
II. The New Silk Road Envelops the World

China-Celac Forum Embraces China's Belt and Road: Will the U.S.A. Join?

by Cynthia R. Rush

Jan. 29—In a dramatic development that would have seemed impossible just eight months ago, on Jan. 22 the 33 member-nations of the Community of Latin American and Caribbean States (Celac), a region encompassing all of the Western Hemisphere minus Canada and the United States, officially endorsed China's Belt and Road Initiative (BRI)—now the world's dominant development perspective. Meeting in Santiago, Chile under the title, “Working for More Development, Innovation and Cooperation for our People: A Common Destiny,” the Second Ministerial Meeting of the China-Celac Forum, which included China's Foreign Minister

Wang Yi and his delegation, issued a formal declaration supporting the BRI, and expressing its desire to be an active participant in this magnificent development program.

Although the text of that statement is not yet available to *EIR*, Wang Yi's remarks to the China-Celac Economic and Trade Cooperation and Business Forum, which met one day later, left no doubt of Celac's commitment:

During the [Ministerial] meeting, the Foreign Ministers issued a special declaration on sup-



China Foreign Minister Wang Yi, reading a congratulatory letter from President Xi Jinping during the second ministerial meeting of the China-Celac Forum in Santiago, Chile, Jan. 22, 2018.

Xinhua/Xu Rui

porting and participating in the Belt and Road Initiative. It means that with the Second Ministerial Meeting, *this visionary Initiative put forward by [China's] President Xi Jinping has been extended to Latin America and the Caribbean, and become the largest and most welcomed platform for international cooperation spanning all continents and oceans.* It is also the most important public goods that China provides to the world.

China and Celac agreed to jointly build the Belt and Road. As China and other countries work together on the Belt and Road Initiative, LAC [Latin American and Caribbean] countries cannot be absent and should be a meaningful part of it. The ancient Maritime Road had once connected us across the Pacific Ocean. Now, in the 21st Century, China stands ready to work with the LAC countries to revitalize it. Collaboration in this process will create greater space and markets, as well as resources and means for the development of LAC countries.

In his congratulatory letter to the Jan. 22 Ministerial meeting, read by Wang Yi, Xi Jinping underscored:

Historically, our ancestors, braving the waves of the vast ocean, blazed the trans-Pacific Maritime Silk Road between China and the LAC countries. Today, we need to draw a new blueprint for our joint effort under the Belt and Road Initiative, and open a path of cooperation across the Pacific Ocean that will better connect the richly-endowed lands of China and Latin America. . . . Let us join hands and set sail toward a better future for China-LAC relations and for humankind.

The China-Celac Forum

The China-Celac Forum was founded in July 2014, during the annual summit of the BRICS nations



Chinese Foreign Minister Wang Yi (front R) attends a meeting with foreign ministers from Chile, the Dominican Republic, Ecuador and Haiti, as well as the representative of El Salvador, in Santiago, Chile, Jan. 21, 2018.

Xinhua/Xu Rui

(Brazil, Russia, India, China, and South Africa), held that year in Fortaleza, Brazil. During that summit, President Xi Jinping met separately with all the leaders of Celac, including eleven heads of state. At the First Ministerial Meeting in Beijing the following January, the China-Celac Forum presented a 2015-2019 Action Plan based on the framework of a “1+3+6” formula: “one plan” (the 2015-2019 Action Plan), “three motors” (trade, investment and finances), and “six fields,” (energy, infrastructure building, agriculture, manufacturing, technological innovation and information technology).

There was great optimism coming out of that first Beijing meeting, reflected also in the simultaneous forward motion of the BRICS nations. But by the end of 2015 and going into 2016, this optimism was tempered by a series of *de facto* coups d'état in the region, which installed governments friendly to Wall Street and hostile to the BRICS and the BRI. Neoliberal Mauricio Macri won Argentina's presidency in December 2015; in May 2016, President Dilma Rousseff of BRICS member Brazil was illegally ousted in a bankers' coup and replaced by the monetarist Michel Temer; and Wall Street banker Pedro Pablo Kuczynski, or PPK, became Peru's President in July that year.

All three have wreaked economic and political havoc in their respective countries, while claiming to favor cooperation with China, and seeking Chinese investments in some key areas. Ideologically, however, they are wedded to the old paradigm of British geopoliti-



Xinhua

Chilean President Michelle Bachelet (left) meeting China Foreign Minister Wang Yi in Santiago, Chile, Jan. 22, 2018.

tics. Yet, the breathtaking speed with which the entire region has moved into the China-inspired New Paradigm over the past 7-8 months, threatens to make them all irrelevant. London and Wall Street, meanwhile, are still trying to figure out how this sea change happened right under their noses.

Having traveled to the LAC region three times since he announced the BRI in November 2013, visiting a total of ten countries, Xi Jinping wasn't deterred by events on the ground. At the May 2017 Beijing Belt and Road Forum on International Cooperation, there was no mistaking his message: "Latin America is the natural extension of the new 21st Century Maritime Silk Road." Eight months later, the region is brimming with enthusiastic debate about its future as part of the Belt and Road Initiative.

Chile's outgoing President, Michelle Bachelet, a staunch ally of China and firm supporter of the BRI, summed the situation up nicely in a Nov. 23, 2017 speech in Santiago celebrating the tenth anniversary of the Confucius Institute at the Santo Tomás University. Today, she said, the world is orienting "more than ever" toward China and the Pacific Basin, and therefore, "we know very well that our relationship with China and the Asia-Pacific ... is crucial for us to fulfill our destiny." China's relationship with Chile goes well beyond trade ties, she added. "It is one of our primary *political* partners on the path to openness, integration and cooperation for progress."

Whither the United States?

In the course of the one-day summit Jan. 22, Wang Yi, as well as other speakers, described the current global strategic situation as fraught with "many uncertainties ... and complexities." In that context, however, Wang Yi emphasized that China is a totally "reliable partner" whose foreign policy is based on "win-win" collaboration, mutual respect, a commitment to multilateralism, and non-intervention in other nations' internal affairs, seeking only to "share its development dividends with all other countries and achieve common prosperity." This, he said, reflects the "new kind of international relations" outlined by the recent 19th Congress of China's Communist Party.

He pointedly stated that China "has the resolve and confidence to explore a way of building a great country, *that is different from the one followed by the traditional powers*, and will always stand side by side with the LAC countries and all other developing countries." Geopolitical contest "or zero-sum game is neither our purpose nor our practice," he underscored. "We invite all countries, big and small, to discuss the BRI as equals."

None of the speeches at either of the Santiago meetings ever mentioned the United States explicitly. But implicit in the debate and intense diplomacy that took place over two days, was the obvious question of where the United States stands in this rapidly changing situation. Will the Trump Administration join China in the BRI's magnificent regional—and global—development perspective? Or will it exclude itself as desired by the British-linked elements which are attempting to overthrow the U.S. Presidency? These latter elements want to claim that China's growing presence south of the border constitutes "aggression" against U.S. interests in its traditional "backyard."

The rapid turn of events in the region has already set off alarm bells among the proponents of British geopolitics in Washington. Last December the National Endowment for Democracy (NED)—a key instrument of regime-change and "color revolutions" carried out internationally over the last several years in the name of "democracy"—issued a panicked report entitled "Sharp Power, Authoritarian Influence," decrying China's growing presence in the LAC region. Its chief complaint is that with its economic achievements, impres-

sive growth, and growing global influence, China can now offer the prospect “of economic opportunities” to the LAC region that other international partners cannot match.

The NED specifically targets the China-Celac Forum as the purveyor of China’s allegedly nefarious influence, charging that through its ministerial and related meetings, Beijing “can leverage more agenda-setting power with regard to the region” than it has been able to achieve by more traditional means. Worriedly, it warns of the great danger that an increasing number of the region’s political elites, students, scientists, cultural representatives and other “renowned influential people,” are coming under Beijing’s “hypnotic” spell, after traveling to China on all-expenses-paid trips, and then returning home as “*de facto* ambassadors of the Chinese cause”!

Build the World Land-Bridge

In contrast to this claptrap, in a Jan. 17 discussion, Schiller Institutes founder Helga Zepp-LaRouche outlined a sane path for the United States to follow, noting that it is only by bringing real economic development to Central America and the Caribbean, in particular—regions suffering from often horrific economic conditions and corresponding human suffering—that the United States can begin to effectively address such acute domestic problems as the drug epidemic or immigration. U.S. collaboration with China in the region would allow for the building of large infrastructure projects—ports, railways, new industries, and transportation corridors—by which the region could progress quickly, reaching higher levels of productivity and putting its people to work.

The United States itself is in urgent need of large investments in infrastructure and high-technology projects, and China has offered to partner with it in building them. If built on the necessary scale with the most advanced technologies, including high-speed rail lines, transportation corridors and new cities, construction of these projects would ensure the extension of the World Land-Bridge through all of North America, and across the Bering Strait into Eurasia. It would also be of great benefit to the United States to have a thriving, economically developing Caribbean and Central American region on its southern border.



Xinhua/Dan Hang

Panama President Juan Carlos Varela (L) and China Foreign Minister Wang Yi inaugurate China’s embassy in Panama City, Panama, Sept. 17, 2017.

China intends to move forward in the region, but would much prefer to have the United States as a partner. “Join us,” was the message delivered by Wu Changsheng, director of the Latin American Studies Center at the China Foundation for International Studies, in remarks to *Global Times* published Jan. 18. “China’s cooperation with Latin American and Caribbean countries is not exclusive,” he said. “It’s inclusive. We welcome the participation from a third party. So the United States doesn’t need to worry.”

The Panama Case

This was the point Panama’s President Juan Carlos Varela also made last June, shortly after Panama announced it had broken diplomatic ties with Taiwan and established them instead with the Peoples’ Republic of China (PRC). Panama considers the United States a strategic partner, Varela said, and sees no contradiction in maintaining diplomatic ties with both powers. Washington should not view this as a threat to its interests, he correctly emphasized.

Panama’s transformation since last June has been stunning, in order, as the Panamanians explain it, “to make up for lost time.” Varela made a state visit and week-long tour of China last November, and Xi Jinping has accepted his invitation to visit Panama on a soon-to-be-announced date. There is a constant flow of diplo-

matic and technical delegations going back and forth between the two nations, and intense discussion of expanding economic, trade, and cultural ties. High on the agenda of priority development projects is the strategically important high-speed rail line extending from Panama City north to the border with Costa Rica. The pre-feasibility study for this, to be conducted by Chinese firms, will get underway very soon.

The project involves building two sets of double-tracked rail lines—one for passengers which will go as far as the city of David, and the other for freight, which will extend another 50 km to Paso Canoas in Chiriqui Province on the Costa Rican border.

China clearly intends the train to extend through Costa Rica and the rest of Central America to Mexico, for the purpose of vastly increasing regional cargo shipping to and from China, whose ships through the Panama Canal reportedly now return only 40% full. This sharp increase in regional trade will require expanding both the Panama City and Colón ports, at either end of the Canal, along with airports and other major infrastructure. China Airlines is already negotiating direct flights to Panama from Guangzhou, Shenzhen, and Shanghai, to begin in March of this year.

The implications of these plans have sparked enthusiastic debate in neighboring Costa Rica, the only other Central American nation to have diplomatic relations with the People's Republic of China. In a Dec. 19, 2017 article published in the Costa Rican daily *La Nación*, entitled "Panama Challenges Costa Rica," former Planning Minister Carlos Manuel Echeverría pointed out that Panama, "with its Canal and location, is already part of this [New Silk Road], and the challenge it has posed to Central America, without saying so, but which is self-evident, is that of continuing that railroad up to Mexico. Otherwise the one that is planned [inside Panama] will only be marginally useful."

Echeverría recalled that plans for such a rail line existed as far back as the 1980s, and even earlier, to promote regional integration. Today, he asked, "Why should we remain outside the Silk Road? It would be a crass mistake not to think strategically" and be left out of this exciting development. He observed that over just a few years, Panama has made huge advances, with an expanded Canal, a new large airport and subway system, and major infrastructure construction. So now, Echeverría concluded, it's time for Costa Rica to be bold, "to radically change its way of thinking, organize itself and act," starting with "thinking big."

A Diplomatic Anachronism

That boldness has so far not extended to the four Central American nations which the train would have to traverse (Nicaragua, El Salvador, Honduras and Guatemala), but whose governments still maintain diplomatic ties with Taiwan. The train would not go through Belize, the fifth Central American nation which continues to maintain ties with Taiwan. In the Caribbean, the Dominican Republic, Haiti, Saint Lucia, Saint Kitts and Nevis, and Saint Vincent and the Grenadines maintain ties with Taiwan as well.

But given the rapid changes of the past several months, particularly in Panama, this diplomatic anachronism may not last much longer.

Despite the lack of formal diplomatic ties, China has maintained consistent economic, trade, and cultural relations with all these countries, the most striking example of which is the proposed \$4.7 billion project to rebuild the Haitian capital of Port-au-Prince. At the China-Celac Forum, the foreign ministers of these "holdout" nations nonetheless engaged in lively discussion with Wang Yi and his delegation. El Salvador's Foreign Minister Hugo Martínez, who is Celac's President Pro Tem, was visibly enthusiastic at the prospect of participating in the BRI. Wang undoubtedly made clear, as Wu Weihua, the Chargé d'Affaires at China's Panama embassy, did last August, that "China intends to replicate the Panama example in other countries in the region," including offering "juicy" investments of the kind Panama is now enjoying.

The Challenges Ahead

The 2019-2021 Action Plan agreed to by the China-Celac Forum is extremely ambitious and poses several challenges to the region, the most pressing of which is to accelerate movement away from its traditional role as a raw-materials exporter, toward industrialization and infrastructure development. This is a top priority for the region's governments.

Of the five major points of the new Action Plan which Wang Yi presented on Jan. 22, one calls for "developing competitive and sovereign home-grown industries," based on the most advanced technologies. "China has the equipment, technology, funding and training opportunities you need," Wang told his audience. "Our two sides may speed up industrial cooperation, work to build logistics . . . broaden financing channels . . . explore the establishment of a consortium of development-financial institutions, and build more in-



Graphics from China's Southwest Municipal Engineering Design and Research Institute (SMEDRIC) video illustrating its Port-au-Prince project.

\$4.7 billion plan by China to renovate the Haitian capital, Port au Prince, was accepted by Mayor Ralph Yuri Chevy, Aug. 25, 2017.

dustrial parks and special economic zones.”

Wang also stressed the Action Plan’s determination to “seize the opportunity of innovation-driven growth, enhancing coordination between the Belt and Road’s Science, Technology, and Innovation Cooperation Action Plan, and the development strategies of LAC countries.” This will involve building a China-LAC Silk Road and a digital Silk Road. This point calls for advancing “cooperation in emerging areas, such as aerospace and aviation . . . China is ready to help train more researchers from LAC countries through the China-LAC Science and Technology Partnership and the China-LAC Young Scientists Exchange Program.”

Of great importance is the Plan’s proposal to build a transportation network connecting lands and oceans, emphasizing China’s support “for building the bi-oceanic railways and tunnels, and open more sea routes and direct air links.”

Another key component of the Action Plan is the commitment to intensify cultural and “people-to-people” exchanges. China, Wang said, “is ready to share more governance experience with LAC countries, enhance . . . exchanges between our political parties” and



other national organizations involving media, youth, and scientific groups, as well as establishing more cultural centers “and more Confucius Institutes in LAC countries to deepen mutual understanding and friendship.”

No one doubts that implementing the Action Plan will require hard work and very close collaboration. But as Wang Yi stated at the end of his presentation, “As a Chinese poem reads, ‘True friends value their promises to each other and will travel a thousand miles to be together.’ Let us make this meeting a new starting point in our relations, seize the opportunity offered by the Belt and Road Initiative, and join hands across the ocean to open a splendid new era of China-LAC relations.”