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## I. A Future for Our Children

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# Xi Jinping's Ibero-American Tour Signals Global Strategic Shift

by Cynthia R. Rush

Nov. 28—On the eve of Chinese President Xi Jinping's Nov. 17 arrival in Ecuador for a state visit, that country's President Rafael Correa stated that Xi's visit "was the most important visit by a head of state in Ecuador's history," adding that China's involvement in Ecuador's economic development had "changed Ecuador's history" forever.

Also anticipating Xi Jinping's arrival, Chile's former ambassador to China, Fernando Reyes Matta, told Xinhua, "we will joyfully welcome Xi Jinping to Chile... We have new subjects [to discuss], new potentialities to dream, create and imagine with our feet placed in the 21st Century to develop both nations."

These remarks are emblematic of the breathtaking shift in the global strategic situation, including in Ibero-America, away from the rotting trans-Atlantic financial system and toward the Russia- and China-led New Paradigm of "win-win" cooperation, to transform the planet with massive infrastructure development and advanced science and technology. This is what Xi Jinping has repeatedly referred to, over the past few years, and in last week's Ibero-American tour, as building a "Community of Common Destiny."

The optimism and enthusiasm with which the Chinese President was greeted during his Nov. 17-23 state visits to Ecuador, Peru, and Chile, during which he outlined exciting proposals for broader cooperation at all levels, and the response to his crucial intervention at the Nov.

19-20 Asia-Pacific Economic Cooperation (APEC) summit in Lima, offered stunning confirmation of this shift in a region where, only three months ago, London and Wall Street financial predators were boasting they had taken back the region for "their" side, after staging a coup against Brazil's nationalist President Dilma Rousseff. That international bankers' coup was intended to pull Brazil out of the BRICS, of which it is a founding member, or greatly weaken its role.

The explosive response to Schiller Institute President Helga Zepp-LaRouche's keynote presentation at the Nov. 17-20 annual congress of the Economists Association of Peru, held in the Amazonian city of Pucallpa, was another powerful indicator of this strategic shift. Orga-



*Ecuador President Rafael Correa (second from right) holds a welcoming ceremony for Chinese President (center) at the airport in Quito, Ecuador, Nov. 17, 2016.*

Xinhua/Lan Hongguang

nized around the theme “The Peru-Brazil Bioceanic Train: Impact on the Economy of the Amazon Region and the Country,” the conference heard Zepp-LaRouche speak on Nov. 17, the same day that Xi Jinping began his Ibero-American tour, on the subject of “the New Silk Road Concept: Facing the Collapse of the World Financial System.”

The broad impact of her keynote—hundreds of DVDs of it are circulating widely— was such that in summarizing the results of the Pucallpa gathering, in a document sent out to 20,000 members, Roberto Vela Pinedo, the Dean of the Ucayali chapter of the Economists Association which hosted the national congress, pointedly wrote that “analyzing the keynote address presented to us by Dr. Helga Zepp-LaRouche, we share the perspective on world development that her message presented...” (See page 11.)

### Center of Gravity Has Shifted

In a Nov. 20 discussion with associates, Zepp-LaRouche emphasized that these developments reflect the international shift in “the center of gravity and power” to the “new power center” located in the New Paradigm and China’s One Belt, One Road initiative—a dynamic which has also been shaped by Lyndon and Helga LaRouche’s own decades-long fight on behalf of the World Land-Bridge conception—which has evolved in accelerating fashion in a series of rapid-fire regional conferences in the past two months leading up to the APEC summit. The Sept. 2 meeting of the Eastern Economic Forum in Vladivostok was followed by the Sept. 4-5 G-20 meeting in Hangzhou, China, the Sept. 6-7 Association of South East Asian Nations (ASEAN) meeting in Laos and the Oct. 16 BRICS summit in Goa, India—all sharply focused on integrating the Eurasian Economic Union (EAEU) with China’s One Belt, One Road initiative.

Today’s reality, Zepp-LaRouche said, is that the “trans-Atlantic establishments are completely incapable of understanding that their model of globalization and neoliberal distribution of wealth from the poor to the rich has *completely failed*, and they are neither able to predict developments nor can they cope with the con-



*Chinese President Xi Jinping (center) attends the 24th APEC Economic Leaders' Meeting in Lima, Peru, Nov. 20, 2016.*  
Xinhua/Ju Peng

sequences of” such events as the June Brexit vote in Britain or the Nov. 8 election of Donald Trump in the United States.

### APEC: Death Knell for the TPP

The APEC summit, and the bilateral meetings and discussion that took place around it, reflected this new global reality, starting with its delivering a well-deserved burial for Barack Obama’s hideous Trans-Pacific Partnership (TPP), the bankers’ corporate dictatorship disguised as a free trade agreement. While lame duck Obama couldn’t even be bothered with addressing the summit—he was off trying to impress young Peruvians at a “town hall” meeting at Lima’s Catholic University— Xi Jinping, Russian President Vladimir Putin, Philippine President Rodrigo Duterte, and other regional leaders seriously debated bold new initiatives to transform the Asia-Pacific region, a centerpiece of which is China’s proposed Free Trade Area of the Asia-Pacific (FTAAP), first proposed at the 2014 APEC summit in Beijing.

In the past, Xi has used the annual APEC summits to launch major global initiatives. In 2014, aside from proposing the FTAAP, in a press conference with the hapless Obama standing at his side, he also announced the New Silk Road initiative and urged the United States and other nations to join in. Obama refused the offer. Then in 2015, in Manila, Xi announced the formation of the Asian Infrastructure Investment Bank (AIIB), again emphasizing it was open to the entire

world. Obama turned his back on it. Now, in 2016, Xi is doing the same with the FTAAP.

Unlike the TPP, which was designed specifically to exclude China, the FTAAP would include all nations of the Asia-Pacific region wishing to join, including the United States, and is intended to foster the physical-economic development of the participating nations. As Xi emphasized in his Nov. 19 speech to the APEC CEO summit, the FTAAP “is a strategic initiative for the long-term prosperity of the Asia-Pacific,” which is directly linked to the Belt and Road initiative which China proposed three years ago. “We need a framework of regional cooperation of equality, joint participation, and shared benefits. Arrangements that are closed and exclusive are not the correct option,” he stressed. The “2016 Leaders’ Declaration,” issued at the end of the APEC summit, reiterates their “commitment to the eventual realization” of the FTAAP.

Xi stressed that over 100 countries and international organizations have joined in, or expressed support for, the One Belt, One Road initiative, forming “a close circle of friends brought together by the common vision, mutual trust and friendship.” The AIIB, he said, “is up and running. The Silk Road Fund is in place . . . China welcomes all parties to join this initiative to meet challenges, share opportunities and seek common development.”

As he did at the early-September G-20 summit in Hangzhou, Xi stressed that the role of science and innovation is key, in solving the global economic crisis. “We will continue to pursue the strategy of innovation-driven development and deepen R&D structural reform to change outdated mindset and remove institutional obstacles, to fully leverage the role of science and technology in economic and social developments, and tap into all sources of innovation.”

This is exactly what thinking Ibero-Americans want to hear.

### **‘A Land of Vitality and Hope’**

In what was clearly a coordinated move, just one day after Xi Jinping concluded his tour, on Nov. 24, China’s Foreign Ministry issued a very detailed policy paper on China, Latin America, and the Caribbean, which it describes as a “blueprint for the future,” based on “new ideas and proposals and initiatives” to deepen cooperation in a multitude of areas, including infrastructure building, technology transfer, manufacturing, science and technology, and aerospace, among others.

Describing Latin American and the Caribbean as “a land full of vitality and hope,” the document states that China’s relations with Latin America and the Caribbean are in “a new stage of comprehensive cooperation” at a time when the world is undergoing “unprecedented historical changes, with multipolarity and globalization gaining momentum.”

The partnership among China, Latin America, and the Caribbean, it underscores, “is a shining example of developing countries working together to seek common development.”

It is precisely this optimistic, future-oriented perspective to which Ibero-American leaders responded in the course of Xi’s tour. In Ecuador and Chile, presidents Rafael Correa and Michelle Bachelet, respectively, signed agreements to upgrade their bilateral ties with China to the level of a “comprehensive strategic partnership,” something already done by Peru during Chinese Premier Li Keqiang’s May 2015 visit.

In both cases, that upgrade will mean expanded cooperation on several fronts, involving traditional areas such as mining, energy and agriculture, but also it is aimed at diversifying the relationship away from raw materials export and toward becoming partners with China, both in national industrialization plans and coordination in international affairs. Although the Obama Administration had strongly pressured Bachelet not to stray from the TPP, following her Nov. 21 meeting with Xi, during which they signed twelve cooperation agreements, the Chilean President voiced support for the FTAAP—leaving the TPP issue hanging—and announced that her government wished to join the AIIB “as soon as possible.”

### **Ibero-America Must ‘Create Knowledge’**

Science and technology are crucial components of these relationships as the Chinese Foreign Ministry document particularly emphasizes. As Chile’s former ambassador to China Fernando Reyes Matta put it in a Nov. 17 statement to Xinhua, “it’s time for Latin America and Chile to discover the meaning of the word ‘innovation.’” The fundamental principles of China’s development model, he said, “are related to the development of advanced science and technology.” Latin America, he asserted, must develop “the ability to create knowledge.”

President Correa was effusive in his praise for China in helping to finance his country’s high-tech “City of Knowledge” located at Yachay, which he described as



chinca.org

*The Coca Codo Sinclair hydropower project in Ecuador, begun in 2010, was built in four years by the Chinese Sino Hydro Group, and is the largest foreign investment—and on the largest-scale—of all that have been built or are under construction in Ecuador.*

Ecuador's most important project, not because of its cost but because of its focus on the "hard sciences." (See page 12.)

In an interview with Xinhua published Nov. 20, President Bachelet stressed that "science, technology and innovation" are top priorities in Chile's bilateral relationship with China, and pointed to the importance of China's offers to help build various rail and other bioceanic corridors across South America—a subject she had also emphasized to Chinese Premier Li Keqiang during his May 2015 visit to Chile. In this context, she pointed to the possibility of connecting the two countries via an underwater fiber-optic cable, "which would be a bridge to the rest of Latin America... important for both countries' integration is what we can do in the Latin American region," she said.

Among the twelve agreements signed by Bachelet and Xi was one to set up a China-Chile agricultural research and development center. Chile is one of South America's premier agricultural producers, and both exports agricultural products to China and advises it on advanced agricultural techniques. Agriculture is a key component of the Peru-China relationship, as Xi mentioned. (See page 13.)

A highlight of Xi's two-day visit to Ecuador was the inauguration ceremony of major high-tech projects made possible by Chinese financing, including the emergency 911 system China had helped develop, and the giant Coco Coda Sinclair hydroelectric dam in Ecuador's remote Amazon region, built under Chinese engineering direction by a workforce of 7,000 Chinese

and Ecuadoreans. The project, which took six years to build and is the largest energy project in Ecuador's history, has a generating capacity of 1500 MW, and as one beaming official proudly announced, it is already exporting electricity to Colombia.

The two Presidents were also connected by interactive video to the groundbreaking (by huge excavators) for a new hospital in the city of Chone, whose old hospital was completely destroyed in the April 2016 earthquake. The head of China's CAMAC Engineering Co., which is in charge of the project, told the ceremony that CAMAC is committed to completing construction of the 120-bed hospital with state-of-the-art, earthquake-resistant technology.

### Real 'Connectivity'

Premier Li Keqiang's May 19-26, 2015 trip to four Ibero-American nations—Brazil, Colombia, Peru, and Chile—focused heavily on construction of bioceanic corridors and was met with great excitement, with one Peruvian commentary at the time describing the proposed Brazil-Peru transcontinental rail project, first put forward at the July 2014 BRICS summit in Brazil, as auguring the arrival of the New Silk Road to the Americas.

In a May 25, 2015 China-Chile Business Forum attended by Li, President Bachelet said "it is important to have China's support to attain the much-desired physical integration of South America through bioceanic corridors, in order to consolidate Chile's role as a port and bridge-nation looking toward Asia... we need important infrastructure works, both in the region and in Chile."

During Li's visit to Peru last year, a Memorandum of Understanding was signed by representatives of Brazil's Transportation Ministry, Peru's Transportation Ministry, and China's National Reform and Development Commission to begin the feasibility study on the Brazil-Peru transcontinental railroad.

As just occurred in Peru with her Nov. 17 address to the Economists Association congress in Pucallpa, on May 28, 2015, two days after Li Keqiang completed his tour, Zepp-LaRouche delivered a strategic briefing on "The Silk Road Becomes the World Land Bridge" to an international video-conference in Lima, entitled "The BRICS Alternative and the Development of Peru and



South America,” sponsored by the Association of Alumni of Peru’s Superior War College (ADECAEM).

Joining Zepp-LaRouche as a speaker at that event was retired Chinese diplomat Dr. Liu Youfa, who emphasized the critical importance to Chinese-Ibero-American relations and their joint industrial development of building a transcontinental railroad, detailing the history of this “dream” which he said went back to South America’s forefathers.

Today, while Peru’s President and former Wall Street banker Pedro Pablo Kuczynski (PPK) insists he wants to expand trade with China, and signed agreements with Xi Jinping to that effect during their state visit, he has no intention of allowing the dramatic transformation of Peru’s or South America’s interior that building the Brazil-Peru transcontinental railroad would bring about. Although the feasibility study on the project was completed by the China Railway Eryuan Engineering Co. (CREEC) and delivered to the government, PPK is refusing to release it to Congress or other interested parties.

When he appeared before the press following his hour-long meeting with Xi and accompanying cabinet ministers Nov. 21, PPK reported on a number of agreements signed by the two, but *made no mention* of the Brazil-Peru bioceanic rail project. Nor did anyone else. (See page 15.)

But should he try to continue with his sabotage, PPK may quickly discover that history will pass him by, just as it is doing with Brazil’s President Michel Temer or Argentina’s London-owned President Mauricio Macri, who assume their loyalty to London and Wall Street means their futures are secure. In the context of the global strategic shift and support for China’s “win-win” development cooperation, there will be no containing the repercussions of Helga Zepp-LaRouche’s intervention at the Economists Association conference in Pucallpa, and the broad interest, press coverage, and spontaneous organizing activity it has unleashed.

Just one indication of that: Carlos Tubino, one of eight congressman from the opposition “Fujimorista” Fuerza Popular party (of former presidential candidate Keiko Fujimori) who attended a parallel event in Pucallpa, coinciding with the Economists congress, denounced sabotage of the bioceanic project as treason, and announced that upon his return to Lima, he will call a hearing of the congressional transportation committee on the Brazil-Peru rail project and demand that PPK’s transportation minister appear for questioning.

## Zepp-LaRouche Sparks Peru Mass Movement

Nov. 29—Few voices have ever been heard in any national conference of any economist associations in the trans-Atlantic region in recent decades discussing even the status of the existing physical economy, let alone a vision for its future development.

Not so in the XXIII Annual Congress of the Peru Association of Economists, held from Nov. 17-19. The Ucayali chapter of the national association, hosting this year’s congress, organized the gathering around the subject of “The Peru-Brazil Bioceanic Railroad: Impact on the Economy of the Amazon Region and the Country,” and they invited the world-renowned “Silk Road Lady,” Schiller Institute founder and president Helga Zepp-LaRouche, to deliver the keynote presentation.

The Congress was held in Pucallpa, a city of some 210,000 people which is the capital of the department of Ucayali in Peru’s Amazon region. The Ucayali economists have been in active discussions with several Chinese institutions on building the bioceanic train connecting the Atlantic and the Pacific through Peru and Brazil for good reason: Pucallpa is only an hour and 10 minute flight from the nation’s capital, Lima, yet it takes two and a half *days* to reach Pucallpa by land, because of the condition of the roads leading to it. These folks understood that investment in infrastructure is required if any development is to occur.

Zepp-LaRouche presented the Economists congress, however, with a sweeping overview of the stunning potential for a New Paradigm for all of humanity, and what Peru’s role can and should be in advancing it, which went far beyond the common, limited notion of infrastructure (see Nov. 25 *EIR*), and the effect was electrifying.

### ‘Economy From the Moon’

“Congress of Economists Discusses a Futurist Plan of a Lunar Economy,” *Impetu*, the “dean” of the Pucallpa media, headlined its coverage of the congress, featuring Zepp-LaRouche’s presentation. Zepp-LaRouche “argued that in less than a year, an alliance of

nations has been created, which has built a parallel economy at breakneck speed dedicated exclusively to the building of the real economy, in opposition to the maximization of speculative monetary gain, which now includes more than half of humanity,” *Impetu* wrote.

“This new community of nations”—Zepp-LaRouche continued—“represents a center of power based on economic growth, and above all, on advanced technology which belongs to the future, as is seen in the success of the Chinese moon exploration program, focused on the idea of bringing great quantities of helium-3 from the Moon to Earth for the future thermonuclear fusion economy. She argued that this orientation for a futurist economy points the way to a scientific and technological revolution which will increase, by orders of magnitude, energy flux density, both in the production process on Earth, as well as in the fuel for space travel, and, in this way, introduce a completely new phase in the evolution of the human species.”

Another Pucallpa daily, *Al Dia*, headlined its coverage: “Specialist Helga Zepp Explained Via Internet to the Congress of Economists that the Bi-oceanic Railroad Can Bring the World to a More Just Economic Order.”

Zepp-LaRouche “explained that the bi-oceanic railroad is a project which will change the current world, which is seeking a more just economic order,” they reported.

“She noted that the change of world paradigms, recently exemplified in the Brexit vote and the U.S. presidential elections, in the context of the global trans-Atlantic financial crisis, which is much worse than that of 2009, may have in the bi-oceanic railroad a basis for world economic recovery.

“Helga Zepp reviewed the history of China’s ‘One Belt, One Road’ policy, the alternative to the trans-Atlantic financial collapse, as well as her own activity over 45 years, along with the U.S. economist Lyndon LaRouche, and with developing sector statesmen such as Indira and Rashid [sic] Gandhi and José López Portillo, among others, in support of development corridors designed to build a more just world economic order.

“Zepp-LaRouche’s presentation shows the unique opportunity that the Brazil-Peru trans-continental rail project represents, which is being supported by broad political, business and professional sectors in Peru and South America, and by the Chinese government; whereas *The Economist* of London has attacked it as



EIRNS

*Helga Zepp-LaRouche delivering the keynote to the 23rd National Congress of the Association of Economists of Peru on Nov. 18, 2016.*

damaging to the Amazon ‘environment,’ a false and misleading argument, according to social organizations of the Peruvian Amazon region,” the newspaper concluded.

## A National Mobilization Begins

Zepp-LaRouche delivered her keynote address on Nov. 17, at the opening session of the congress. On the second day, a parallel meeting was held in Pucallpa to pressure for the immediate adoption of China’s proposed Bioceanic Rail Corridor. More than 400 people attended this public session of the Transportation Committee of the National Congress of Peru, eight of whose members traveled from Lima to Pucallpa for the occasion. Numerous regional governors, including of the host region Ucayali, and mayors were also present, along with a number of popular organizations and business groups, as well as a strong delegation from the Association of Economists (whose national congress continued nearby). Peru’s major national print and TV media were also present.

Hundreds of copies of a DVD of Zepp-LaRouche’s presentation the day before, were handed out to those present by the head of the Ucayali Economists Association, as were hundreds of copies of the 60-page pamphlet published by the association, containing excerpts from *EIR*’s “[The New Silk Road Becomes the World Land-Bridge](#)” special report, and Lyndon LaRouche’s [Four Laws](#).

All of the congressmen present came out strongly in favor of the rail project, with a number of them denouncing the government of Pedro Pablo Kuczynski (PPK) for blocking the project. Congressman Carlos Tubino of the “Fujimorista” Fuerza Popular party (which was defeated in the recent presidential elections by Boston banker PPK), announced that, immediately upon his return to Lima, he would be calling a hearing in the national Congress on the rail project, and requiring the presence for questioning on the matter of PPK’s Transportation Minister.

The Ucayali Development Front, a regional popular organization, spoke of organizing a regional strike if the rail project is not begun immediately. The Governor of Ucayali also spoke forcefully for the project. A detailed report on the technical details and feasibility of the project was given by Justo Vargas, an adviser to the Governor of Ucayali and a leading organizer of the Economists Association congress, who had also traveled to China earlier this year for meetings with CREEC (the China Railway Eryuan Engineering Group Company, Ltd.) and others. All in all, some 18 people—including *EIR*’s Peru representative Luis Vasquez—addressed the explosive meeting, of whom 16 voiced unqualified support for the project; only two raised “environmentalist” concerns.

### **‘We Share Zepp-LaRouche’s View’**

Following the conclusion of the congress of the Economists, Roberto Vela Pinedo, Dean of the Association of Economists of Ucayali, issued a document summarizing the results of the gathering, sent to all 24 regional Associations of Economists in Peru with their 20,000 or so members. Its opening statement was blunt:

“We economists of Peru, gathered in the city of Pucallpa, informing national and international public opinion of our position regarding the current situation of the country and the world, state the following:

1) That, analyzing the keynote address presented to us by Dr. Helga Zepp-LaRouche, we share the perspective on world development that her message presented, and which can be seen at the following link: <http://financiadesarrollo.blogspot.pe/2016/11/la-ferrovia-transcontinental-brasil.html> ”

After this opening point of emphasis, Vela went on to write:

“6) To overcome this crisis, the BRICS countries (Brazil, Russia, India, China and South Africa), led by China and Russia, proposed and initiated the construction of a new financial architecture directed at developing nations’ physical economies, in a sovereign relationship in which everyone wins (the ‘win-win’ [original in English—ed.]) strategy, that demolishes the ancien regime’s zero-sum game, under which some win and others lose. . . Peru must join this process in order to achieve growth.

7) We must restructure the state’s economic policy and replace the neoliberal model with a model of development of productive transformation with equity. . .

8) We need to apply science, technology and innovation in our economic development, as the basis for being competitive. . .

11) We must create a Ministry of Strategic Planning to formulate the vision of the country we wish to be. . . and have a new Ministry of Technology and Production. . .

16) The first great step along the path of industrial development and the promotion of scientific and technological capabilities, is that Peru, as a paradigmatic example of this new sovereign relationship in which everyone wins (the ‘win-win’ strategy), should approve the proposal of the government of the Popular Republic of China to build a trans-continental railroad along the Northern Route, which would link the ports of Santos in Brazil and Bayovar in Peru, emphasizing the development of hundreds of complementary projects, such as: agriculture, agro-industry, manufacturing, fishing, ports, nuclear energy, petrochemicals, scientific and technological innovation, road infrastructure, the creation of new intelligent cities, and the creation of thousands of jobs, etc.

“After four days of deliberations, we have agreed to demand that the central government [of Peru] accept and promote the construction of this mega-project, given that it is the only one at this time focused on continental integration, and which already has a signed Memorandum of Understanding among the governments of the China, Brazil and Peru.”

—Gretchen Small

# China, Russia Foster Ibero-America's Scientific Development

Nov. 27—On the occasion of Chinese President Xi Jinping's state visit Nov. 17-18, Ecuadorean President Rafael Correa hailed China's financing of the Yachay "City of Knowledge"—Yachay is the Quechua word for "knowledge"—as "what I consider the most important project in our country's history, not because of its dollar amount, but because of its significance: the City of Knowledge, Yachay, which includes a world-class university, dedicated to fostering innovation and the development of the hard sciences."

China's Export-Import Bank, the China Gezhouba Group Company (CGGC), and the IZP Group are some of the Chinese entities building and financing the Yachay project which was launched in March 2014, and is the first *planned* city built in South America since the 1960 construction of Brazil's capital, Brasilia. China's backing, and more recently Russia's, is emblematic of these nations' commitment to cooperating with Ibero-American countries to accelerate their economic development by advancing their scientific and technological capabilities. Because Yachay is intended to serve as a regional hub for a variety of scientific, technological, and trade activities, China views it as a key component of the One Belt, One Road perspective.

Ecuadorean experts and participants explain that Yachay's goal is to create a new generation of scientists and engineers dedicated to building "a new economy based on knowledge, science and technology," the Andes news service reported last July. Many of the scientific, industrial, and agricultural entities operating there are directly linked to the im-

provement of Ecuador's economy, and the benefits this will bring to its population, in terms of jobs, education, medical care, improved food production, and access to advanced technology.

In an August 2015 interview with Radio Universidad de Chile, Yachay's Technical Manager Fernando Cornejo emphasized the *international* nature of the project, with academics, students, and researchers from 54 countries involved. In addition to the Yachay Tech University, all of Ecuador's twelve national research institutes will be located there, along with an industrial park, the Superior Technological Institute, 37 high-tech companies, schools, hospitals, agro-industrial enterprises, and much more. The project, Cornejo underscored, is "an emblematic project of Unasur" (Union of South American Nations), designed to expand knowledge and development of science and technology throughout South America, to help it achieve its "second Independence."

Nor is China the only nation involved in Yachay. Russia's prestigious St. Petersburg Vaccine and Serum Institute announced Nov. 13 that it had signed an agreement with Ecuador's Foreign Ministry, to provide \$30 million to build a vaccine and serum-production plant there, similar to the Mechnikov Vaccine Production Plant it has already built in Nicaragua. Russia provided \$14 billion of Mechnikov's total \$21 billion investment, offered technology, and trained Nicaraguan per-



Carlos Silva/Vicepresidencia

*Students working in the lab at Yachay University.*



sonnel at the St. Petersburg Institute. When fully operational in March 2017, the Mechnikov plant will supply vaccines not only to Central America and the Caribbean, but to other Ibero-American nations as well. The Yachay plant will supply both the domestic and regional market, and the St. Petersburg Institute has announced it will reinvest all profits in continued scientific research and development.

Bolivia also plans to build a “City of Knowledge” like Yachay in the city of Cochabamba, which is still in the planning stages, but has already gotten a financial commitment from China’s Huawei Co. to build a laboratory that will train professionals and university students in telecommunications and information technology. Russia’s nuclear energy agency, Rosatom, is also financing the construction of a state-of-the-art Nuclear Research and Development Center in La Paz that will benefit the entire region.

The Bolivian Public Works Ministry’s official overseeing the Cochabamba project, Ariel Torrico, told the daily *El Dia* in a Nov. 1, 2015 interview, that the Cochabamba site will be a planned city from start to finish, to include all services and equipment “to house scientists, teachers and researchers.” Areas of research include petrochemicals, agro-industry, information technology, telecommunications, alternative energy sources, and hydrocarbons, among others. With laboratories, housing, research and educational facilities, as well as recreational areas, the project aims to “exploit national knowledge to the maximum,” Torrico said, “and prevent human capital from leaving the country,” Torrico said.

Cornejo explained that the principle guiding the Yachay project is that “*we have changed the neoliberal conception of knowledge as a finite good, to one of knowledge as an infinite good that can be shared, is open and collaborative.*” Knowledge, he continued, “is linked to independence.” The challenge for Latin America, he said, is to transform itself into “a producer of knowledge.” He emphasized that a project of Yachay’s magnitude could only be carried out by the State, not the private sector. “It implied thinking big, in [terms of] megaprojects that would have a direct influence on the productive sector...” It also implied “*a change in the mentality of the Ecuadoreans and Latin Americans since a change in the productive matrix [of society] can only occur with a change in the cognitive matrix.*”

—Cynthia Rush

## Xi Commits to Enhanced Trade of Food, Ag R&D

Nov. 27—President Xi Jinping, in concluding his keynote to the APEC CEO Summit Nov. 19 in Lima, said, “We all know that the sweet potato and other varieties of potato originated in Latin America. I once used the sweet potato as an example to make a point to a group of Chinese business leaders. I said that the vines of sweet potato may stretch in all directions, but they all grow out of its roots. Similarly, no matter what level of development it may reach, China, with its root in the Asia-Pacific, will continue to contribute to its development and prosperity. China is committed to peaceful development and a win-win strategy of opening up...”

Not merely a nice metaphor for APEC, Xi’s mention of the potato—which received a sudden, delighted applause—has literal meaning for win-win benefit to China and Peru. In recent decades, Peru—home of the potato—has supplied new varieties of potato to China, dramatically improving yields.

This in turn illustrates one part—R&D—of the two-fold content to the various new commitments on food and agriculture agreed to on President Xi’s trip to Peru, Chile and Ecuador. The other part is expanded food trade.

Leaders in China and Chile are already very active in promoting agriculture science, and pledged to do more. There is a China-Chile demonstration project near Tianjin. New varieties of fruit trees, vineyards and agronomic practices are shown in action on a 23-hectare demonstration farm. Tourists, as well as scientists and farmers, are invited to enjoy the scenery and good food at the associated Andes International Resort.

For Chile, the Chinese Academy of Agricultural Sciences (CAAS) and the Institute of Agricultural Research of Chile intend to co-build an R&D center in Santiago, to collaborate in a number of areas. They include remote sensing applications, exchange of crop varieties, animal health and veterinary practices, and more.

The potato story between Peru and China is exemplary. Peru is home to the International Potato Center



wikipedia

*Potato varieties in Peru.*

(CIP), founded in 1971 as part of the world research network, the Consortium of International Agricultural Research Centers (CGIAR), instigated by Henry Wallace, Agriculture Secretary and Vice President under Franklin Delano Roosevelt. The potato originated in the Peru region, where its earliest cultivation goes back to at least 2500 B.C. Today, some 4,000 varieties (native and improved) are known. Among new strains developed by CIP is one called the Tacna, whose germplasm was provided to China in 1994. The Tacna was so well suited to northern China's dry, saline conditions, that it led to a 40% jump in China's potato output.

In Ecuador, Pres. Xi and President Rafael Correa agreed to explore cooperation in agriculture, along with energy and other areas, when they met Nov. 18, before the APEC Summit.

Besides research, commitments to enhanced trade were made for food and agriculture between China and the three nations on President Xi's tour.

In Chile, for example, food trade volume with China is already rapidly increasing. China is the third largest destination for Chilean food products (after the United States and Japan), and within 5 to 10 years Chile is expected to be first. A free trade agreement was struck 10 years ago between China and Chile, under which there are no tariffs on nearly 90% of food imports.

Chile, like California, has a wonderful Mediterranean agro-climate, favoring the production of hundreds of food products. Its major exports to China are table grapes, cherries, apples, kiwis, plums, and blueberries, besides being the second largest supplier of wine imports after France.

Ecuador, the world's largest source of banana exports, supplies China. Peru, under new trade standards reached with China since 2015, now supplies asparagus, avocados, and other foods.

The prospect here is for a win-win approach, for collaborative government action aimed at raising living standards and productivity through R&D and trade, for both Asia and South America.

This is in direct contrast to the lose-lose model imposed for the last 50 years of deregulated food trade under the domination of London and Wall Street. Under this destructive, neoliberal model, tariff-free entry into the United States allowed for Trans-Atlantic-based mega-food processors and distributors—e.g. Green Giant, Del Monte, Dole, Walmart et al.—to relocate food-sourcing (for many crops easily produced in the United States—peas, avocados, asparagus, etc.) in Peru, and elsewhere, by means of imposing conditions of cheap labor, cheap land use, and cheap processing. This has caused impoverishment both in Central and South America, and also in the United States, where thousands of family farms were put out of operation. Emblematic, is that the United States has even become a net importer of such an easily grown food as onions! Thus, Central, South American and Mexican farm potential has been subverted into national food export-dependency.

China has defined a different approach to the Americas in its new *Policy Paper on Latin America and the Caribbean*, released Nov. 24. Its sub-section, titled, "Agricultural Cooperation," states, in full:

"Efforts will be made to encourage enterprises on both sides to actively engage in agricultural trade, push for further exchanges and cooperation in agricultural science and technology, personnel training and other fields, deepen cooperation in livestock and poultry breeding, forestry, fishery, and aquaculture, and jointly promote food security. China will continue to set up and improve agricultural technology demonstration programs, promote the development and demonstration of modern agricultural technologies, and enhance agricultural technology innovation, agricultural production, and processing capacity and international competitiveness on both sides. Bilateral mechanisms for agricultural information exchanges and cooperation will be improved while giving full play to the role of the special fund for China-Latin America agricultural cooperation, and more agricultural cooperation projects are encouraged."

—Marcia Merry Baker

# South America's Transcontinental Railroad

Nov. 27—The single most important Great Project that the Chinese government of Xi Jinping has put on the table for South America, that of construction a “bioceanic rail corridor,” a transcontinental railroad from Brazil’s Atlantic coast to Peru’s Pacific coast, was not mentioned even once, publicly, during Xi’s Nov. 19-21 visit to Peru, including during his participation in the APEC summit in Lima and his state visit and meeting with Peruvian President Pedro Pablo Kuczynski. But the rail project was the proverbial “elephant in the living room” which dominated all of the proceedings—even though no one mentioned it.

That is because a South American transcontinental railroad is a total game-changer—and friend and foe alike know it. Its physical economic impact cannot be measured in track-miles built; tons of cargo transported; jobs created; trade with Asia multiplied; or even square kilometers of South America’s vast, uncharted interior opened up to human development. Rather, the project is the foundation of a total change in technological platform throughout the continent, the sine qua non—in combination with a North-South high-speed railroad that cuts through the Darien Gap between Colombia and Panama—of linking up South America with the World Land-Bridge and the vast leaps in science, technology and consequent productivity of labor that would follow.

The LaRouche movement has studied and actively organized for the construction of various South American transcontinental and North-South

railroad corridors for three to four decades (see map). Earlier versions of this project date back to the late 19th Century. One proposal was drawn up by the Intercontinental Railway Commission, started by U.S. Secretary of State James Blaine, which employed U.S. Army engineers to survey and project lines tying the United States through to Argentina and Brazil, presenting a completed map of the intended route to President William McKinley in 1898. The strongly pro-American System McKinley commemorated Blaine’s plans as the future of humanity, speaking in 1901 at the Pan American Exposition in Buffalo—where McKinley was shot dead in a British-run operation.

The reason the transcontinental rail project did not come up in Xi’s public exchanges with Kuczynski, is that the Peruvian President—lifelong Wall Street banker that he is—is inalterably opposed to the project,

**South America: Transcontinental Railroad**



Source: EIR

precisely because the bankrupt international elite recognize it for the game-changer that it is.

The transformative impact that the transcontinental railroad will have on the entire continent can be seen in various ways:

- It will drastically cut shipping times and costs from Brazil and other South American countries (such as Argentina) to Eurasian powerhouses like China, India and Russia.

- It will allow for inter-modal cargo and passenger linkages to be constructed with South America's three great river systems: the Orinoco in the north, the Amazon in the center, and the Paraná/Rio de la Plata in the south. These river systems are already navigable significant distances into the continent's interior (the Orinoco less so than the others), and can also themselves be fully interlinked with a series of great projects (canals, locks, dams, dredging, etc.) to create a single, continuous inland water route. (Readers may rightly be reminded of similar great projects and inter-modal linkages, and their game-changing impact on physical-economic productivity, in the United States, Europe, and elsewhere.)

- It will open up two vast areas in South America's interior to intense, high-technology agricultural pro-

duction: the Brazilian Cerrado and the Colombian-Venezuelan Plains. These projects will allow South America to nearly triple its current levels of food production in about a decade.

- It will create the basis for dramatically upgrading the scientific, technological, and skilled labor concentrations that now exist in the region encompassing southern Brazil and northern Argentina, which *EIR* has referred to as South America's Productive Axis, and for vectoring this potential for the high-tech development of the continent's interior along the rail/industrial corridors under construction.

There are various possible routes for a South American Transcontinental Railroad, including a Northern Route (which only involves Brazil and Peru) and a Central Route (which involves Bolivia, as well as Brazil and Peru). *EIR* has always argued that both the Northern and Central Routes are technically viable, and that both need to be built (see map).

(For further discussion of these and other South American great infrastructure projects, see: "[The World Land-Bridge: Rediscovering the Americas](#)," in *EIR*, Sept. 12, 2014.)

—Dennis Small

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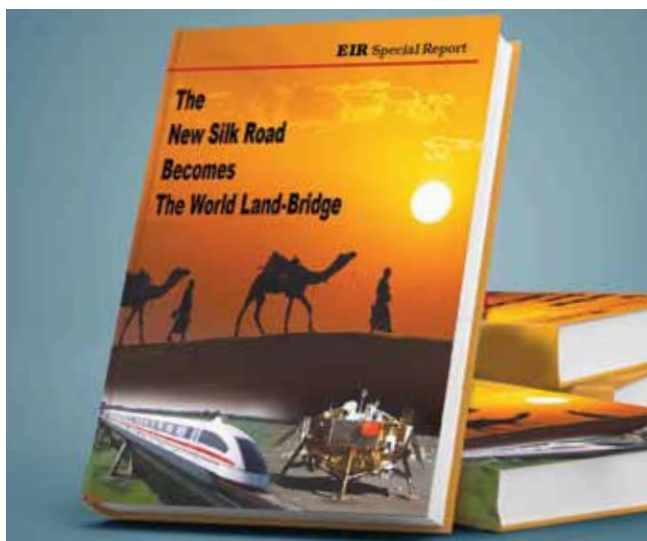
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