

The Future of the Americas Lies with the New Silk Road

by Dennis Small

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The Maritime Silk Road

The Caribbean Basin lies at the crossroads of maritime traffic linking Eurasian economic activity with the entire Western Hemisphere. This will become a fulcrum of the region's integration with the Belt and Road Initiative (BRI) and its resulting development, by taking full advantage of the newly-expanded Panama Canal (especially with Panama's recent adherence to the BRI), and by:

- Constructing the even larger Nicaraguan Grand Inter-Oceanic Canal, which will permit the passage of

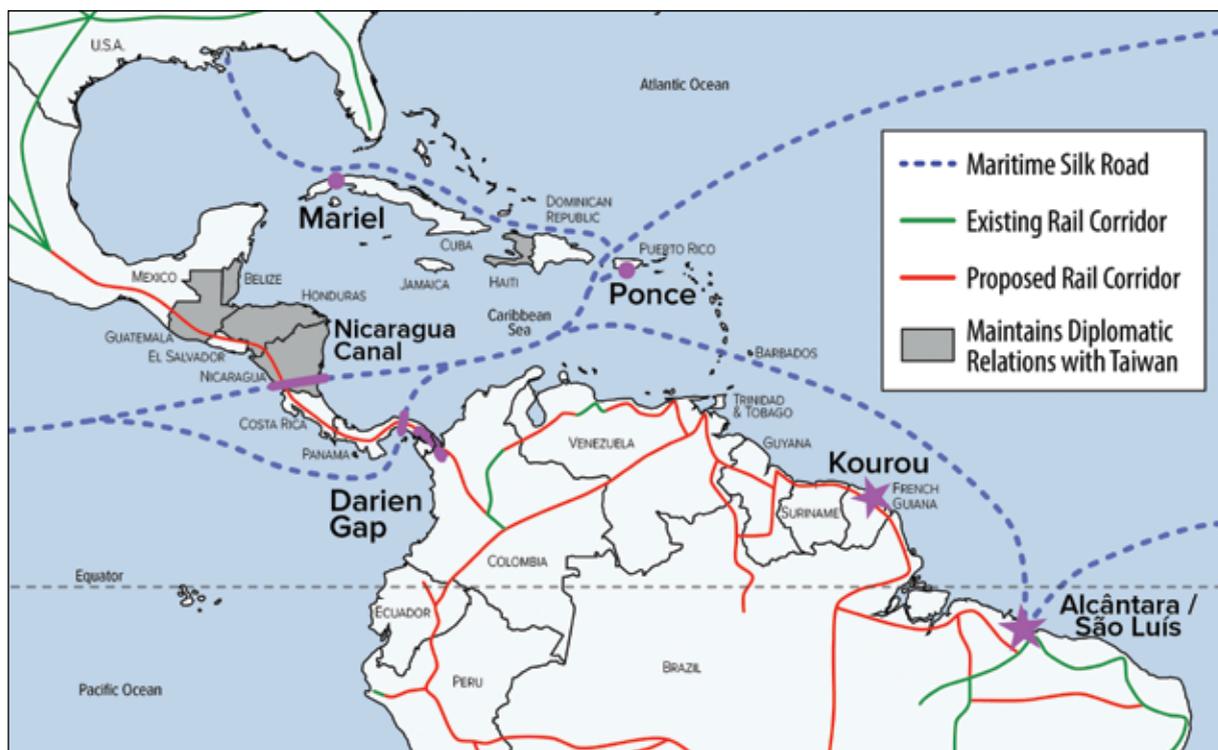
the world's largest bulk cargo and container ships, significantly shortening shipping distances and times from South America to China;

- Developing the deep-water port of Ponce, Puerto Rico, which lies directly on the principle shipping routes from Europe and Africa to the Panama and Nicaraguan canals, and can serve as a connection point for cargo traffic to U.S. Gulf and Atlantic Coast ports, as well as to the Caribbean nations. The fact that Ponce, Puerto Rico is part of the United States is particularly important to help integrate the United States into the Caribbean Basin Belt and Road project, and into the global BRI more generally; and

- Finishing construction of a deep-water port and industrial development zone in Mariel, Cuba, which is especially well-suited to Cuba's relatively skilled labor

FIGURE 1

The Caribbean Basin Belt and Road



force, and its significant hydrocarbon and other raw materials deposits, into the BRI.

The Iberian nations of Spain and Portugal have both stressed that they have a special role to play in the extension of the BRI into Ibero-America and the Caribbean, because of both cultural and language affinities and long-standing economic ties, as well as the natural shipping routes connecting Europe with the Americas, which can readily extend the Maritime Silk Road into the region. The Chinese government has also stated that they are promoting the extension of the Maritime Silk Road into Ibero-America and the Caribbean.

The November 2016 Chinese Foreign Ministry's "[Policy Paper](#) on Latin America and the Caribbean" stressed China's role in this regard:

[China will] promote the connectivity of infrastructure in Latin America and the Caribbean. . . .

China will strengthen cooperation on technical consultation, construction and engineering, equipment manufacturing and operation management in the fields of transportation, trade logistics, storage facilities, information and communication technology, energy and power, water conservancy, housing and urban construction. . . .

China will support its strong enterprises to participate in major resources and energy development projects and infrastructure construction projects in Latin American and Caribbean countries and, using these projects as the basis, to build production lines and maintenance service bases in the region for construction materials, non-ferrous metals, engineering machinery, locomotives and rolling stock, electric power and communication equipment, with the purpose of reducing costs for resources and energy development and infrastructure construction in Latin American and Caribbean countries. . . .

A Deep-Water Port in Ponce, Puerto Rico

Ponce, located on Puerto Rico's south coast, lies on one of the main shipping routes from Europe to the



USACE/Robert DeDeaux

U.S. Army Corps of Engineers Task Force power restoration lay-down yard at the port of Ponce, Puerto Rico on February 4, 2018.

Panama Canal (and the planned Nicaraguan Canal), through the Mona Passage. Ponce's Port of the Americas is a potential hub for the biggest cargo ships, with "spoke" routes for somewhat smaller ships going from there to ports across the Caribbean and on the Gulf and Atlantic coasts of the United States. The government of Puerto Rico has invested over \$285 million in upgrades to the port, including dredging the entrance channel and berths up to 50 feet, and it is now the deepest port on the island, and one of the deepest

in all of the Caribbean. Additionally, two super Post-Panamax ship-to-shore cranes and 4,400 linear feet of quayside have been installed.

The development of Ponce as a super-port is also important as part of any viable plan to reconstruct the island after the 2017 hurricane damage—the other elements being replacing the entire power grid, building rail lines (there are now none on the island), and expanding the San Juan international airport, already the busiest in the Caribbean.

A Deep-Water Port in Mariel, Cuba

This project parallels and complements the Ponce port project. Mariel lies on Cuba's northern coast, just west of Havana, and as such is directly on major shipping routes connecting South America and the entire Caribbean Basin to New Orleans and other major U.S. ports.

Cuba's Deputy Foreign Trade Minister Antonio Carricarte announced on October 31, 2017 at the China Pavilion of the Havana International Fair, accompanied by Chinese Ambassador Chen Xi, that Cuba hopes to become a regional hub as part of the Belt and Road Initiative, so that the BRI can extend throughout Ibero-America and the Caribbean. Specifically, Carricarte said, Cuba's goal is to become a maritime and air transport center for the entire region, particularly in the Mariel Special Development Zone. "This goal for our country can connect us with China's Belt and Road, for the purpose of extending that noble goal to the Caribbean and Latin America," he said.

The fact that our (Schiller Institute) proposal for the Caribbean Basin Belt and Road involves nations still

plagued by border disputes, and more broadly the participation of such disparate nations and language groupings—South and Central American nations, Caribbean nations, the United States, and the European Union—is a fact which some might consider a weakness and vulnerability, but it is actually one of its greatest strengths. The Caribbean Basin can be a microcosm of the kind of cooperation that is required for the global success of the BRI.

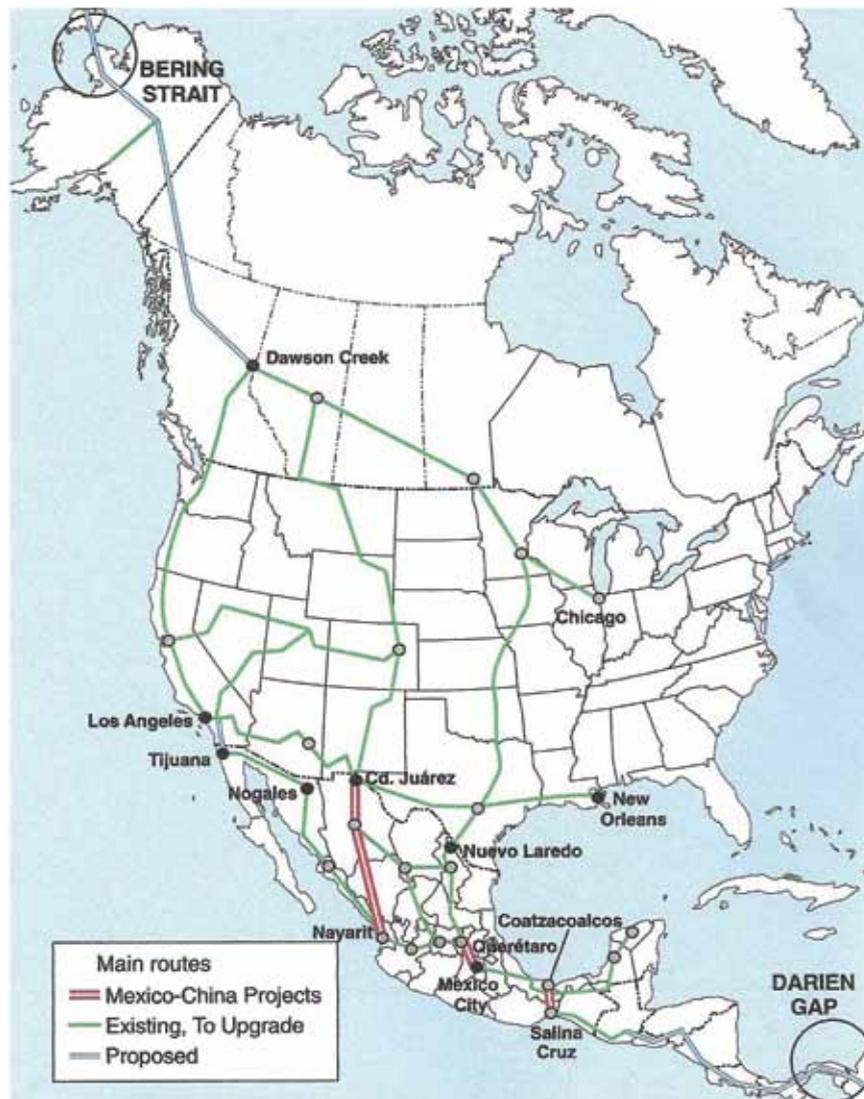
Mexico Rail Projects Derailed

The Enrique Peña Nieto government in Mexico (2012-2018) was one of the first in Ibero-America to announce its intention of working with China on a number of key rail corridor projects which, had they not been sabotaged, would have marked the de facto incorporation of Mexico into the broader BRI-BRICS/Ibero-American alliance for development which emerged out of the July 2014 BRICS summit in Fortaleza Brazil. For Mexico, such development projects are the only physical-economic basis for breaking the country free of the Dope, Inc. coup d'état which Barack Obama and his British controllers orchestrated in Mexico in 2009, and of reversing the decades of looting under the IMF and the Bush-Salinas North American Free Trade Agreement (NAFTA), which has left the country at death's door.

On November 3, 2014, Mexico's Communications and Transport Secretary Gerardo Ruiz Esparza announced that a consortium led by China Railway Construction Corp (CRCC) had won the contract to build Ibero-America's first high-speed rail line, from Mexico City to Querétaro. The 130-mile route was to have trains traveling up to 186 mph, making the trip in just under an hour. Construction was expected to begin before the end of 2014, with the line open for business in 2017, and daily passenger traffic of 27,000 people expected.

CRCC was the only final bidder for the project when other international companies—including Siemens of Germany and Bombardier of Canada—had to withdraw because they could not pull together a financing

FIGURE 2
Proposed Mexico-China Rail Project



package in time. The CRCC-led consortium—which included four Mexican construction companies and the French company Systra—was backed by financing from China's Eximbank for 85% of the cost of the project, which was some \$3.74 billion.

It was widely expected that China would win the bidding; what is significant is that the award was made official on the eve of Mexican President Enrique Peña Nieto's Nov. 8-15, 2014 trip to China and Australia, which included participation in the APEC and G20 summits and a state visit to China. In late October 2014, there was a flurry of reports that the Peña Nieto trip had been cancelled, when the President's office temporarily withdrew a request to travel that it had presented to the Mexican Senate, as required by the Constitution. According to reli-

able Mexican intelligence sources, the Mexican government had come under intense pressure from the Obama White House to cancel the trip, as well as from domestic forces also opposed to the prospects of deepening cooperation between Mexico and China, and with all of the allied BRICS nations.

In addition to the Mexico-Querétaro high-speed rail line, Peña Nieto was expected to finalize a number of other projects with China, including a major rail line covering the route Nayarit—Ciudad Juárez, Chihuahua—El Paso, Texas. That area of northwestern Mexico is currently controlled by the drug trade, which can only be defeated by bringing development to the area. This rail link is also critical for connecting the cross-Pacific Maritime Silk Road to a new deep-water port in the state of Nayarit, and to a high-speed rail line into the U.S., and to the broader World Land-Bridge.

A third, strategically important Trans-Isthmus rail corridor was also agreed upon, connecting the port city of Coatzacoalcos on the Gulf of Mexico, with the port of Salina Cruz on the Pacific. This corridor is often referred to as a “dry canal,” because with intermodal transfers at the ports, it is expected to function much as the Panama Canal does today. This trans-isthmian project harks back to the projects and policies of the great Mexican President José López Portillo (1976-1982), a friend and ally of the American statesman Lyndon LaRouche.

Faced with the prospect of a reawakening of López Portillo’s policies and political networks in Mexico, and of the BRI establishing itself right on the doorstep of the U.S., the Wall Street and City of London banking crowd went wild. They howled their objection, and used a well-publicized alleged “corruption scandal” to force Mexico to revoke the announced Querétaro-Mexico City high-speed rail contract on November 6, 2014—only two days after it had been officially announced!

The Economist, the flagship magazine of the City of London financial oligarchy, celebrated Peña Nieto’s capitulation in a November 8, 2014 column: “It was a good sign on Nov. 6 when, in an unprecedented move, Mr. Peña ordered the overturning of a controversial award of a \$3.75 billion railway tender because it



NASA

Rodolfo Neri Vela, Mexican scientist, was Mexico’s first astronaut as a payload specialist aboard Space Shuttle Atlantis (STS-61B) in 1985.

lacked transparency,” *The Economist* gloated.

Immigration and Drugs

Given the region’s geographic and political proximity to the United States, it is vital to include the United States in the Caribbean Basin Belt and Road process in particular, as well as the broader global BRI effort. To do that, it is important to stress that the connection of the region to the BRI is not a threat to the U.S., but is actually the key to addressing a series of vexing problems of great concern to the United States, which have no available workable solution outside of the BRI. The two most salient such problems are the vast flows of illegal immigrants into

the U.S. from the region and the related issue of the enormous, often dominant role of the drug trade in the area.

The immigration issue is best understood from the standpoint of LaRouche’s concept of Potential Relative Population Density (PRPD). The nations of the Caribbean Basin region, as with Mexico, today have levels of physical-economic activity (i.e., PRPD) which are significantly lower than their existing populations. This means they currently lack the economic power to maintain their existing populations at an acceptable standard of living. This in turn has led to sharp deficits in the multiple physical-economic parameters, and it is also reflected in the sizeable illegal and (to a lesser degree) legal emigration, especially to the United States. The remittances which these millions of individuals send home to their families are often their only means of survival. . . .

Bringing the vast development potential of the Belt and Road Initiative into this region, will create the economic conditions in which populations that are today driven to emigrate from their homelands will be able to find productive work and a dignified life for themselves, with the prospect of an even brighter future for their children and grandchildren.

A closely related problem is that of the drug trade, which has largely taken over the economies of Mexico and Colombia, and many of the Central American countries in between (as well as a number of Caribbean islands). A full discussion of this matter would take us well beyond the scope and intention of this report, but

suffice it to say that there can be no solution to the drug problem in the Caribbean Basin region (as in other parts of the world, such as Afghanistan), without a solid economic development policy which can guarantee a livelihood to the millions of peasants, and also urban youth, who today see no alternative to conscription into the drug mobs.

The Belt and Road thus offers the best hope to the nations of the region to solve this problem, and retake their national sovereignty back from the international drug-running apparatus that has stolen it from them. The BRI is thus also critical to aid the United States in properly addressing the drug problem on its southern border. . . .



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Rocket launch tower at the Alcântara Launch Center in Maranhão, Brazil on September 14, 2018.

Space Science Cooperation

Another project in this area which will be a game-changer for all of Ibero-America and the Caribbean, is fostering a renaissance of 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 (Location marked on **Figure 1**). The center at Kourou is located at a mere 5.3° (575 km) north of the Equator, and Alcântara is even closer, at 2.3° (267 km) south of the Equator. The significant advantages of such locations for launching satellites into geostationary orbit are well known. The coastal location is 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 August 22, 2003, an attempted launch of a VLS-1 rocket ended tragically with an explosion which killed 21 Brazilian technicians. Brazil did recover 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 foreign-sponsored coup in that country.

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

America and the Caribbean Basin, and for pulling the labor force of the entire region into a science driver policy. Brazil and Argentina are the most advanced in space activity among the nations of the region, and clearly have a decisive role to play.

In terms of the Caribbean Basin per se, in addition to Cuba and Costa Rica, where significant initiatives have been taken in the area of space science, perhaps Trinidad & Tobago is the nation which currently has a labor force most suited to rapid participation in this area of scientific endeavor, because of its significant oil and petrochemical activity and the training it has provided to a stratum of local workers.

China’s 2016 “Policy Paper on Latin America and the Caribbean,” weighed in clearly on this matter:

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.