would be unwise not to expect the use also of [electromagnetic pulse technology](#) and [biological weapons](#).

The only defense against such assaults is open talk of who might be responsible and what the responses could be. The strategy of “Mutually assured Destruction” could take on a whole new meaning in the age of covertly sponsored terrorist attacks. A broader approach would be to continue the revelations of criminality associated with the British financial elite – the Paradise Papers can be followed up with far more devastating information. There should also be a concerted effort to shame the journalistic establishment in Britain for its cooperation in hiding a plethora of high crimes and misdemeanors.

NOTE: I will revise this article as necessary and post alerts on my [Facebook page](#)