

# Chancay Port Startup Opens Floodgates for South American Development

by Gretchen Small

Nov. 22—The first phase of operations at the new, ultramodern deep-water port on Peru’s Pacific coast at Chancay was officially inaugurated Nov. 14, jointly by the Presidents of Peru and China, Dina Boluarte and Xi Jinping. This is huge news not only for Peru, but for South America as a whole. Add to it, that Brazilian President Luiz Inácio Lula da Silva and Xi Jinping signed agreements when they met in Brasilia Nov. 20 to deepen Brazilian-Chinese cooperation, including on regional development in South America. These developments should be cause for celebration by any sane person around the world. South America, despite heavy-handed threats from the Malthusian financiers and their henchmen in the U.S. government, is positioning itself to carry out a total transformation of the lives of its people.

Chancay Port complex, built jointly by China’s COSCO Shipping Co. and Peru’s Volcan Mining Co., is the first major connectivity project to begin functioning in the Americas from the Belt and Road Initiative (BRI), the global infrastructure project initiated by China. Dubbed the “Chancay to Shanghai” route because the names of those cities sound so alike in Spanish, the port is designed to serve as the “gateway between South America and Asia.” Estimates are that it will cut transit times from South America to ports all over Asia by 10-20 days, depending on the destinations.

When fully completed in 2030, this multipurpose port, able to handle bulk cargo, general cargo and containers alike, will provide berth to today’s mammoth 24,000 TEU-equivalent container ships (“Ultra Large Container Vessels,” or ULCV’s)—the only port on the Pacific coast of the Americas besides Long Beach,

California which can do so. Storage yards, warehouses, multi-purpose logistics centers and an industrial park are to be built around the port to make full use of the opportunities offered by this new shipping hub.

All that is extremely important, but what is most significant about this grand port project is that it calls out for the next step: building “bi-oceanic” or “trans-oceanic” rail lines across the continent. To realize the desired benefits of Chancay for the overall efficiency and development of the South American economy,



*Inaugurated November 14, the Chancay Port complex, built jointly by China’s COSCO shipping and Peru’s Volcan Mining, is a major hub in the Belt and Road Initiative.*

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Chancay Port will have to be connected to a continent-wide network of railways, not only running along the coasts of the continent, but crossing its middle to connect—finally!—the Atlantic and Pacific coasts of South America.

That rail network is crucial to open up the vast, uncharted interior of the South American continent to human development. Beyond the track-miles built; tons of cargo transported; jobs created; multiplying trade with Asia, it is the leaps in science, technology and consequent productivity of labor generated by taking on this

task, which will allow these nations to develop full-set industrial economies, and leave poverty behind.

The Schiller Institute assembled a team in the mid-1980s from across the Americas who, applying Lyndon LaRouche’s metrics for physical economy, were able to “write the book” on how such great integrated infrastructure projects raise the general economy to a new level. Multiple editions of the resulting Schiller Institute book, *Ibero-American Integration*, were published in 1986 in Spanish and Portuguese, and then [serialized](#) in English in *EIR*.

### Chancay Is Just the Beginning

The Nov. 14 ceremony inaugurating the port was both solemn and festive. The Presidents of Peru and China, Dina Boluarte and Xi Jinping, joined by cabinet ministers from both nations, military officers, the head of Peru’s Congress and Supreme Court, and other dignitaries, led the ceremony from the National Palace in Lima, where they were connected by video to the more than 200 Peruvian and Chinese dignitaries at the port, which is located some 80 km north of Peru’s capital. With brightly lit giant cranes and enormous COSCO container ships as backdrop, Chinese and Peruvian flags waved, and Peruvian native dancers and Chinese dragon dancers leapt into action after President Boluarte declared the port operational. Hundreds packed into the central plaza of the town of Chancay cheered, as did the many, many Peruvians around the country watching the livestream.

This is an “historic moment for Peru and all Peruvians,” President Boluarte declared. Chancay will not just increase trade with Asian markets; the port is the beginning of a new phase of our development, she said. It will increase Peru’s productive capacity, diversify its economy, and benefit its people. Chancay will consolidate Peru as a world-class logistical, technological, and industrial center, Boluarte emphasized, and put it at the center of trade with the Asia Pacific—which, she noted, is the center of economic growth in the world. She warmly thanked China for showing confidence in Peru, and invited the other countries of Ibero-America and the Caribbean to share the benefits that Chancay will bring.

President Xi spoke of this “model port” as the focal point of a true corridor of prosperity for Peru and all Ibero-American and Caribbean countries. “Corridor” was a theme of Xi’s remarks. The port will consolidate Peru as a new land-sea corridor in the Belt and Road,



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*Peruvian President Dina Boluarte: The Chancay Port complex will consolidate Peru as a world-class logistical, technological, and industrial center.*

a connecting hub between Asia and all of the Ibero-American region, and thereby create a corridor of industry, logistics, economy and trade, he emphasized. It will bring shared benefits for the region, and allow its people’s lives to improve. “Let us navigate shoulder-to-shoulder, embracing the world and embracing a more beautiful tomorrow,” Xi said.

### Friendship Makes for Good Diplomacy, and Good Business

The Chinese President’s article, “China-Peru Friendship: Setting Sail Toward an Even Brighter Future,” was published in the official daily, *El Peruano*, as he arrived on Nov. 14. Xi pointed out that—

[Chancay port will] enable Peru to put in place a multi-dimensional, diverse and efficient network of connectivity spanning from coast to inland, from Peru to Latin America, and further on to the Caribbean.

He delightfully called this route still to be built a modern Inca Road System. That system was built over centuries until it extended over the entire Andes region, some 25,000 miles long, by the middle of the 15th Century.

Xi emphasized the fascinating links which have been identified between the ancient civilizations of China and Peru:

It is widely believed in the archeology communities of China and other countries that the Chi-

nese civilization and the civilizations of the Americas were in fact created by descendants of the same ancestors at different periods and different locations.

[Chinese and Peruvians feel] déjà vu when appreciating each other's ancient artifacts. For example, the gold masks of the Incas unearthed in Peru are strikingly similar to the gold masks uncovered at an archeological site at Sanxingdui in China's Sichuan Province. The Intihuatana Stone on an altar in the ancient city of Machu Picchu, which the Incas used to mark the seasons and compose calendars according to changes of solar shadows, was in fact based on the same principle that inspired the creation of sundials in ancient China.

Today's times call out for "mutual learning among civilizations," Xi argued, proposing that Peru and China work together on exploring the possibilities of—

creating a global network for dialogue and cooperation among civilizations....

We should ensure that civilizations, diverse in many ways, complement each other and shine brightly together, just like the multicolored pools of China's Jiuzhaigou and Peru's Salt Terraces of Maras, thus making greater contributions to the progress of human civilization.

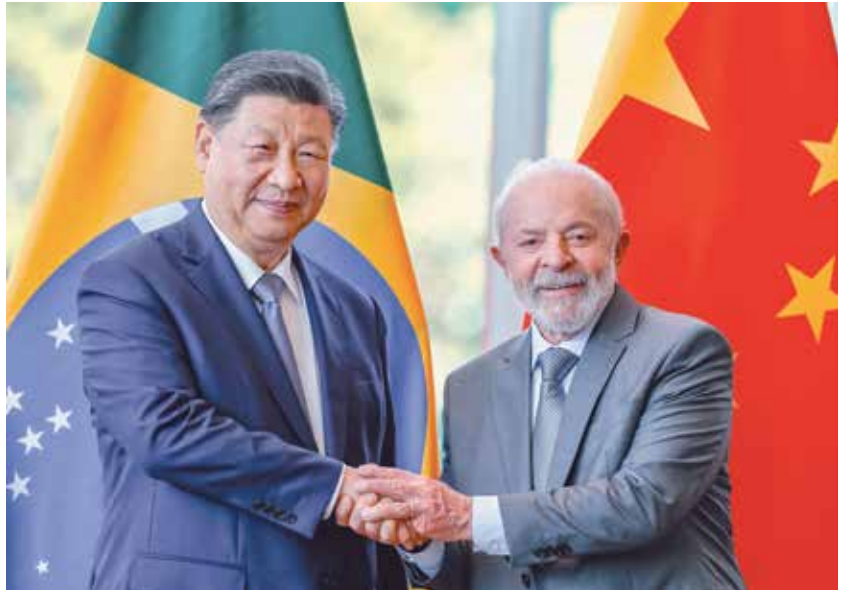
Pictures of the sites the Chinese President referred to, make clear the beauty of that metaphor.

### Next Stop, Brazil

After his Nov. 14 state visit to Peru, and participation in the two-day Asia-Pacific Economic Conference (APEC) Summit which followed in Lima, President Xi Jinping went on to Brazil. After participating in the Nov. 18-19 G-20 Summit in Rio de Janeiro, Xi traveled to Brasilia for a state visit. He was received at the Alvorada Palace with trumpets, military honors, Brazilian children waving flags of both nations, and a

special note: A Brazilian singer performed the much-loved Chinese song, "My Motherland," in the Chinese language. China's Xinhua news service called this "musical prelude to friendship .... a deeply touching moment." It was a reciprocal gesture to Chinese musicians playing the Brazilian song *Novo Tempo* to welcome Lula to his meeting with President Xi in Beijing in 2023, Xinhua wrote.

For this visit, Xi had published an article Nov. 17



Ricardo Stuckert/Agência Brasil

At right, Brazilian President Luiz Inácio Lula da Silva, meeting People's Republic of China President Xi Jinping at the Alvorada Palace, Brasília.

in a major Brazilian daily, *Folha de São Paulo*, on the significance of the friendship "spanning vast oceans" between Brazil and China. "Our relationship has always been a forerunner in the relations between China and fellow developing nations," he wrote, establishing "a model of how major developing countries can develop win-win cooperation and pursue a shared future." He wrote of how because both nations "value mutual respect and treat each other as equals," their relations have "withstood the test of a changing international landscape."

At the conclusion of their meetings, the Presidents announced two agreements, which *EIR* considers the most important of the 37 they signed. The first raised Brazil-China relations from a "comprehensive strategic partnership" to a "Brazil-China Community with a Shared Future for a More Just World and a Sustainable Planet," reflecting the scope of their bilateral, regional

and global relations. In their statements to the press (no questions were taken), both said that they, as responsible, major developing countries, must work together to fight hunger and poverty and overcome geopolitical conflicts, in order to restore the peace needed to develop the Global South and establish a more just world order. Both pointed to the “Common Understandings Between China and Brazil on Political Settlement of the Ukraine Crisis” for a peaceful resolution of the Ukraine-Russia conflict, which Brazil and China issued on May 23, 2024, as exemplary of their joint efforts.

The new relationship reflects their mutual recognition that, as Lula put it:

What China and Brazil do together reverberates around the world... In a world ravaged by armed conflict and geopolitical tensions, China and Brazil put peace, diplomacy and dialogue first.

### The BRI and the Bi-Oceanic Railroad

The second key agreement revealed a decision on the much-watched question of whether Brazil would formally join the Belt and Road Initiative. The Biden Administration had sent multiple officials down to Brazil in the past months to warn the government of the potential grave “risks” to economic and diplomatic relations of doing so. Speaking at Bloomberg New Economy at B20 in Sao Paulo, U.S. Trade Representative Katherine Tai said she “would encourage our friends in Brazil to look at the risks in today’s economy” through “an objectivity lens, through a risk management lens” and to “really think about what the best pathway is forward for more resilience in the Brazilian economy.”

The decision taken by President Lula, was that Brazil would not sign onto the Chinese project. Instead, the two Presidents [signed a 10-year agreement](#) for their nations to coordinate actions which will increase the “synergies” between China’s Belt and Road Initiative and Brazil’s development programs. The latter include Brazil’s proposed South American Integration Routes Program, as well as its domestic New Industry Brazil, Growth Acceleration Program, and Ecological Transformation Plan. They will cooperate in promoting joint projects carried out under either the Chinese BRI or the Brazilian development programs.



USDA  
*United States Trade Representative Katherine Tai, one of many U.S. representatives sent by the Biden administration to warn of potential grave “risks” of joining the Belt and Road Initiative.*

The parties established “synergies” in five principal areas: financial cooperation; expansion of infrastructure, based on development-inducing projects; development of production chains, especially high-tech ones such as artificial intelligence, energy, public health, digital, civil aviation and aerospace; ecological transformation; and cooperation on technology transfer and development of strategic technologies, promoting innovation.

Whether that cooperation will include work on the bi-oceanic railroad is not yet known.

Over the next two months, two task forces are to identify the specific priority projects to be adopted under that “synergies” agreement. Then we shall know more. It is clear that China is interested. Bolivian President Luis Arce reported after he met with President Xi on the sidelines of the G20 Summit, that Xi had—

expressed his interest in analyzing the building of a bi-oceanic railroad, uniting the Pacific and Atlantic, beginning at Peru’s Chancay megaport and traversing BRICS partner countries such as Bolivia and Brazil.

Major interests in Brazil are pushing for the project. An enthusiastic delegation of businessmen and state officials from the state of Acre, in the northwest of Brazil, traveled to Peru to be present personally for the

inauguration of the Chancay Port. Luiz Gonzaga, President of the state's Legislative Assembly, explained why afterwards:

We are living through an historic moment. The inauguration of a port which, God willing, is going to greatly change our state of Acre. It will develop, grow, because from now on, we will have the opportunity to export our products to the largest continent in the world. More than 50% of the world's population lives in Asia.

Both Presidents expressed their satisfaction with the visit. Xi called it "very productive," and Lula told the Brazilian people, in a little video at the end of the day, that it was "extraordinary." His Chief of Staff, Rui Costa, even called the agreements spectacular.

### Malthusian Powers Object

It is a testimony to the power of the desire of sovereign nations to develop and grow, that geopolitics has been trumped by this grand opportunity. The Chancay Port was built despite a vicious campaign led by the United States to stop its construction. That campaign continues, and is now also directed against the construction of any transcontinental railroads with Chinese help. The line from U.S. officials, amplified by the Wall Street and City of London media, is that this development is "China taking over the region," with malignant intent to dominate the United States' "backyard" and steal its resources for themselves, when those resources are rightfully "ours."

American officials and operatives state that Chancay, a commercial port owned by two private companies, is a national security threat because the United States will unquestionably be at war with China in the immediately coming years. In that case,

Chancay's location even means that an exchange of military strikes between the U.S. and main-

land China would be "survivable" for Chinese warships docked there.

Those were the words of the Southern Command's loudest mouthpiece against any Chinese presence south of the U.S. border, [U.S. Army War College professor R. Evan Ellis](#), speaking to London's *Daily Telegraph* last Sept. 24.

Ellis's most recent diatribe on the "Military Implication [of Chancay Port] in a Time of War," was published the week before the port was inaugurated. This lengthy paper specifically names as "strategic risks,"



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*A view of part of the huge Chancay Port complex, described as a "gateway between South America and Asia."*

the port's role as "a cornerstone to [Peru's] economic development," and Chinese discussion of "a number of different Atlantic-to-Pacific rail, road and other connections, including the 'Twin-Oceans' project." Ellis twice suggests that officials approving the contracts likely received "direct or indirect personal benefits," an obvious call for "anti-corruption" investigations to be concocted to overthrow the Boluarte government, take the port's operations out of the hands of COSCO, and reduce it to a typical colonial "mine to port" which would not threaten U.S. hegemony.

Lula da Silva and former President Dilma Rousseff know how much destruction such a U.S.-orchestrated "corruption scandal" wreaked upon Brazil. In 2014, when Rousseff was President, China, Brazil and Peru had, in fact, agreed to build the first "bi-oceanic" route. The China Communications Construction Company (CCCC) had completed a feasibility study for a route

linking those three countries, but Rouseff was driven out of office in August 2016 on fabricated corruption charges, and then-Peruvian President Pedro Pablo Kuczynski, a former Credit Suisse First Boston banker who had taken office in July 2016, coordinated with the U.S. State Department to end all Peruvian participation.

### **Bring Back the American System!**

This is all hogwash. South American countries are turning to China because it is willing to help them realize their own industrialization plans, by building ports, railways and giant steel complexes such as Bolivia's [Mutún](#), which is set to be inaugurated in early December. In the case of Chancay, Peruvian Navy officers first drew up plans to develop a deep-water port at Chancay nearly two decades ago. They held "road shows" around the world, seeking investors, including from the United States, to make the project a reality. No takers. Volcan Mining took over the project in 2016, and in 2018, China's COSCO Shipping won the international bidding for the project, with its grand vision of a port complex as a center for nationwide development.

Nor were the continent-wide rail projects now on the table invented by China. These are projects which the nations of Mexico, Central and South America have envisioned for more than 150 years, once also championed by the United States. The first plan for a transcontinental rail system was developed in the 1860s by Peruvian patriots inspired by the U.S. Transcontinental Railway, the first in the world. For them, the railroad was to be the driver for educating and uplifting the Peruvian people, and they turned to international friends willing to help design the railroad, and develop the new technologies needed to overcome the Andes in order to connect up with the waterways and rail of Brazil and Argentina. American railroad entrepreneur Henry Meiggs and a network of American and European scientists and engineers answered the call for help then, as China has done today.

This story is told by Schiller Institute historian Luis Vásquez Medina, in [his 2012 book](#), *La verdad detrás*



Archivo Fotográfico de la Universidad de Chile

*American railroad entrepreneur Henry Meiggs led an international team assisting Peru's project in the 1860's to build a railroad over the imposing Andes, as the first step in a transcontinental corridor.*

*de la Guerra del Pacífico (The Truth Behind the War of the Pacific).*

In the 1890s, U.S. patriots who understood the American System of Economy, initiated a project for a unified rail system to connect and crisscross the continents of North and South America. Ten Ibero-American countries participated in the Inter-Continental Railway Commission set up by then-U.S. Secretary of State James Blaine, under which U.S. Army engineers and other civilian personnel teamed up with Ibero-American experts and governmental authorities, to map out 5,456 miles of new rail lines that were to connect with thousands of miles already in operation in

North and South America at the time. The completed proposal came to an eight-volume report with 123 illustrations and 311 maps and profiles.

President William McKinley adopted the plan, but was assassinated, by an assassin recruited by a British operation, even as he was giving a speech advocating construction of that inter-continental railroad at the 1901 Pan-American Exposition in Buffalo, New York.

Similar "Good Neighbor" policies were continued in different ways under Franklin D. Roosevelt and John F. Kennedy, in particular.

The roots of today's anti-development campaign, disguised as an anti-China policy, go back to the 1970s reign of self-declared British agent Henry Kissinger as National Security Advisor and Secretary of State, who codified the anti-human ideology of Malthusianism as U.S. policy in his infamous 1974 report, "NSSM-200: Implications of Worldwide Population Growth for U.S. Security Interests." That report targeted the development and population growth of the 13 most populous developing nations in the world, as a threat to U.S. national security, because those nations would use up their natural resources which the U.S. and its Western allies required. The U.S. Secretaries of State, Defense and Commerce and their underlings who today threaten to bankrupt and ruin any country which works with China, are merely continuing that imperial (and self-defeating) policy introduced under Kissinger.