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# The New Silk Road

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When our ancestors, the ancient Britons, were still living in mud huts and painting themselves blue with woad, China had already developed a large sophisticated urban culture that had extensive trade links with India, Central Asia and Europe.

In 230 BCE, the Qin subdued the regions of Chu, Yan and Zhao and shortly after Qin Shi Huang became the first emperor of the vast Chinese peninsula. In 220 BCE, construction of the Great Wall of China began in order to protect trade along what became known as the Silk Road.

It's astonishing to realise that this trade route linked Japan, China, India, Arabia, Persia (Iran and Iraq), Greece and Northern Italy via Hangchow, Karakorum, Samarkand, Trebizond and Constantinople.

People, goods and ideas have travelled freely along these routes for millennia despite regular interruptions for wars including for example, the Great Game played by Russia and Britain in the 19$^{th}$ century, for which recent events in the Crimea are a disturbing echo. Nevertheless, the Silk route facilitated trade, prosperity, innovation and growth. (Byzantine monks are said to have stolen the secret of making silk from China when the West thought silk grew on trees).

In a reflection of that long history and largely mutual benefit, Xi Xinping, the current Chinese president, announced plans this week to invest in and rebuild the ancient Silk routes. The "Belt and Road" scheme has been described as the world's biggest infrastructure scheme with China committing $115billion per annum to the project with $900billion already spent.

President Xi noted that, "The glory of the ancient Silk Road shows that geographical dispersion is not insurmountable; civilisation thrives with openness and nations prosper from exchange."

In a period of Western retrenchment from internationalism and free and open trade, it is ironic that China is giving lessons in the virtues of openness and the dangers of isolationism and protectionism.

It is also interesting that China's view of trade is not mercantilist; China evidently seeks balance and indeed, for a time last year, was a net contributor to world demand via a current account deficit – in sharp contrast to Germany. In this China has the better of the argument; running a chronic trade surplus deprives the world of growth and accumulates claims over debtors that ultimately cannot be met – Greece is the obvious example.

China, consonant with its long history, continues to take the long view. The New Silk Road speaks to growing engagement with world economic affairs and just maybe offers timely support to the notion of the benefits deriving from the collaboration of nations when support for those ideas is fading in the West.

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