

China's Silky Road to Glory. Beijing's Trade Proposal Undermines Obama's TPP

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If there were any remaining doubts about the unlimited stupidity Western corporate media is capable of dishing out, the highlight of the Asia-Pacific Economic Cooperation (APEC) summit in Beijing has been defined as Russian President Vladimir Putin supposedly "hitting" on Chinese President Xi Jinping's wife - and the subsequent Chinese censoring of the moment when Putin draped a shawl over her shoulders in the cold air where the leaders were assembled. What next? Putin and Xi denounced as a gay couple?

Let's dump the clowns and get down to the serious business. Right at the start, President Xi urged APEC to "add firewood to the fire of the Asia-Pacific and world economy". Two days later, China got what it wanted on all fronts.

1) Beijing had all 21 APEC member-nations endorsing the Free Trade Area of the Asia-Pacific (FTAAP) - the Chinese vision of an "all inclusive, all-win" trade deal capable of advancing Asia-Pacific cooperation - see [South China Morning Post](#) (paywall). The loser was the US-driven, corporate-redacted, fiercely opposed (especially by Japan and Malaysia) 12-nation Trans-Pacific Partnership (TPP). [See also [here](#).

2) Beijing advanced its blueprint for "all-round connectivity" (in Xi's words) across Asia-Pacific - which implies a multi-pronged strategy. One of its key features is the implementation of the Beijing-based US\$50 billion Asian Infrastructure Investment Bank. That's China's response to Washington refusing to give it a more representative voice at the International Monetary Fund than the current, paltry 3.8% of votes (a smaller percentage than the 4.5% held by stagnated France).

3) Beijing and Moscow committed to a [second gas mega-deal](#) - this one through the Altai pipeline in Western Siberia - after the initial "Power of Siberia" mega-deal clinched last May.

4) Beijing announced the funneling of no less than US\$40 billion to start building the Silk Road Economic Belt and the 21st Century Maritime Silk Road.

Predictably, once again, this vertiginous flurry of deals and investment had to converge towards the most spectacular, ambitious, wide-ranging plurinational infrastructure offensive ever attempted: the multiple New Silk Roads - that complex network of high-speed rail, pipelines, ports, fiber optic cables and state of the art telecom that China is already building across the Central Asian stans, linked to Russia, Iran, Turkey and the Indian Ocean, and branching out to [Europe all the way to Venice, Rotterdam, Duisburg and Berlin](#).

Now imagine the paralyzed terror of the Washington/Wall Street elites as they stare at Beijing interlinking [Xi's "Asia-Pacific Dream"](#) way beyond East Asia towards all-out, pan-

Eurasia trade - with the center being, what else, the Middle Kingdom; a near future Eurasia as a massive Chinese Silk Belt with, in selected latitudes, a sort of development condominium with Russia.

Vlad doesn't do stupid stuff

As for "Don Juan" Putin, everything one needs to know about Asia-Pacific as a Russian strategic/economic priority was distilled in his intervention at the [APEC CEO summit](#).

This was in fact an economic update of his by now [notorious speech](#) at the Valdai Club meeting in Sochi in October, followed by a wide-ranging Q&A, which was also duly ignored by Western corporate media (or spun as yet more "aggression").

The Kremlin has conclusively established that Washington/Wall Street elites have absolutely no intention of allowing a minimum of multipolarity in international relations. What's left is chaos.

There's no question that Moscow pivoting away from the West and towards East Asia is a process directly influenced by President Barack Obama's self-described "Don't Do Stupid Stuff" foreign policy doctrine, a formula he came up with aboard Air Force One when coming back last April from a trip to - where else - Asia.

But the Russia-China symbiosis/strategic partnership is developing in multiple levels.

On energy, Russia is turning east because that's where top demand is. On finance, Moscow ended the pegging of the rouble to the US dollar and euro; not surprisingly the US dollar instantly - if only briefly - dropped against the rouble. Russian bank VTB announced it may leave the London Stock Exchange for Shanghai's - which is about to become directly linked to Hong Kong. And Hong Kong, for its part, is already [attracting Russian energy giants](#).

Now mix all these key developments with the massive yuan-rouble energy double deal, and the picture is clear; Russia is actively protecting itself from speculative/politically motivated Western attacks against its currency.

The Russia-China symbiosis/strategic partnership visibly expands on energy, finance and, also inevitably, on the military technology front. That includes, crucially, Moscow selling Beijing the S-400 air defense system and, in the future, the S-500 - against which the Americans are sitting ducks; and this while Beijing develops surface-to-ship missiles that can take out everything the US Navy can muster.

Anyway, at APEC, Xi and Obama at least agreed to establish a mutual reporting mechanism on major military operations. That might - and the operative word is "might" - prevent an East Asia replica of relentless NATO-style whining of the "Russia has invaded Ukraine!" kind.

Freak out, neo-cons

When Little Dubya Bush came to power in early 2001, the neo-cons were faced with a stark fact: it was just a matter of time before the US would irreversibly lose its global geopolitical and economic hegemony. So there were only two choices; either manage the decline, or bet the whole farm to consolidate global hegemony using - what else - war.

We all know about the wishful thinking enveloping the “low-cost” war on Iraq – from Paul Wolfowitz’s “We are the new OPEC” to the fantasy of Washington being able to decisively intimidate all potential challengers, the EU, Russia and China.

And we all know how it went spectacularly wrong. Even as that trillionaire adventure, as Minqi Li analyzed in *The Rise of China and the Demise of the Capitalist World Economy*, “has squandered US imperialism’s remaining space for strategic maneuver”, the humanitarian imperialists of the Obama administration still have not given up, refusing to admit the US has lost any ability to provide any meaningful solution to the current, as Immanuel Wallerstein would define it, world-system.

There are sporadic signs of intelligent geopolitical life in US academia, such as [this](#) at the Wilson Center website (although Russia and China are not a “challenge” to a supposed world “order”: their partnership is actually geared to create some order among the chaos.)

And yet [this](#) opinion piece at USNews is the kind of stuff passing for academic “analysis” in US media.

On top of it, Washington/Wall Street elites – through their myopic Think Tankland – still cling to mythical platitudes such as the “historical” US role as arbiter of modern Asia and key balancer of power.

So no wonder public opinion in the US – and Western Europe – cannot even imagine the earth-shattering impact the New Silk Roads will have in the geopolitics of the young 21st century.

Washington/Wall Street elites – talk about Cold War hubris – always took for granted that Beijing and Moscow would be totally apart. Now puzzlement prevails. Note how the Obama administration’s “pivoting to Asia” has been completely erased from the narrative – after Beijing identified it for what it is: a warlike provocation. The new meme is “rebalance”.

German businesses, for their part, are absolutely going bonkers with Xi’s New Silk Roads uniting Beijing to Berlin – crucially via Moscow. German politicians sooner rather than later will have to get the message.

All this will be discussed behind closed doors this weekend at key meetings on the sidelines of the Group of 20 in Australia. The Russia-China-Germany alliance-in-the-making will be there. The BRICS, crisis or no crisis, will be there. All the players in the G-20 actively working for a multipolar world will be there.

APEC once again has shown that the more geopolitics change, the more it won’t stay the same; as the exceptional dogs of war, inequality and divide and rule keep barking, the China-Russia pan-Eurasian caravan will keep going, going, going – further on down the (multipolar) road.

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