

## NICARAGUA'S CANAL

# The Maritime Silk Road Comes to the Americas

by Gretchen Small, Part I

This article appears in the January 9, 2015 issue of *Executive Intelligence Review*.

Jan. 5—With the Dec. 22 initiation of preparatory work for the western terminus of the Great Inter-Oceanic Canal across Nicaragua, one of the largest civil works projects ever undertaken on the planet is now underway.

The construction of the new passage across the Central American isthmus, connecting the Pacific and Atlantic Oceans, is designed to accommodate the largest cargo ships today constructed; but the process of building the canal itself can go further, transforming relations between the Americas and Eurasia, long before its projected completion date of 2020.

HKND President Wang Jing, head of the private Chinese company in charge of the project, noted in his speech on Dec. 22 to the ceremonies marking the start of the project, that Nicaragua's Great Inter-Oceanic Canal has an historic role to play in the great modern Maritime Silk Road which China, and many nations with it, are now creating, to the mutual benefit of all along its route.

Plans for building a cross-Nicaraguan canal have been "on the books" for at least 120 years. It is not any technological advance which has now made it possible to build, but rather, the new dynamic unleashed by China's New Silk Road projects and the decision of the BRICS countries—Brazil, Russia, India, China, and South Africa—to work together to ensure the development not only of themselves, but of humanity as a whole.

Addressing the opening ceremonies, Nicaraguan President Daniel Ortega identified the aid of the Chinese people (Nicaragua does not have diplomatic relations with the People's Republic of China), and the related shift that has taken place in Ibero-America within the BRICS dynamic, as what made it possible to turn the idea of the canal into reality.

"Today we are a region where we defend the principle of sovereignty, where we hold up the region as a region of peace, and therefore it is not an accident that this project is being carried out when, in our Americas, we have succeeded in making this great historic leap towards integration and unity of all our peoples," Ortega said.



FIGURE 1. Route of the Great Inter-Oceanic Canal.

Eighty-five years ago, Augusto Sandino, who was leading Nicaraguan resistance to U.S. military occupation at the time, pointed to the strategic importance of a Nicaraguan cross-isthmus canal, in a 1929 manifesto sent to the Presidents of the nations of Ibero-America, Ortega pointed out. Now we are unified, and it can happen.

The Chinese people "have not come to Nicaragua with occupying troops... They have come to share their resources, their capabilities, their development, their technology, their science... with the Nicaraguan people," he said. Through this "meeting of two peoples, the glorious people of China with the glorious Nicaraguan people," Nicaragua can totally eliminate poverty.

### Revolutionizing the Caribbean Basin

Sweeping Central America and the Caribbean Basin into that new world dynamic through Nicaragua's eastwest canal project, and soon thereafter, the north-south passage through Central America of the World Land- Bridge rail project, should give special pleasure to many people around the world, for it will free an impoverished region, oppressed for centuries by the British Empire and its disgusting Wall Street and

Confederacy minions, filibusterers included.

The British Empire seized upon the region centuries ago as a geopolitical chokepoint against the spread of the American Revolution and its anti-oligarchic principles. The subsequent centuries of looting, through slavery, and banana and coffee plantations, and the modern-day slavery of cheap-labor assembly plants, the drug trade, and expulsion of millions in search of work, have led to today's unconscionable levels of unemployment (in Honduras as high as 60- 70%); malnutrition (nearly half the population in Guatemala); the highest murder rates in the world in Honduras, Guatemala, and El Salvador at the hands of bestial drug gangs; and the resulting mass migration, such that up to a third of the people of El Salvador have emigrated.

Now China and Chinese companies, and other nations and interests committed to a human, anti-imperial outlook, have made it possible for Nicaragua, a not-yet industrialized nation of some 6 million people, to embark upon a great project that will not merely provide jobs, but will offer its youth "the possibility of being actors, . . . protagonists of social transformation . . . [which] gives meaning to their lives," as Great Canal Commission spokesman Telémaco Talavera so beautifully

put it in his interview with *EIR*.

Excitement is growing throughout Central America, in labor, business, and political circles, as the project becomes a reality. An article, "Navigating Nicaragua's Great Canal," published in Cuba's *Juventud Rebelde* daily on Aug. 8, 2014, went one step further, and outlined a perspective for transforming the entire Central American-Caribbean Basin into a hub of world development through the construction of numerous cross-isthmus routes.

*Juventud Rebelde's* international journalist René Tamayo argued that when both the Nicaraguan Canal and the expanded Panama Canal are fully operational in the next decade, the increase in the commerce going in both directions between Asia, the Americas, and the Atlantic, and Europe "will produce a radical change in the economic structure of the Caribbean Basin. And it won't be only in the turnover of the ports and air and ground transportation, but also in manufacturing for export and import substitution, agriculture, tourism, new technologies."

Countries like Cuba, with its Mariel Special Development Zone and its agreement with China to build a multipurpose terminal at Santiago de Cuba's

## Wang Jing: Silk Road Inspires Grand Canal

*Wang Jing is the chairman and CEO of HKND, the Chinese company in charge of the Great Inter-Oceanic Canal project. Here are excerpts from his speech on Dec. 22 in Managua, Nicaragua, at the inauguration of the project.*

. . . 2,100 years ago, brave Chinese sages explored and established the Silk Road, which helped to promote the progress of human civilization and benefit the prosperity of many countries and nations. Most importantly, the great spirit of the Silk Road . . . remains in history with full vigor over 2,000 years. The Silk Road represents mutual benefits, inclusiveness, and progress; it lays the core value of world civilization, and makes it possible, that after 2,000 years, we can still enjoy a colorful and prosperous society.

The ancestral mark remains in the blood and the heart of Chinese companies. Our Chinese people are making a great contribution to the world in the new era by building a new Maritime Silk Road of the 21st Century. This has been our great engine, and the source of our courage and confidence to develop the Grand Canal of Nicaragua.

The distinguished President Daniel Ortega and his government give high importance to the livelihood of the Nicaraguan people, placing the highest priority on combating poverty, with sustainable development and environmental



Wang Jing at a conference in Managua, July 7, 2014.

protections. The desire and enthusiasm of the Nicaraguan people to overcome poverty, to pursue happiness, and to build a better country, are the most powerful guarantee for the success of our project.

Today we began the start-up work for the Grand Canal Project. . . . Though there will be more obstacles to overcome, there is no turning back for a discharged arrow. . . .

Let us bless and create immortal glory for the Maritime Silk Road of the 21st Century, which will carry the dream and happiness of future generations, and promote through Nicaragua a deeper integration and mutual prosperity of East and West. Let's work hard together!

## The Maritime Silk Road Comes to the Americas

port, are preparing for this new perspective, he wrote. The same is happening in the half-dozen megaports in the region. Mexico and Colombia, and the Central American nations in between, are each drawing up plans to build “dry canals”—road or rail links—across the isthmus. Whichever of all these eventually gets built, they will generate “a regional industrial, agricultural, and services synergy from which the people and the economy will benefit. A hopeful panorama.” Tamayo dismissed all talk of geopolitical confrontation. “The economic potential of this route will absorb most of the frictions which it will produce. China is the principal investor; Russia will participate, but the United States is also interested. I think the three countries, when the time comes, will say: ‘This is not personal; this is business.’ The alarmists ought to take this into account.”

A most interesting assessment to have come from within Cuba, a few months before the long-overdue agreement to reestablish U.S.-Cuban relations had been concretized.

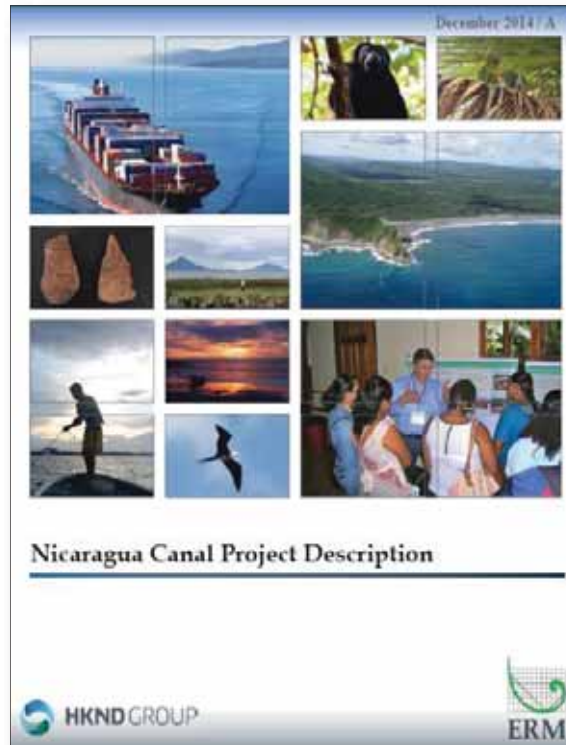
### British Snipers Take Aim

Constructing the canal, and within its projected five-year timeframe, is an ambitious undertaking.

Preying on backwardness, British and Wall Street assets have put out the line for the past two years that a Nicaraguan canal is a *cuento chino*, a fairy-tale, which will never happen, will never get financing, isn't viable, etc., etc. Now that it is getting underway, the British Crown's ecologist apparatus has gone into high gear, as have the Project Democracy “color revolution”-types, manipulating the fears of the peasants and small farmers who live along the canal route, and face resettlement. The appropriately named U.S. news site the *Daily Beast* went so far on Nov. 30, 2014 as to suggest that an armed revolution might stop the canal.

The very day the canal work started, the British activated their networks in Colombia, in an attempt to mobilize that country to use its historic border dispute with Nicaragua over the San Andres archipelago in the Caribbean, against the canal. Well-known British asset and former Colombian Foreign Minister Noemí Sanín, together with former Vice Justice Minister Miguel Ceballos, announced on Dec. 22 that they had filed a complaint with UNESCO, claiming that the canal threatens the Seaflower Biosphere Reserve, which encompasses the disputed islands. Sanín and Ceballos demanded that Colombian President Juan Manuel Santos join them in attacking the canal as a threat to Colombian sovereignty.

The Seaflower Biosphere Reserve, administered by UNESCO and the Colombian government, is itself preposterous: The reserve purports to encompass not



Cover of the 85-page “Nicaragua Canal Project Description” released by HKND in December 2014, available to download on the company's website at: [http://hknd-group.com/upload/pdf/20150105/Nicaragua\\_Canal\\_Project\\_Description\\_EN.pdf](http://hknd-group.com/upload/pdf/20150105/Nicaragua_Canal_Project_Description_EN.pdf)

only 350,000 km<sup>2</sup> of sea and included islands, but also the people who live within it!

Meanwhile, the international media has poured out so many lies about the canal that you would think it was Vladimir Putin in disguise. For example, it is constantly written that the canal project is dubious because of “the little known” HKND company and its owner, Wang Jing. Has anybody noticed that HKND's partners in the project are some of China's most advanced water management, rail, civil aviation, and port design companies?

Responsibility for designing the canal route proper, for example, is held by the Changjiang Institute of Survey, Planning, Design, and Research. That is the institute which designed China's huge, successful Three Gorges Dam project and the now-completed middle section of China's great Move South Water North project. China Railway

Siyuan Survey and Design Group is the lead design contractor for the project, and in charge of the road sub-project design; Civil Aviation Engineering Consulting Company of China has responsibility for the design of the airport sub-project; and CCCC Second Harbor Consultants has responsibility for the design of the ports sub-project.

Belgium's SBE engineering company, specializing in locks and hydraulic engineering, and Australia's MEC Mining have joined as partners in the project; and a top executive from the Netherlands' Boskalis company, currently also working on the Suez Canal expansion, was present for the opening ceremonies in Rivas.

U.S. Chamber of Commerce Vice President Jodi Bond met with President Ortega and others in July 2014, after the canal route was announced, to discuss U.S. participation, but U.S. companies have yet to jump on board this great opportunity.

### Canal Project Parameters

The 85-page “Nicaragua Canal Project Description” released by HKND in December 2014, available on the company's website\*, outlines the parameters and challenges involved in the basic project: the construction of the canal, two locks and associated impoundments; ocean breakwaters, plus an interior dam and dike; minor improvements in two existing ports on the Pacific and Caribbean, plus constructing two entirely new ports, capable of berthing giant cargo ships; access and maintenance roads, and a bridge over the canal for the Pan-American Highway; power generation and transmission facilities; two cement plants and associated aggregate quarries; and so on.

The airport, tourist facilities, and free trade zone which are planned to augment the canal after it becomes

## The Maritime Silk Road Comes to the Americas

operational are left for future development.

The project will be the largest civil earthmoving operation in history, with an estimated 5,000 million cubic meters of material to be excavated from the ocean and sea entrances on both ends, from the Lake Nicaragua bottom along the canal transit route, and from the land canal itself.

Each of the three main segments of the canal—the 25.9 kilometers from the Pacific to Lake Nicaragua; the 106.8 km crossing the lake itself; and the 126.7 km from the lake eastward to the Caribbean terminus—has its own challenges. There are better access and weather conditions for the shorter, Pacific segment, but special engineering measures must be taken there because of seismic activity in this area. The lake segment presents difficulties in getting large dredging equipment into the lake, the largest in Central America, which requires careful environmental handling. The eastern canal segment, where the largest amount of earthwork must be carried out, presents significant logistical, weather (highly rainy), and water management challenges, because it passes through a largely undeveloped area, where even road access will have to be built. Further engineering studies are being carried out on some parts of the project.

Then there are the locks: the Nicaraguan Canal's two locks will be the largest ever constructed, extending more than 1.5 km in length and more than 400 meters across. They will consume most of the 10 million cubic meters of concrete the project is estimated to require

overall, and transporting the lock gates to their final locations will be a challenge.

HKND intends to secure food, worker camp supplies, and aggregate and other materials needed for the construction of buildings and structures, from within Nicaragua, to the extent possible. The opportunities for Nicaraguan agriculture, for example, will be huge. According to some reports, HKND has told Nicaraguan producers that 37.5 tons of rice, 25 tons of vegetables, and 12.5 tons of meat will be needed *daily* to feed the 50,000-person workforce. Plans are under discussion for using the excavated topsoil to create productive farmland and pasture land along the canal route. Given the lack of development in Nicaragua and Central America generally, however, an estimated 21 million tons of materials and supplies will have to be imported, most of that through the existing ports of Corinto and Bluefields, which are not adjacent to the canal route. This includes more than 2,000 pieces of major construction equipment, more than 4 billion liters of diesel fuel, about 1 billion liters of bunker fuel for the dredgers, plus explosives, and millions of tons of cement and steel.

Recruitment and training of a skilled workforce will be another monumental task, as Canal Commission spokesman Talavera discusses in his interview.

Preparatory work required at both ends of the canal before canal construction proper can begin, is scheduled to be carried out through September 2015, when construction is to begin in all three canal segments simultaneously.

\* [http://hknd-group.com/upload/pdf/20150105/Nicaragua\\_Canal\\_Project\\_Description\\_EN.pdf](http://hknd-group.com/upload/pdf/20150105/Nicaragua_Canal_Project_Description_EN.pdf)

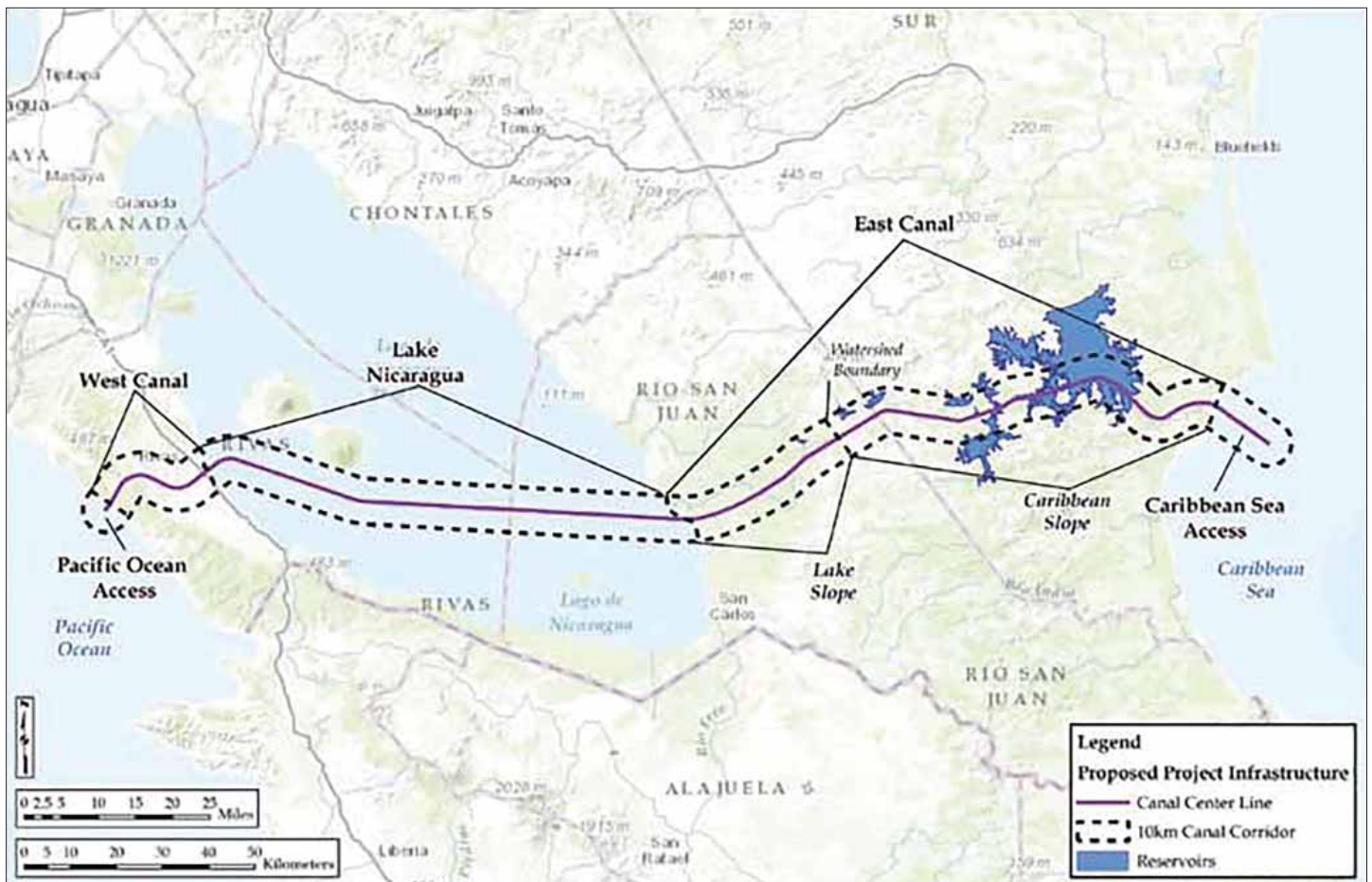


FIGURE 2. Canal Segmentation Landscape.