

II. International

THE GUYANA-VENEZUELA CRISIS

Snatching Development from the Jaws of War

by Dennis Small

Dec. 30—In early December 2023, with the world’s attention rivetted on the unfolding Gaza genocide, London and Washington nearly succeeded in unleashing a border war in South America that could have ended up with the U.S. Southern Command setting up a military base on the territory of Guyana to protect ExxonMobil’s vast oil exploration rights and holdings in that country, while at the same time launching a war to overthrow the leftist Nicolás Maduro government in neighboring Venezuela, which has a century-old border dispute with Guyana, dating back to when it was a British colony and called British Guiana. Such a geopolitical trap is designed to ensure that China’s Belt and Road Initiative would be permanently blocked throughout the region, which is the stated principal mission of the U.S. Southern Command and the State Department.

The crisis came to a head around a Dec. 3 referendum called by President Maduro, which asked the Venezuelan population to vote to proclaim the disputed Essequibo region (which has been under Guyana’s administration for over a century) to be a state of Venezuela. The referendum was called, in part, in response to Guyana granting new offshore oil exploration contracts to ExxonMobil and other oil companies in waters off the coast of the Essequibo region (see **Figure 1**). Over the last decade, very large deposits of oil and natural gas have been found off Guyana’s coast, which are estimated at 11 billion barrels of oil equivalent, placing Guyana in the top 20 countries in the world in proven oil reserves.

FIGURE 1
Guyana and Venezuela



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Venezuela, meanwhile, is suffering under the deadly effects of the illegal and immoral sanctions policy being applied against the country—and its oil sector, in particular—by the United States and allied nations.

Fortunately, an emergency meeting between Maduro and Guyanese President Irfaan Ali was quickly cobbled together by President Luiz Inácio Lula da Silva of Brazil (a neighbor to both countries) and other Ibero-American leaders, which was held on Dec. 14 in St. Vincent and the Grenadines (SVG). The meeting was chaired by SVG Prime Minister Ralph Gonsalves, who is also the current head of the Community of Latin American and Caribbean Countries (CELAC), and by Dominican Prime Minister Roosevelt Skerit, the head of the Caribbean Community (CARICOM). They were

joined by Brazilian President Lula’s Special Foreign Policy Advisor Celso Amorim; the prime ministers of Barbados, Mia Mottley, and of Trinidad and Tobago, Keith Rowley; and Colombian Foreign Minister Álvaro Leyva, among others.

The meeting ended with a public handshake between Maduro and Ali, and a statement of mutual willingness to continue the dialogue, with each affirming his commitment to peace. Neither yielded an inch on their respective territorial claims, but that was not unexpected. In the “The [Joint Declaration](#) of Argyle for Dialogue and Peace Between Guyana and Venezuela”—named after the venue of the talks—the two Presidents, among other things, reiterated “their commitment to Latin America and the Caribbean remaining a Zone of Peace”; stated that both nations will not, “directly or indirectly ... threaten or use force against one another in any circumstances, including those consequential to any existing controversies between the two states”; and affirmed their commitment “to the pursuance of good neighborliness, peaceful coexistence, and the unity of Latin America and the Caribbean.”

Key to holding off U.S.-NATO military efforts to use the crisis as a pretext to dig their claws into the region—consider the Dec. 9 comments by Adm. James Stavridis (retired), NATO Supreme Allied Commander (2009–2013), in which he equated Guyana to Ukraine, stating:

Amping up U.S. military forces, perhaps even sending warships to Guyanese ports—there are always Navy and Coast Guard ships underway in the Caribbean—is a good idea. An on-the-ground exercise of units from U.S. Army South (the Army component of Southern Command) could be organized quickly.

—is a section of the Joint Declaration which states that the two Presidents:

agreed that both States will refrain, whether by words or deeds, from escalating any conflict or disagreement arising from any controversy between them. The two States will cooperate to avoid incidents on the ground conducive to tension between them. In the event of such an incident, the two States will immediately communicate with one another, the Caribbean Community (CARICOM), the Community of Latin America and the Caribbean (CELAC), and the President

of Brazil to contain, reverse and prevent its recurrence.

In other words, the region’s institutions are to be the framework in which peace is to be kept and a solution sought. The statement specified that Gonsalves, Skerrit, and Lula will continue to serve “as Interlocutors” for the parties, with UN Secretary General António Guterres as Observer. Both heads of state agreed to meet in Brazil “within the next three months, or at another agreed time, to consider any matter with implications for the territory in dispute.”

The Dec. 14 meeting thus put a very dangerous crisis on hold—but *it did not solve it*. As Celso Amorim put it in a Dec. 18 interview:

The result is positive. I have no illusions. I’m not saying that this means a solution to the problem. But if you manage to keep certain issues from exploding at that moment, that’s a victory.

In fact, on Dec. 29 the British warship *HMS Trent* anchored in Georgetown, Guyana in a provocative move designed to kick over the SVG chessboard by suggesting British and American military backing for Guyana.

The SVG meeting bought three months time until the next meeting in Brazil, by which time a solution must be found. That “solution,” however, does not mean settling the century-old border dispute at this point. The current systemic breakdown crisis of the Western economic system, and the resulting global strategic showdown crisis among nations and cultures, is the worst imaginable time for any thinking statesman to try to settle the long-standing border disputes which the British Empire has left simmering in every part of the planet. In fact, there are more than 150 such border disputes by some counts (e.g., *National Geographic*), with salient ones noted on the map in **Figure 2**.

Like the Guyana-Venezuela dispute, the most dangerous of these geopolitical hotspots—Israel-Palestine; India-Pakistan; the Malvinas/Falkland Islands; Gibraltar—were all left behind by the British as ticking time-bombs, useful to their geopolitical machinations over decades and even centuries.

Cutting the Gordian Knot

The solution required—for Guyana-Venezuela and the other cases as well—is to put the border dispute on hold, with each side committed to continuing negotia-

FIGURE 2

Major Border Conflicts in the World



Metrocosm (<https://metrocosm.com/mapping-every-disputed-territory-in-the-world/>)

to being a member of the BRICS, Brazil has announced it will join the OPEC-Plus group of world oil producers on Jan. 1, 2024. And it has a national oil company, Petrobras, which has world class capabilities and experience in offshore and onshore oil exploration and exploitation, in the Americas, Southwest Asia, and elsewhere.

There is no need to expropriate ExxonMobil and other foreign oil holdings in Guyana—so long as these companies cooperate in the regional development plan outlined below. Rather, the overly-generous deals that Guyana has already signed with ExxonMobil, *et al.* would be re-negotiated—as has occurred on many occasions and in many locations around the

tions, while large-scale, joint economic development projects are launched in the region. This will generate a situation in which each side shares a common interest in each other’s development—the “win-win” approach that was behind the 1648 Peace of Westphalia, and which is at the center of China’s Belt and Road Initiative today. Moreover, such an approach will introduce the decisive element of progress and optimism into their populations, which will shift their identity away from the dog-eat-dog world of British geopolitics, and toward fostering the common good of all nations.

The key role will have to be played by Brazil, both as a neighbor of Guyana and Venezuela, and as one of the founding five BRICS nations (along with Russia, India, China and South Africa). On Jan. 1, 2024, the BRICS will expand by another five members (Egypt, Saudi Arabia, UAE, Ethiopia and Iran), and there is a list of some 20 nations—including Venezuela—which have also applied for membership. Brazil would back Venezuela’s entry, and sponsor Guyana’s application for membership as well, either as a full-scale member or perhaps by creating an intermediate category of “Friends of the BRICS” that would be applicable to many smaller nations like Guyana (which has a population of 800,000).

Joint development of the entire region, emphatically including the offshore oil deposits of Venezuela, Guyana, and Suriname as well, would be launched under Brazil’s economic and political leadership. In addition

world. Most importantly, all new oil exploration and exploitation concessions would be carried out in cooperation principally with Petrobras, with agreements that would be fair and mutually beneficial to all parties—unlike the current agreements with ExxonMobil.

Oil for Development

Proceeds from the combined oil revenues, even in disputed areas, would be re-invested in a series of great infrastructure projects which are also multinational in nature. We single out three broad areas that are decisive:

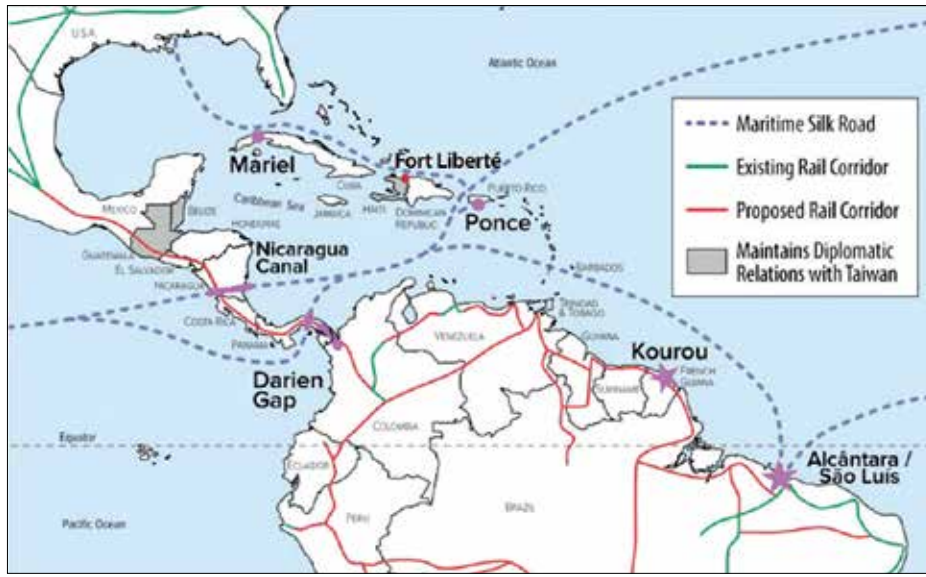
(1) High-speed standard-gauge rail corridors would be built across the entire northern coast of South America, connecting Brazil, French Guiana, Suriname, Guyana and Venezuela—and going on from there to Colombia, across the Darien Gap, and into Central America and Mexico (see **Figure 3**).

Brazil has already announced that it will proceed with five regional road-building projects costing some \$10 billion, including one connecting northern Brazil with French Guiana, Suriname, Guyana and Venezuela. That is useful, but much more than highways is needed: only high-speed rail provides the kind of connectivity which the BRI requires.

The proposed rail route across the northern coast of South America roughly follows that for existing highways and highway projects in the region. In all cases, bridges will have to be built across border rivers

FIGURE 3

Caribbean Basin Belt and Road



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where none now exist, and areas where the borders are disputed will also have to be traversed—a condition which, in fact, applies to all of the borders: Venezuela-Guyana, Guyana-Suriname, and Suriname-French Guiana. In addition, a southern spur from Georgetown, Guyana to Boa Vista and Manaus, Brazil will also be constructed, to link the coastal area to the very heart of the Amazon—Manaus being a major inland port on the Amazon River. A similar spur can be considered to connect Paramaribo, Suriname to Santarém, Brazil.

Needless to say, China is the obvious partner in such high-speed rail construction.

(2) The rapid development of the productive powers of the labor force in countries whose economies are today largely extractive (e.g., Guyana and Suriname), will be achieved by a series of related projects. For example, there would be development of high value-added downstream metals-processing capabilities in those countries—such as transforming bauxite into alumina and then into aluminum—along with the infrastructure required to support that, including rail, electricity generation and transmission, industrial processing plants, etc. Over time, more advanced industrial activities of metal-working and metallurgy would be developed, along with the domestic skilled labor force required to support such activities. This same approach applies to Caribbean island nations with similar characteristics, such as Trinidad & Tobago, Jamaica, and Barbados.

Guyana is a textbook case of a raw materials-ex-

porting victim of colonial extractive policies. Its economy is heavily dependent on exports of bauxite and gold, as well as rice and sugar—and now, of course, oil. Guyana once had a coastal railroad, but it was abandoned in the 1970s. Likewise, the flagship Amaila Falls Hydro project, which was to have been built by Chinese companies, first was put on hold by the incoming Guyanese government in 2015, and then cancelled outright in 2018—after the China Rail Construction Corporation had already completed the access road, bridges, and other site infrastructure. The project was to have been Guyana’s first

major hydropower plant, tripling the amount of electricity available today. It was to be located about 250 kilometers southwest of Georgetown, the capital city, on the Kuribrong River.

The approach that should be taken to the development of raw materials-producing nations such as Guyana, can be referred to as the “Mutún Model.” This refers to the agreements that have been reached between China and Bolivia to develop Bolivia’s enormous iron ore (and manganese) deposits at Mutún, in the southeast corner of the country, and to emphatically include downstream processing, including establishing the country’s first steel-producing capability. Bolivia’s dream has always been to use its significant natural resources to leverage its own advanced industrial development, but for decades controlling international financial interests have refused to permit that. Now, with China’s participation, it will occur. Eventually, Bolivia will become a steel exporter, after the second phase of the project is completed, including construction of the necessary logistical capabilities for export (roads, bridges, railways, and port infrastructure).

China’s broad willingness to participate in such projects throughout the area was made clear in “A [Policy Paper](#) on Latin America and the Caribbean” issued by the Chinese government on Nov. 24, 2016, which states:

China wishes to expand and deepen cooperation in the fields of energy and resources with Latin

American and Caribbean countries based on the principle of win-win cooperation and sustainable development.... Cooperation will be extended to downstream and supporting industries such as smelting, processing, logistics trade and equipment manufacturing, so as to improve added value of products ... which will cover the whole industrial chain, so that the two sides can complement each other, increase local employment, upgrade the level of industrialization, and promote local economic and social development.

Space Science

(3) Another critical area of concentration of the proposed Caribbean Basin Belt and Road development perspective, is fostering coordinated space launches and other space science activities at the two existing launch sites nearest to the Equator of any on the planet: the European Space Agency's site at Kourou, French Guiana, and the Brazilian Space Agency's site at Alcântara, Brazil. These must become the advanced science-driver activities that pull the labor force of the entire region into their orbit.

China's 2016 Policy Paper also announced:

China will actively explore the expansion of its cooperation with Latin American and Caribbean countries in high-tech fields such as information industry, civil aviation, civil nuclear energy and new energy, to build more joint laboratories, R&D centers and high-tech parks, support innovative enterprises and research institutions on both sides to carry out exchanges and cooperation, and promote joint research and development.... China will pay full attention to the role of space technology as a driving force for the scientific, technological, and industrial development of Latin American and Caribbean countries, and promote sustainable development in science and technology, and the economic fields.

Venezuela and Guyana, along with Suriname and nearby Caribbean islands such as Trinidad and Tobago, are ideally located geographically to participate in a renaissance of space launches and related space science activities which must occur at the launch sites of the Brazilian Space Agency at Alcântara and of the European Space Agency at Kourou, French Guiana. The latter is located at a mere 5.3 degrees (575 km)

north of the Equator; the former is even closer, at 2.3 degrees (267 km) south of the Equator. The significant advantages of such locations for launching satellites into geostationary orbit are well known. Their coastal locations are another significant advantage.

The center at Kourou is the launch site for the European Union's space program, as well as for some Russian launches—precisely the sort of international cooperation required. The center at Alcântara, however, has been plagued by various problems. On Aug. 22, 2003, an attempted launch of a VLS-1 rocket ended tragically, with an explosion which killed 21 Brazilian technicians. Brazil recovered, however, and successfully launched its first rocket into space a little over a year later, and it has subsequently carried out a number of successful launches. But budgetary and related constraints have also limited its development. Brazil had established a strong working relationship with Ukraine for launches from Alcântara, but that has suffered as well with the “color revolution” in that country.

Nonetheless, a concerted international effort in this area of advanced science—one in which China and the BRICS are also well-positioned to participate and help—is crucial to providing a science-driver for all the nations of South America and the Caribbean Basin.

Credit for Development

Oil revenues generated in the region can be used to launch an investment fund to provide credit for the above projects. As additional funds are required, above and beyond the oil revenues generated directly, the BRICS New Development Bank (NDB) is well suited to meet that need. Under the leadership of former Brazilian President Dilma Rousseff, the NDB has stepped up lending to BRICS member nations and others in the Global South, including loans in local currencies. In this case, a portfolio of credits in Chinese yuan and Brazilian reais could be put together to finance the above projects, especially since most of the contractors will be Chinese, Brazilian and other regional companies.

As the BRICS-10 take up the task in 2024 of not only further de-dollarizing their trade and investment activities, but also devising a new financial architecture to replace the current bankrupt system—including a new common currency to facilitate long-term productive investment—the Guyana-Venezuela joint development perspective provides precisely the sort of ambitious expansion of NDB activity that many BRICS nations are looking for.