

THE APEC SUMMIT

China Charts a Course for World Economic Recovery

by William Jones

Nov. 10—The conference of the Asia-Pacific Economic Cooperation (APEC) forum in Beijing, culminating in a summit meeting Nov. 10-11, promises to be a watershed moment for the Asia-Pacific and for the world.

With wars raging in Europe and the Middle East, China's dramatic initiatives to bring the world onto the track of economic development, have created a ray of hope that mankind may be able to forge a new paradigm, in which war and poverty can be relegated to the trash-bin of history. Even the woebegone U.S. President, Barack Obama, who opposes Beijing's policies, had to sign on to the final statement, which met the basic Chinese aims of transforming APEC into an engine of global growth.

'Lighting Up the Night Sky'

China is hosting the 21-nation APEC summit for the second time in the organization's 25-year history, and President Xi Jinping intends to make it a forum for integrating the Asia-Pacific nations in a web of economic development, flowing out of his country's dramatic economic rise over the past 35 years. In discussion on Nov. 8 with representatives of the countries involved in his New Silk Road project, Xi said, "Each of our coun-



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Together we "will light up the night sky," host President Xi Jinping told attendees at the APEC forum.

tries is like one little bright lamp, but when we bring them together it will light up the night sky."

Facing its own economic difficulties, as markets for Chinese products began to collapse with the international financial crisis in 2008, China began a process of utilizing its own growth, and its development over time of important industrial capabilities, such as high-speed rail construction, to spark economic development in the neighboring countries on the Pacific Rim and in Central Asia. President Xi's announcement in August 2013 of a plan



Russian Presidential Press Service

Attendees at the summit on Nov. 10, sporting the traditional Chinese tunics known as the “zhongsan,” Sun Yat-sen’s Chinese name.

for a Silk Road Economic Belt, reflecting the concept of the Eurasian Land-Bridge developed in the early 1990s by Lyndon and Helga LaRouche, and the complementary 21st Century Maritime Silk Road, pointed the way to a new trajectory of regional and world development.

At the July 2014 meeting of the BRICS countries in Brazil, the momentum of the New Silk Road was brought to countries in Africa and Latin America, creating a wave of optimism in those beleaguered nations, which have borne the brunt of the world financial crisis.

To promote the New Silk Road and other projects, China also took the initiative to set up an Asia Infrastructure Investment Bank (AIIB), which would have a starting capital of \$100 billion and would be targeted to physical infrastructure, such as roads, high-speed rail, and power stations.

This plan caused a furor among international banking circles, intent on consolidating their debt at the cost of the subject populations. The AIIB would allow the countries, now subject to the austerity policy imposed upon them by the banks, a means of getting their economies up and running again. The Obama Administration, a “running dog” of the London-New York financial oligarchy, immediately went into action to throw a monkey-wrench into the new institution, pressuring countries in Asia not to join.

It succeeded, at least temporarily, to convince Australia, South Korea, and Japan to shun the AIIB, but otherwise, there was a mad rush to get on board the new

institution, with 21 nations signing on in October as founding members.

With China hosting this year’s APEC Summit, it was thought that both the Silk Road projects and the AIIB would be a prime focus of the event. But in the Ministerial Statement, following meetings of the Foreign and Commerce Ministers of the APEC nations, nary a word was uttered about either, thanks to pressure from the United States.

Fight Over Trade and Investment

The other major front on which the Obama Administration is waging a not-so-successful battle is trade. In 2006, the APEC countries created a “free trade” area embracing them all.

It was supported at the time by the United States. But the situation has changed since then, and the United States has put forward its own Trans-Pacific Partnership (TPP), which would include most Asian nations, *except* for China. While many of the details of the TPP negotiations are under wraps, the criteria for the agreement appear to be the most draconian of any free-trade agreement yet envisioned, effectively eliminating any type of state control or regulation over the flow of trade into and out of the country. The control of the economies that enter such an agreement would be transferred to the multinational companies conducting the trade. No wonder that no one has yet signed on the dotted line.

More importantly, the TPP would maintain the control by the bankrupt London-New York financial oligarchy over the fate of mankind. This was forthrightly stated at a recent Brookings Institution forum on U.S.-China relations, by Thomas Donilon, who was National Security Advisor to President Obama, when the “Asian pivot” was developed. “If we succeed in getting TPP through,” Donilon said, “this will allow the U.S. to write the rules that will govern the global economy for the next century.” Is there any wonder that this would be seen as threatening by China?

China made a push at the APEC Ministerial meeting, therefore, to put on the table a concrete proposal for realizing the previous Free Trade Area of the Asia-Pacific (FTAAP), in which everyone would be involved. While Beijing had wanted to set a definite date for such



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President Xi Jinping addresses the summit on Nov. 11. "We are duty-bound to create and fulfill an Asia-Pacific dream for our people," he said.

an agreement to be ready (by 2025), and wanted to set up at this meeting a "feasibility study" for it, this also was blocked by the U.S., in a desperate attempt to get its TPP in place first.

Nevertheless, there was enough support from the other Asian countries to allow the FTAAP to be placed on the agenda. The Ministerial Statement was clear: "In order to translate the FTAAP from a vision to reality, we agree to kick off and advance the process in a comprehensive and systematic manner towards the eventual realization of the FTAAP." While the 2025 date was scrapped because of U.S. objections, and the "feasibility study" was reduced to a "collective strategic study" on "issues related to FTAAP," the matter was nonetheless on the APEC agenda.

Credit for Development

While the Ministerial Statement did not mention the AIIB or the New Silk Road projects, these topics have been at the center of attention throughout the week. President Xi, as the host of the event, saw to it that they were given center stage.

He conducted a meeting on regional "connectivity," with a handful of nations along the Silk Road Belt and the Maritime Silk Road. He used the occasion to announce that China was establishing a Silk Road Fund with a capital of \$40 billion for investment in "connectivity" among the countries along the New Silk Road.

The announcement focussed the discussion back on the topic of the New Silk Road project, in spite of the

obstruction by the U.S. representatives. Speaking on Nov. 8 at the APEC CEOs meeting, Xi drove the point home: "The Asia-Pacific stands at a crossroads. Shall we continue to lead the world in creating a bright future? Or shall we slow down, only to be out-performed by others? Shall we deepen the integration process, or shall we let ourselves slip into a vortex of fragmentation? Shall we embrace openness and inclusiveness to work together for an Asia-Pacific Century, or shall we cling to an outdated mindset unfit for the 21st Century?"

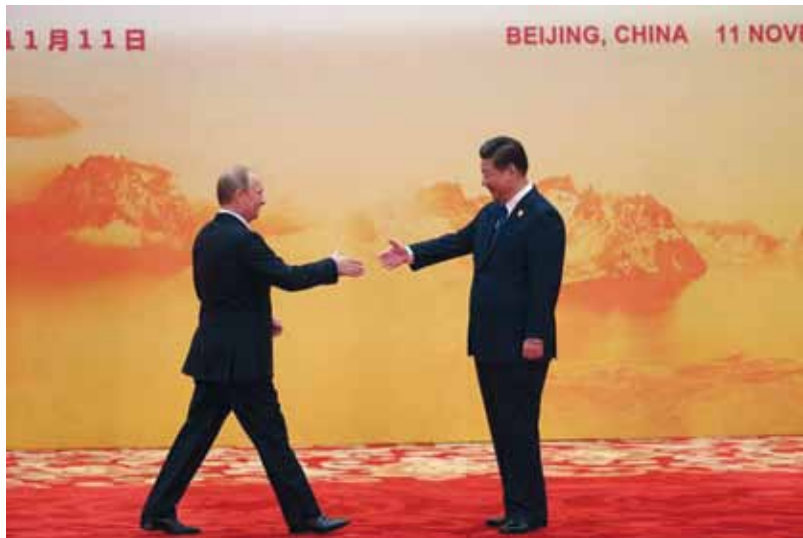
There is little doubt from what corner of the world that "outdated mindset" was emanating. An FTAAP, Xi underlined, would "bring the region to a higher level," and he called on the other countries to work together with China in developing the Silk Road Economic Belt and the Maritime Silk Road. To help realize this development, Xi said, China had taken the initiative in establishing the AIIB as a "platform for cooperation and growth," calling it "substantive step forward." When he referred to his proposal on creating a Silk Road Fund, his words were met with a round of applause from the CEOs gathered there.

President Xi also drew the implications of the decisions made by APEC for the rest of the world. "The development prospect of our region hinges on the decisions and actions we take today," Xi said. "We are duty-bound to create and fulfill an Asia-Pacific dream for our people." That dream, Xi said, "is about staying ahead of global development and making a greater contribution to the well-being of mankind."

Getting On Board the China Train

The week-long event encompassed dozens of bilateral meetings between heads of state, in which President Xi Jinping was most active in mobilizing support for his proposals. On Nov. 9, he met with Russian President Vladimir Putin, whose relationship with the Chinese leader has grown substantially with the pressure put on Russia by the White House. The two Presidents reiterated their comprehensive strategic partnership and signed major agreements on the export of Russian natural gas to China.

With Western Europe trying to limit the import of Russian natural gas, China has now become Russia's biggest customer. The two sides signed 17 agreements, many connected to the oil and gas industry. There were



Russian Presidential Press Service

Washington and London's nightmare: Ties between Russian President Vladimir Putin and Chinese President Xi Jinping are growing closer, and numerous economic cooperation agreements were signed at the APEC forum.

also agreements signed between Russia's RusHydro and the Three Gorges Corporation for building four hydroelectric power plants along the Amur River, which serves as a border between China and Russia. "Together, we have been carefully attending to the ever-green tree of the Russian-Chinese friendship," Xi told Putin. "Now it is Autumn, the time to harvest the fruits." Putin also spoke of the importance of the relationship with regard to the threatening international situation. "Cooperation between Russia and China is extremely important in order to keep the world in the framework of international law, making it more stable," Putin said.

Indonesian President Widodo Joko, recently elected, and still undecided about whether to join the AIIB, made clear in his public comments and in a presentation to the CEO Summit that his plans for building a "sea toll road," which would bring together the thousands of islands of which Indonesia is composed, was in line with China's idea of a 21st-Century Maritime Silk Road. He expressed the hope that the two countries could work together in accomplishing these aims.

Most dramatically, just prior to the summit, China and Japan reached an agreement that permitted a meeting between President Xi and Japanese Prime Minister Shinzo Abe. Over the last two years, the relationship between these two major Asian nations had been in the deep freeze. Abe's visit last year to the Yasukuni Shrine, which honors, among others, Class-A war criminals

from the Second World War; Japanese attempts to secure control over disputed islands in the East China Sea; and Abe's attempt to change the pacifist Japanese Constitution, have rankled the Chinese. Abe has also been under pressure from Japanese business layers to improve the relationship with China, one of Japan's largest trading partners. The public promises made by Abe to follow the path of previous Japanese leaders who have tried to nurture a relationship with China, and possibly a private promise not to visit the Yasukuni Shrine, prepared the way for the meeting between the two leaders. At the meeting, both committed to move forward in the relationship.

Obama—The Odd Man Out

By the time President Obama arrived, the stage was already set for a successful outcome of the Summit. Still licking his wounds from the "shel-lacking" by American voters, he made a feeble attempt to assert himself at the CEO Summit, saying that he would work for negotiating a Bilateral Investment Treaty with China, and introducing new visa regulations making it easier for Chinese tourists to come to the United States. While he made no comments on any of the controversial questions between the two nations, he did arrange a meeting of the TPP partners, which allowed them to make a statement about their "intentions" to move forward on such an agreement, although even some of the candidates themselves are becoming skeptical that it will ever happen. Obama's outrageous use of the Beijing venue for such clear anti-China organizing could not, of course, have gone unnoticed by his hosts.

Obama did, however, concede to don the traditional native dress of the host country, a tunic made popular by the first President of the Republic of China, Sun Yat-sen. He was also a guest at the evening banquet hosted by President Xi, followed by a fireworks display. In the grand style of the opening of the Beijing Olympics in 2008, the fireworks did literally, in President Xi's words, "light up the night sky." But that no doubt had little effect on the dark mood that must have come over the brooding U.S. President, unable, and perhaps psychologically unequipped, to share in the general optimism permeating the gathering.