Chinese President in Kazakstan

Xi Jinping Calls for 'New Silk Road'

by William Jones

Sept. 9—Chinese President Xi Jinping, speaking on Sept. 7 at Nazarbayev University in Astana, Kazakstan, called for the rapid development of a New Silk Road stretching "from the Pacific Ocean to the Baltic Sea." President Xi arrived in Kazakstan after attending the G-20 meeting in St. Petersburg, Russia, where the insistence of U.S. President Barak Obama on a military venture against Syria, rendered discussion of the economic crisis all but impossible. This made all the more important the declaration by the Chinese President in the Kazakstan capital. "We must expand the development of Eurasia," Xi said, "creating an economic belt along the Silk Road."

"China and the Central Asian countries are at a crucial stage," Xi warned. "We need a broader vision for cooperation." He hearkened back to the development of the ancient Silk Road following the visit of Zhang Oian, an envoy of the Han Dynasty to Central Asia,

which led to the establishment of trade among the nations of the region, and noted that his own family's village was situated at the beginning of that Silk Road. "Looking back on that epoch," Xi said, "I can hear the camel bells echoing in the mountains and see the wisps of smoke rising from the desert.... Now, 2,000 years later, the peoples of this ancient Silk Road together can compose a wonderful new chapter in the muchtold story. Now is a golden opportunity for development."

Xi noted the increased trade between China and these nations since the break-up of the Soviet Union. "More than 20 years ago, relations between China and Central Asia began to take off. The old Silk Road began to radiate with a new vitality. Developing friendly relations with the countries of Central Asia has now become a priority for China's foreign policy," he said. But "we should have wider aspirations, broaden our

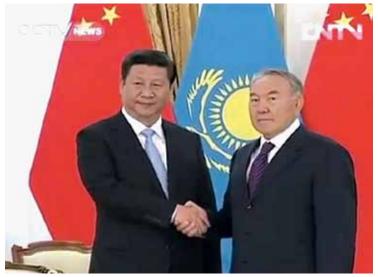
field of vision of regional cooperation, and together create new brilliance in the region."

President Xi elaborated five measures to push the project forward: 1) Step up communications and consultation among the nations of the region; 2) improve transportation connectivity; 3) eliminate trade barriers; 4) increase monetary circulation, settling accounts in regional currencies, rather than international currencies; and 5) increase mutual understanding. China has committed to offering 30,000 scholarships to students from the Central Asian nations to study in China.

The Eurasian Land-Bridge

The proposal for a "New Silk Road" is not a new one. Already in 1996, the Chinese Ministry of Science and Technology held a conference on the topic in Beijing, where Helga Zepp-LaRouche—who became known as "the Silk Road Lady"—delivering a speech on the La-Rouche movement's conception of a Eurasian Land-Bridge. This would involve high-speed rail connections from the Atlantic to the Pacific, with trunk lines traversing Russia, Central Asia, and South Asia. These would be "corridors of development," which could transform the lives of the peoples of this land-locked region.

The presentations of that 1996 conference were then published in book form by EIR to rally support for the idea. As President Xi pointed out, along the Silk Road lies a market of 3 billion people. Developing it would require massive investment in infrastructure; much of



Chinese President Xi Jinping (left) is welcomed to Kazakstan by President Nursultan Nazarbayev. President Xi's speech at Nazarbayev University in Astana signalled a renewed emphasis on a New Silk Road policy that could contribute to "a great economic space" in Eurasia.

this would have to come from Western Europe and the United States.

The "New Silk Road" label was indeed taken up in the West at the time, but with a much different content than LaRouche—or Beijing—envisioned. In the U.S. Senate, Sam Brownback (R-Kan.) touted it, not as a system of railroads and development corridors, but rather of pipelines transporting oil and gas to the West from this mineral-rich region. Some members of the administrations of Bill Clinton and George W. Bush, started to play the "Silk Road" card. In their hands, it became a tool for increasing U.S. influence in what Zbigniew Brzezinski labeled the "New Great Game" in Central Asia, aimed specifically at undermining the influence of Russia and China.

The original Land-Bridge proposal, however, has proceeded sporadically. Over the 17 years since the Beijing conference, the nations in the region have built an extensive grid of highways and railroads. Trade between China and Central Asia has increased (19% of Kazakstan's exports are to China, and 14% of its imports are from China). But the difficulties posed by different train-track gauges, customs disputes, and lack of coordination have significantly slowed the pace of development. But Xi's speech in Astana now indicates that this project has become a high priority for China.

Xi also broadened the perspective, proposing that the Shanghai Cooperation Organization, which includes Russia, China, and the countries of Central Asia, build closer ties with the East Asia Economic Community, which includes the countries of Southeast Asia, as well as China, South Korea, and Japan, in order to create "a great economic space."

In a subtle jab at the geopolitics of the Bush and Obama administrations in the region, Xi remarked that "a near neighbor is better than a distant relative." He also made clear that the Chinese policy of non-interference in the internal politics of other nations would apply in the "New Silk Road" policy.

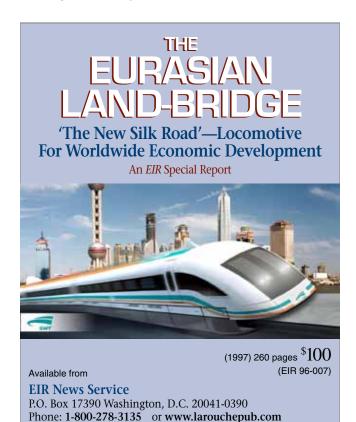
Defensive Measures Won't Do the Job

The new emphasis on the "New Silk Road" is also a somewhat defensive attempt to secure the economies of the region from the ongoing collapse of the worldwide London-New York financial system. The call by President Xi to use the regional currencies, and particularly the RMB, for settling regional trade is also an attempt to shield the region from the effects of a global financial blowout. But given the nature of present financial struc-

tures, including China's immense holding of U.S. Treasury bills and notes, such measures provide no real defense. Only a victory for Lyndon LaRouche's campaign to restore the Glass-Steagall law, which would effectively bankrupt Wall Street and the City of London rather than the world's governments, can create the basis needed for reviving the world economy.

But if Glass-Steagall again becomes law in the United States, and its example is followed by other nations, the implementation of great projects such as NAWAPA XXI (see *Feature*, in this issue), which would bring the waters of Alaskan and Canadian rivers to the states of the American West and to Northern Mexico, could considerably expand the "great economic space" described by the Chinese President. The century-old Russian proposal for a tunnel under the Bering Strait, which is again on the drawing board, would provide the crucial link for a "land-bridge" uniting North America with the Eurasian heartland, an economic space that would gradually encompass the entire world.

The strategic significance of President Xi's speech, and the shift by China toward the New Silk Road perspective, should not be lost on those in the West intent on creating a new and just world economic order.



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