El Salvador Port Opens Up Regional Prospects

by Christine Bierre

Through an interview with Roberto Turcios, member of the National Development Commission of El Salvador and Regional Coordinator for the Eastern Zone of the country, a new prospect for regional economic integration in Central America emerges. Turcios is presently coordinating a very exciting project for that small Central American nation: the construction of a container port at La Unión in the far eastern part of the country, on the Gulf of Fonseca, which is shared by El Salvador, Honduras and Nicaragua.

At the very least, the port, financed through a low-interest, long-term Japanese loan, will increase the badly needed port capacities in the region. But it could also be the singularity generating a broader regional integration and growth in the area, and in Central America as a whole, Turcios emphasizes, if it is undertaken in coordination with Honduras's completion of a mere 100-kilometer stretch of highway. This would bring into being an "Interoceanic Dry Canal" connecting La Unión on the Pacific, with Honduras's Puerto Cortés on the Atlantic.

In a World Land-Bridge Perspective

In fact, this project's true potential emerges when viewed in consonance with Lyndon LaRouche's proposal for the Eurasian Land-Bridge, and its extension into the Americas via a tunnel running under the Bering Strait. Rail lines—and full-set development corridors surrounding those rail routes—would then run south through Canada and the United States, and into Mexico and Central America (see *Interview*, **Figure 1**). There, railroads and complementary highways would have to be built down through the Darien Gap jungle on the Panama-Colombia border—where none now exist—in order to link South America up with this global infrastructure grid.

In this context of vastly expanded trade and development flows to and from all of Ibero-America, the construction of the proposed Dry Canal—or land-bridge—cutting across the Central American Isthmus, would help alleviate current congestion at the Panama Canal, and complement both that existing Canal and a required new, sea-level interoceanic canal in the region. Thus, projects such as that presented by Turcios in the following pages, are exactly what El Salvador needs to get out of a negative spiral which goes back almost to the beginning of its civil war in the mid-1970s.

Even though it is geographically the smallest nation in Ibero-America, El Salvador has a high population density and has always been a very active country economically. Back in the 1960s, it was one of the few Ibero-American states to have industrialization plans.

At the end of the 1950s through the mid-1960s, during the short-lived Central American Common Market, industrial development took off rapidly, with a national middle class investing strongly. These were the times when El Salvador, having developed its own variety of coffee, was the fifth- or sixth-largest world producer of coffee, with the highest yields per hectare. These were the times when the production of shoes, food products, textiles, clothing, boxes and other light industry developed rapidly. These were the times of the development of a strong national airline company—one of the few such companies to have survived and developed in spite of massive international competition.

The 1969 "soccer war" between El Salvador and Honduras killed the nascent common market. Then the civil war which rocked the country from the 1970s up until 1992, and the subsequent process of financial globalization, brought all development to a screeching halt. Agriculture has never recovered since then, nor has industrial production. After all, who wants to invest when there is no protection for national capital, and when it is more profitable to speculate? The international price of coffee, which remains the main export product of El Salvador, is so low that it hardly justifies the harvest, and those who can, are attempting to substitute other crops.

Globalization Has Brought Poverty

The country's main financial lifeline comes today from remittances, the money sent back to El Salvador by the million or more nationals forced to migrate to the United States during the civil war. These remittances bring in almost $2 billion per year—by far the single largest source of foreign exchange for the impoverished country. Dollarization was foolishly adopted in 2001, and to make things worse, the country is now negotiating a free trade agreement with the United States, a process imposing privatization on practically all of the strategic public sector—energy, transportation, and so on. The Inter-American Development Bank and others are meanwhile promoting the so-called Puebla-Panama Plan, a road-building proposal designed to provide minimal infrastructure while linking the region into free-trade looting—quite the contrary of LaRouche's World Land-Bridge focus.

To all of this, add a couple of earthquakes and hurricanes which have further leveled the economy. Yet, the people of El Salvador keep fighting to rebuild what is lost to natural—and man-made—disasters.

Thus, the project for a new port in La Unión, although unique to El Salvador at this point, points to the simple and natural process by which a national economy can be developed into a highly productive area, in consonance with a process of global financial reform and infrastructure development.