

China Builds New Silk Roads as Obama Dumps His Asia Tour

by Michael Billington

Oct. 7—The scope of the breakdown process taking place in the trans-Atlantic region is reflected clearly in the spectacle of President Barack Obama canceling the potentially most important foreign mission of his Presidency—his planned attendance at the summits of the two leading international institutions of the Asian-Pacific nations—the Asia Pacific Economic Cooperation (APEC) Forum in Bali from Oct. 5-7, and the East Asia Summit (EAS), being held along with the ASEAN Summit in Brunei on Oct. 9-10.

With Europe and the United States in the throes of terminal economic disintegration, Obama chose to invite the arch-criminals of the major Wall Street banks to the White House on Oct. 2, and then dutifully decided to stay in Washington to implement their commands: continued or perhaps expanded massive bank bail-outs through Quantitative Easing; agreements with Republican leaders in Congress to implement killer austerity and budget cuts as a “solution” to the impasse over the budget and the Federal debt limit; and to prepare the U.S. population for the bail-in process—stealing depositors’ bank accounts to sustain the gambling debts of the banks.

In the real world, the only hope for the survival of the Western nations lies in repudiating the Wall Street gambling debts through Glass-Steagall legislation, while forging alliances with the Asian nations, where a dedication to progress still exists, to

launch great infrastructure projects across Asia and the world.

China Takes the Lead in Asia

In Obama’s absence, China has demonstrated the quality of global leadership sorely lacking in the United States. Even before the APEC and EAS summits, Chinese President Xi Jinping toured several Southeast Asian nations, putting forth a vision of long-term growth and development through collaboration among the nations of the region.

Speaking at the Indonesian Parliament on Oct. 3—



Chinese President Xi Jinping with Indonesian President Yudhoyono Sambut Pemimpin at the APEC summit in Bali, Oct. 6, 2013.

the first foreign leader ever to speak there—President Xi called for the creation of a *New Maritime Silk Road* for East and Southeast Asia: “Southeast Asia has since ancient times been an important hub along the ancient Maritime Silk Road. China will strengthen maritime cooperation with ASEAN countries to make good use of the China-ASEAN Maritime Cooperation Fund [created in November 2011], set up by the Chinese government, and vigorously develop maritime partnership in a joint effort to build the Maritime Silk Road of the 21st Century. China is ready to expand its practical cooperation with ASEAN countries across the board, supplying each other’s needs and complementing each other’s strengths.”

Xi also said that “China is committed to greater connectivity with ASEAN countries,” proposing the creation of an Asian infrastructure investment bank that would give priority to ASEAN countries’ needs, especially in transportation. Without naming the U.S., Xi said that China welcomed a constructive role by countries from outside the region in the development and stability of Southeast Asia, but these countries “should respect the diversity of the region.”

The call for a new Maritime Silk Road follows by only a few weeks the Chinese President’s call for a New Silk Road in Central Asia, put forward at the Shanghai Cooperation Organization (SCO) meeting in Tajikistan on Sep. 13. It is precisely this concept of development across borders, connecting nations through mutual economic infrastructure projects, which is the basis for peace among nations—and is most despised by the imperial interests in London and New York, who provoke divisions over ethnic, religious, and territorial issues in order to keep nations divided and weak. His using the Silk Road theme in both Central and Southeast Asia demonstrates that Xi Jinping is dedicated to developing the entire Asian economic space.

President Xi proposed that trade between China and the ten ASEAN nations should rise to \$1 trillion by 2020, from a record \$400 billion in 2012. Already China has surpassed the United States as the major trading partner of most of Southeast Asia. Xi also signed agreements for China to build a much-needed monorail system in Jakarta, as well as other mining and infrastructure projects.

The leading Indonesian newspaper, the *Jakarta Post*, headlined its article on Xi’s visit with a quote from his speech to the Parliament, drawing on an old Indonesian proverb: “Money can be easily earned, but not friendship.” The message was clear: The U.S. has

long since ended its historic tradition of state-backed support for infrastructure projects in the developing world, but instead is constantly demanding free-trade concessions, to open up developing nations to financial looting and Western access to cheap labor. China, on the other hand, pays for its imports of raw materials from these nations not with paper dollars—which are proving to be increasingly worthless—but with infrastructure development.

Malaysia: Cheng-Ho Association

President Xi also visited Malaysia from Oct. 4-6, meeting with Prime Minister Najib Tun Razak and former Prime Minister Dr. Mahathir Mohamad. At that meeting they elevated their relationship to a Comprehensive Strategic Alliance. Already, China and Malaysia have jointly built two industrial parks, one in China and one in Malaysia, as a model for cooperation in Southeast Asia. China reiterated its intention to help build Malaysia’s high-speed rail—part of the new “Orient Express” from Singapore to Yunnan.

Despite efforts by the Obama Administration to draw Malaysia into a confrontation with China over disputed areas in the South China Sea, Prime Minister Najib agreed to strengthen military relations between the two nations, especially in naval defense. The two countries will carry out joint naval exercises.

Dr. Mahathir, who is famous for standing up to the IMF while he was Prime Minister (1981-2003), has not lost his fighting spirit nor his commitment to development for all nations. In his meeting with President Xi, Dr. Mahathir proposed that the two nations set up a business and trade association, to be named the Cheng-Ho (Zheng He) Multi Cultural and Friendship Association, named after the 15th-Century Chinese Muslim admiral who led the Treasure Ships (the largest ships and the largest fleet in the world at the time) on peaceful diplomatic and trading voyages to Southeast Asia, across the Indian Ocean to the coast of Africa and into the Persian Gulf.

Dr. Mahathir also brought up the danger of over-congestion in the Strait of Malacca, calling for building a pipeline across the Kra Isthmus. Although stopping short of calling for a Kra Canal, in which the Chinese have shown great interest, Dr. Mahathir has in the past expressed his support for the prospect of a canal (see article in this issue and the video “The Kra Canal and the Development of Southeast Asia,” <http://larouchepac.com/node/28237>).

While President Xi goes on to the APEC Summit in

Bali on Oct. 7, Chinese Premier Li Keqiang is visiting Thailand, Vietnam, and Brunei, where he will attend the ASEAN+3 (ASEAN plus China, Japan, and South Korea) summit and the East Asia Summit.

Demise of Obama's Asian Pivot?

Obama's decision to scrap his visit to Asia at this moment of economic disintegration of the trans-Atlantic economies has convinced nearly everyone, his friends and foes alike, that the Asia Pivot, aimed at containing China, is failing.

Obama was expected to pitch his Trans-Pacific Partnership (TPP) with all his sophistic powers at the APEC and EAS summits, and his non-appearance is seen as the death of the entire enterprise. Certainly the intention to have it signed by the end of the year is dead.

But the fact is, the TPP was dead before the cancellation of Obama's trip: Vietnam had let it be known that the condition that it could not import raw materials from China for goods produced for export to the U.S. was unacceptable; Japan is almost certainly incapable of meeting the demand that agriculture and other government supports be scrapped; and Malaysia, when it became clear that the TTP would require it to abandon state-sector industries and government support for domestic firms, said it would refuse to sign. The opposition, led by Dr. Mahathir, had such deep support in the proud nation that even the IMF-World Bank darling, Leader of Opposition Anwar Ibrahim, came out against the deal.

Confronting China, Blackmailing South Korea

All that is left of Obama's Asian Pivot is the threat of the military confrontation of China. While Obama still gets support from Japan, Singapore, Australia, and the subservient regime in the Philippines for his expanded deployment of missile defense systems and nuclear-armed air and sea forces in a ring around China, the rest of Asia is not going along with the insane confrontation policy.

Most interesting is the case of South Korea. Sources



Adm. Cheng-Ho (Zheng He) (1371-1433)

there have confirmed reports in the Korean press that the U.S. is blackmailing Seoul, demanding that it accept deployment of advanced U.S. missile systems as a precondition for postponing the transfer of wartime command over the joint U.S.-Korean forces to the Seoul government. South Korea fears that the transfer of command to Korea, now scheduled for 2015, before a peace is achieved on the Korean peninsula, may embolden North Korea to attack Seoul, which lies only 31 miles from the North Korean border.

Asked about the sensitive issue of transfer of command, Secretary of Defense Chuck Hagel, visiting Seoul on Sept. 30, said that "any delay in the handover of full operational control of South Korean troops to Seoul can be dealt with in connection with South Korea's participation in the U.S.-led missile defense program."

The Korean newspaper *Chosun Ilbo* commented: "It seems that Hagel is making a quid-pro-quo offer: join the missile defense program and another delay of the handover is possible."

But the government of President Park Geun-hye considers these high-altitude missile-defense systems as overkill in regard to any threat from North Korea, and believes that they are correctly seen in Beijing as part of the U.S. military encirclement and confrontation with China—and that therefore Seoul will not accept them.

Asian leaders understand that the threat of a U.S. war against China is not as remote as some might think, in the context of the terminal collapse of the Western economies, and the continuing threat of a U.S. war against Syria and Iran, which could spread to Russia, and perhaps China.

The solution lies in restoring the U.S. economy through Glass-Steagall, and engaging Asia, and especially China, in the greatest scientific and technological infrastructure-building process in human history. It is a future we can all live with.

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