

**Sino-Latin American Friendships under US Watch:
China's Regional Strategy and Analysis of its 2008 Latin
American Policy Paper ¹**

[The] United States is so alienated from the rest of the Americas that this stale vision has gone unchallenged, and has even made inroads from Bolivia to Nicaragua. And Chavez and his allies are not the only ones filling the vacuum. While the United States fails to address the changing realities in the Americas, others from Europe and Asia – notably China – have stepped up their own engagement. Iran has drawn closer to Venezuela, and just the other day Tehran and Caracas launched a joint bank with their windfall oil profits.

That's what China is doing right now, as they build bridges from Beijing to Brazil, and expand their investments across the region. If the United States does not step forward, we risk being left behind.

---Barak Obama
May 2008²

We also have to look east, because increasingly the center of gravity in this world is shifting to Asia . Japan has been an outstanding ally of ours for many years, but obviously China is rising, and it's not going away. They're neither our enemy nor our friend. They're competitors.

---Barak Obama
April 2007³

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² Remarks to the Cuban American National Foundation in Miami, Florida
May 23, 2008 <http://www.presidency.ucsb.edu/ws/index.php?pid=77357>

³ Democratic Debate April 2007 http://www.asianam.org/obama_on_asian_american_issues.htm

Small but important steps are being taken by China in its engagement with Latin America. In November of 2008, the People's Republic of China published its first official open policy paper on Latin America.⁴ Recently RPC President Hu Jintao completed his second to Latin America where he made stops in Costa Rica and Cuba before continuing to Peru for the yearly Asia-Pacific Economic Cooperation. This visit was symbolic for a number of reasons: it was the first visit by a Chinese President in Central America, and obviously Hu's visit to Costa Rica was a prize for having changed its diplomatic relations from Taiwan to the mainland in June of 2007. Whether or not the PRC "meddling" in Latin America is just now starting, its engagement with the region has been on the US radar for almost two decades now.

Media-wise, the non-stop attention to Chinese relations with Latin America sprung up after President Jiang Zemin announced he would visit six Latin America nations in April of 2001.⁵ Soon thereafter in November 2004, both academic and media coverage gave more emphasis on the PRC's impact on the region, as media sources closely followed President Hu Jintao's pre-APEC tour and first Latin America tour through Argentina, Brazil, Chile and Cuba, all of which he signed a wide array of agreements in multiple sectors. Since then, an active "visit diplomacy" utilizing political delegations and high official visits has been carried out in the region.

⁴ "China issues first Latin American policy paper, eyes closer ties (11/05/08)," Embassy of the People's Republic of China in the United States of America. News. <http://www.china-embassy.org/eng/xw/t521123.htm>

⁵ The former PRC President visited Chile, Argentina, Uruguay, Cuba, Venezuela and Brazil.

Nonetheless, China did not show up out of nowhere in the 21st century, as the Asian power has both an old and recent history with Latin America.⁶ China made new roads into Latin America in the 1990s in search of its immediate forced isolation by Western powers in the post-Tiananmen square massacre. Necessary for both international and domestic regions, the People's Republic of China (PRC) knew that it could not revert back to its 19th century of self-isolation in this newly globalized world. Having been "humiliated" previously during times of isolation - as seen through their eyes for the past century and a half - the PRC consciously prepared a side track via 3rd world relations to wiggle out of its uncomfortable corner in 1989. After the notorious Tiananmen event, the PRC foreign relations took an aggressive and positive turn towards the developing world like it had in the 1960s. Unlike in the earlier engagement, the new relations would not be nearly as ideologically-based, but rather commercially focused and aimed at improving the PRC international rapport. Although this new Chinese regional engagement appears to unquestionably positive for both the PRC and Latin America, many of those watching their own "backyard" from the United States (USA) do indeed question the political, military and economical implications for its national interests in the region.

⁶ The Chinese point to Buddhist Monk Faxian's trip to Mexico in 412 CE as the beginning of inter-continental relations. British scholar Gavin Menzies points to the Chinese discovery of Latin America in 1421 CE. Lian Yunshan, *Who First Came to America: in memory of buddhist master monk Faxian*, Beijing: Chines Social Science Press, 1991. Cited in Chung-chian Teng, "Hegemony or Partnership: China's strategy and diplomacy toward Latin America," in Riordan Roett and Guadalupe Paz (Eds.) *China's Expansion into the Western Hemisphere*, 2008, Brooking Institution: Washington DC.

This article will briefly touch upon the the Sino-American relationship, the PRC's interests and strategy in the region, and US fears of this new engagement, and a brief analysis of the latest Chinese policy paper on Latin America, which cannot be taken lightly considered it is a first for the relations between these transpacific nations.

Sino-American Relations Beneath the Monroe Prism

The U.S.-China-Latin America triangle does not exist in a vacuum. Each leg is grounded in a domestic as well as an international context, and the bilateral relationships are also part of a larger framework...

---Barbara Stallings⁷

Although the US government is hesitant to recognize the importance of China in the US 21st century global strategy, the degree to which the presidential administrations of Clinton and G. W. Bush have sought to incorporate a China into its global agenda as a responsible stakeholder demonstrates the US hopes to attract the growing power as a strategic partner instead of a competitor.⁸ For this reason, an analysis of China's engagement with Latin America would be incomplete without comprehending the complex and presently positive Sino-American strategic dialogue.

For the moment, China represents a very important target for the US global strategy in that the cooperation of the PRC will help resolve a

⁷ "The U.S.-China-Latin American Triangle: Implications for the Future," in Riordan Roett and Guadalupe Paz (Eds.) P. 240.

⁸ Robert B. Zoellick (US Deputy Secretary of State) "Whither China: From Membership to Responsibility?" September 21, 2005. Remarks to National Committee on U.S.-China Relations, New York.

number of essential international problematic issues, including the proliferation of weapons of mass destruction (WMD), terrorism, the North Korean dilemma, the balance of power and stability in East Asia, the Taiwan issue, and more nationally centered topics like the adjustment of the Yuan, the US deficit, intellectual property rights and the potential outcome of our latest 2008 financial crisis.

For this reason, the Sino-American relationship carries with it a number of key international variables which will unlikely be thrown off-balance due to Sino-Latin American letters of good faith and agreements in the technological, commercial and cultural realms of regional relations. Latin America, crudely speaking, represents yet another geographic landscape where the lone superpower in the post-Cold War period meets the rising Pacific power. It isn't the first time the US and China have met on foreign grounds, nor is it the first time they they have met in Latin America. If the US grand objective is to maintain its global dominance, a positive relationship with China in every region, including its own backyard, will be essential in the long run. Although Latin America is seen as its own backyard, the US will privilege its positive relationship with China before succumbing to sort of regional jealousy.

A positive relationship with the PRC will outweigh in the middle term what the US might lose economically, in a sum-zero game, with its southern neighbors in the short term. Nonetheless, this is not to say that the US does not prepare for the worst case scenario regarding the PRC rise, rather the US is putting forth its best effort to make sure a best case scenario comes about. Although the realist framework predicts an

inevitable collision and competition between the PRC and the USA, neither party is working to create such a scenario in the middle term.

Those that watch the PRC from the State and Defense Departments in Washington realize that a growing China requires a commercial expansion to multiple regions world-wide in order to satisfy its internal production needs and exportation strategy. It helps to remember that the Chinese appetite has been growing impressively since the 1980s, the point in which the USA became China's primary destination for imports and exports. Therefore, the USA has lived the supposed "Chinese threat" for almost three decades; in 1985 the US trade relations with China turned into a deficit.⁹ For this reason, the "Chinese threat" in economic terms is not as new to the US, nor is its open engagement with the developing world. While this new sought-after partnership on behalf of the Chinese is striking in its advances with Latin American counterparts, the reality is that China has a much firmer hold on US adversaries in Africa than it even intends to create in the US backyard.

Since the late 19th century, the US has covered its back and guarded its backyard under the protectionist framework of the 1823 Monroe Doctrine and the 1904 Roosevelt Corollary, both of which claimed Latin America as the US sphere of influence and that the US had a morale mandate to impose "good behavior." Throughout the Cold War, the US kept Latin America under its wing via the Inter-American Treaty of Reciprocal Assistance, which started true relevance after the fall of the Soviet Union.

⁹ Bruce Odessey, "While U.S. Exports to China Rise, Imports from China Rise Master China imports U.S. machine parts, components for assembly and re-export" USINFO.STATE.GOV <http://usinfo.state.gov/eap/Archive/2005/Mar/03-517799.html>

In the post-Cold War period, the US is left with a mix of economic integration and shared democratic values as a quasi umbrella of influence over the region.¹⁰ Due to the fact Latin America is arguably the least militarized region in the world, the US has been lead to believe the economic ties would assure a strong future between the north and south. While true in the long term, such values and sometimes unfavorably integration will not keep China out of a region that desperately searches for a new counterweight to US influence and a greater interest in deeper integration.

In general, former President Clinton since his second term and President G. W. Bush since 9/11 have sought to pull the PRC into the international scene through an engagement strategy.¹¹ There is little reason to think that President-elect Barak Obama will change such direction in US foreign policy.¹² While Obama does call China a competitor, his Vice-President elect Joe Biden avoids such black-and-white name calling. When asked in a debate in 2007, "Which do you think (China) is, ally or adversary?" Then Senator (Dem) of Delaware stated:

They're neither. The fact of the matter is, though, they hold the mortgage on our house. This administration, in order to fund a war that shouldn't be being fought and

¹⁰ Lawrence E. Harrison argues that there are shared values, but it is more of a dream than a played out reality. *The Pan-American Dream: do Latin America's cultural values discourage true partnership with the United States and Canada?* 1991. BasicBooks: NY. P 252-272.

¹¹ During his presidential campaign, G.W. Bush noted that China should be "redefined as a competitor." GOP Debate on the Larry King Show (Feb 15 2000).

¹² China is a competitor, but they don't have an enemy, as long as we understand that they are going to be negotiating aggressively for their advantage, and we've got to make sure that we're looking after American workers. That means enforcing our trade agreements; it means that if they're manipulating their currency, that we take them to the mat on the that issue; it means that we are also not running up deficits and asking China to bail us out.

tax cuts that weren't needed for the wealthy, we're now in debt almost \$1 trillion, a \$1 trillion to China. We better end that war, cut those taxes, reduce the deficit and make sure that they no longer own the mortgage on our home.¹³

Other groups have called for a containment strategy, which explicitly views the rise of China as a threat.¹⁴ While this containment approach has a considerably loud and large support base, including some Democrats and Republicans, this group fails to realize that serious containment tactics are unrealistic due to the fact that such a policy would only isolate the US internationally without the improbable backing of the EU, Russia, and several important allies dependent upon China, like Japan, Canada and South Korea.

Since the early 1990s lobbyist and bipartisan congressional groups have called upon differing US presidents to halt China's advance until it bettered its human rights record or implemented specific reforms to its economy, government or simply readjusted the Yuan value. From the early 1990s until the PRC admission into the World Trade Organization in 2001 after fifteen years of continuous negotiations, numerous lobbyist groups and elected officials loudly (including current House majority speaker Nancy Pelosi) criticized the US "appeasement" in dealing with the PRC.¹⁵ Without a doubt, these positions hold that the PRC is an

¹³ http://www.cfr.org/publication/14004/democratic_debate_transcript_chicago.html

¹⁴ Emma V. Broomfield closely follows the Chinese threat debate in both political and academic settings. "Perceptions of Danger: the China threat theory," *Journal of Contemporary China*, 12 (35), (2003): 265-284.

¹⁵ For an earlier paper which quotes these congressional debates, see P. M. Lewis. "La Presencia de China en América Latina: Un Tema Controvertido" *Estudios Internacionales*, Instituto de Estudios Internacionales, Universidad de Chile, Año XXXIX, Enero-Marzo de 2007, N° 156, p. 25-51. (The Presence of China in Latin America: a controversial topic).

irresponsible actor in international relations and its interaction in the region plays adversely against US interests in the Western Hemisphere.

Overtime, the term “Chinese threat” has been confused for Chinese competition. Politically, the RPC openly challenges unilateral military action and a unipolar based international system. The Chinese threat mixes fears with competition. Due to the Sino-American hot war in the Korean Peninsula from 1950-1953, the PRC financial assistance to revolutionary movements in Latin America and South East Asian in the 1960s and obvious ideological differences between the two nations, PRC appears to be a long-term threat rather than a competitor as in the case of Japan in the 1980s, Mexico in the 1990s or India in the 21st century. Nonetheless, it is useful to not conflate threat with competition as of yet.¹⁶

Beyond the contrast of threat and competition, but closely related, is the stretching of the security concept. Used in the political, commercial and military realm, almost any change is being used to allege security challenges. The stretching of the security concept has been used to cause alarm over Chinese investment, the growth of Chinese business, the abuse of labor laws or environmental standards by Chinese companies.

Furthermore, much of the domestic debate in the USA, is more related to Chinese intentions in the region than to what the PRC has done or is doing to put the US national interests in the region at risk.¹⁷ The only

¹⁶ Barbara Stallings starts her chapter “The U.S.-China-Latin American Triangle” with a pale description of a great power meddling in the US’ backyard and then asks: “A description of China in the early twenty-first century? Yes, but it is also Japan in the 1980s.” p. 239.

¹⁷ A concise exemplar of using ideologically-based Chinese documents to analysis the PRC strategy in Latin America can be found in Kathleen D. Cole’s “The Sleeping Dragon Awakens: Ramifications of Chinese Influence in Latin America.” US Army War College Research Project, (March 15 2006)

sure conclusion is until now is that there is an increase in the commercial trade between the PRC and Latin America, there is a substantial amount of “visit diplomacy” carried out by political delegations, and a moderate increase in the amount of military-to-military contacts with the region. Much of the debate revolves around what the PRC intends to do with the its’ improved regional ties instead of truly showing what it has done or is doing.

Considering these broad areas affecting US national security, it is relevant make a few assertions related to the bigger question at hand: China in Latin America. Firstly, the US primary concerns are most closely related to the Canal, drugs, and refugee issues. Secondly, these are not the primary interests or concerns for the PRC.¹⁸ Thirdly, neither are they the main concerns for regional nations; rather poverty, struggling economies and weak institutions are bitter reality and the main focus. Lastly, while the PRC interests and Latin America’s current concerns are not adverse to the US national security interests, they will not find much common ground as long as terrorism is the reigning element in US foreign policy.

Even though the PRC and US interests in Latin America do not match, their mutual need for one another on other international fronts plays down Latin America as a strategic battlefield. Apart from the mere complexity of positive economic integration between the two, China and the US need one another to resolve important international issues, including piracy, drug trafficking, terrorism and energy security. For a

¹⁸ For a very different perspective, see Stephen Johnson at the Heritage Foundation where he argues that Chinese and US interests are actually adverse in his online article “Balancing China’s Growing Influence in Latin America,” (October 24, 2005). <http://www.heritage.org/Research/LatinAmerica/bg1888.cfm>

peaceful and successful rise, the PRC needs to the US to guarantee peace and stability in East Asia. Considering the multitude of serious internal challenges – demographic, political, etc – within China, this rising power will not risk a direct confrontation with the US in the middle term. In a similar fashion, China will increasingly play a key role for the US in its need to rebuild failed states worldwide, assisting with the non-proliferation framework and combating a rising radical ideological jihadism.

Just as important as it was to understand the Soviet Union’s global strategy to understand its’ past and pressing threat, it is essential to comprehend China’s regional plan within its global strategy in order to not misinterpret it as an imminent threat to US national security.

People’s Republic of China: From Ideologues to Pragmatists

Latin America within the Global Strategy of the PRC

Indeed, over the last two decades, the Chinese Communist Party has come to accept that communism as an ideology is an obstacle to national development. Instead, the Chinese leadership today talks about developing China’s “comprehensive national power,” which includes a full array of economic, political, military, social, and cultural objectives; promoting a “harmonious society” at home; and restoring the nation’s unity and territorial integrity, which Beijing defines largest in terms of Taiwan unification. With the collapse of communism as a unifying national ideology, the leadership’s need to produce practical results in the pursuit of these goals and a better quality of life for its people take on added urgency to legitimize its rule.

---Joshua Eisenman, Erick Heginbotham, and Derek Mitchell¹⁹

¹⁹ “Introduction,” in Eisenman, Higinbotham, and Mitchell (Eds.). *China and the Developing World: Beijing’s strategy for the twenty-first century*. 2007, M.E. Sharp: NY, p. Xiv.

China likes to call itself the world's 'largest developing country.' Yet, given its growing economic and political clout, China is hardly a typical member of the developing world.

---Joshua Eisenman, Erick Heginbotham, and Derek Mitchell²⁰

When questioning the PRC intentions in Latin America, many analysts point to the PRC communist ideology or the 1960s financial support for the revolutionary movements in Latin America, noting that this was the "high point of China's sponsorship of Third World radicalism."²¹ While both were fundamental in understanding the PRC's pre-1980s approach to the region, the second generation of Communist Party of China implemented not only internal changes related to modernization, but also via its rationalization of communist ideology, it installed pragmatism as the guiding principle in the PRC's international relations.²² Due to its lack of utility and political relevance, the communist ideology is gradually being withdrawn from PRC political

²⁰ "Introduction," in Eisenman, Higinbotham, and Mitchell, p. xiii.

²¹ Klein, Donald W. "China and the Second World." P. 130 in Samuel S. Kim (ed.), *China and the World: Chinese Foreign Policy in the Post-Mao Era*. Boulder: Westview Press, 1989.

²² After 1978, the Chinese leader Deng Xiaoping, upon implementing multiple reforms internally, indirectly replaced communist ideology with economic growth as the central pin to governmental legitimacy. While it could be argued the PRC has always been pragmatic on the international scene, the post-cultural revolution period marked a clear departure from communist ideology to pragmatism. While it is at times hard for a US outsider to differentiate a communist authoritarian regime from a pragmatic authoritarian regime with former communist ideology, this separation is a pre-requisite for understanding the PRC's present strategy.

discourses, and this reality can also be seen in its increasing engagement with Latin America.²³

This turn in ideology and abandonment of the politically embarrassing past is reflected on a daily basis in the PRC pragmatic foreign policy. This can be seen in its policy paper on Latin America released in November of 2008. There is no mention of the communist ideology. There are mentions of China as the world's "largest developing country" within the first two paragraphs as cited by Eisenman, Heginbotham, and Mitchell in their quote above.

Utilizing grandiose slogans, like "a peaceful rising," "leader of the Third World," and "South-South cooperation," China still elicits those universal truths common to communist ideology in order to downplay future ambitions.²⁴ In its policy paper on Latin America, the PRC uses the same grandiose language when it talks about seeking "peaceful development" and a "win-win strategy" in its relations with the region. Multipolarity and a "harmonious world of durable peace and common prosperity" are common throughout the policy paper. Apart from the slogans, China's regional strategy should be considered within its global strategy, goals and needs. Practical reasons are the leading principle behind China's increasing engagement with the Third World. Each day

²³ Former US Ambassador to Bolivia (2000-2002) V. Manuel Rocha states that ideology has not been the driving forces behind the excellent relations China has maintained with many of the Latin American countries. "China and Latin America: Ten Observations" Presented at the China-Latin America Task Force, (June 19 2006).

²⁴ Deng Xionping's 24 Character Strategy is explored in the FY04 Report to Congress on the PRC Military Power <http://www.defenselink.mil/pubs/d20040528PRC.pdf> His advice is states as the following: "keep cool-headed to observe, be composed to make reactions, stand firmly, hide our capabilities and bide our time, never try to take the lead, and be able to accomplish something."

and ever-more increasingly, China depends on natural resources of other regions: China makes up for 1/3 of the total global steel output, 40% of cement, 26% of copper, and accounts for close to 12% of the entire consumption of the world's energy.²⁵ Its trade with developing countries surpasses that with developed countries in growth by 88%.

In this context, one can deduce China has three primary needs – not goals, as the PRC has no other alternative – in order to assure its rise as a major power in the next half century. They could be summarized in the following manner:

- (1) create both internal peace and stability along economic and political lines;
- (2) create a peaceful and stable regional area in Pacific Basin; and
- (3) reunite Taiwan with the mainland.

Interrelated and some authors give its own bullet is the fact that China has been seeking to create positive partnerships with the great powers around to the world to assure its rise.

Upon understanding its internal goals, it is easier to grasp its regional goals in Latin America. Without such comprehension, the PRC will be strategically overestimated by the US, causing harmful economic and politically consequences for the US, Latin America and the PRC, amongst many others. The active “visit diplomacy” implemented as a tactic in the Chinese strategy toward Latin America has two principal grand goals, related to its three primary needs, and a few major interests in the region as a whole.

²⁵ “Introduction,” in Eisenman, Higinbotham, and Mitchell, p. Xiii.

Firstly and with growing importance, the PRC's worldwide search to secure markets for commercial trade. Due to its population of over 500 million inhabitants, Latin America will growingly serve an export destination for the PRC. China hopes to secure a "market economy status" across the region in order to prevent future anti-dumping cases against the PRC.²⁶ But more importantly, Latin America holds a very important percentage of the world's raw materials and minerals upon which the PRC is increasingly dependent. In a word, as China expands, Latin America will be integral to the PRC's growing production needs, both as a resource and as a destination for exports. Latin America has been and will continue to be part of China's effort to diversify its energy platform.²⁷ "China's Tenth Five-Year Plan (2001-2005) suggests that Chinese national oil companies should expand their activities in three strategic regions, Latin America being one of them."²⁸ It should be mentioned that the China's policy paper on Latin America gives us little insight into the importance of natural resources.²⁹

Secondly and definitely more political, the PRC hope to win its' battle with Taiwan over state diplomatic relations in Latin America. While

²⁶ Even though China accepted the condition of entering into the World Trade Organization as a non-market economy, it has carried out an active diplomacy of convincing its trading partners to unilaterally recognize the PRC as a market economy, thus protecting the PRC from excessive anti-dumping cases. Chile, Brazil, Argentina, Peru, Venezuela, Guyana, Barbados, Jamaica, Antigua and Barbuda all have given market economy status to the PRC.

²⁷ For a more in-depth analysis, see Luisa Palacios, "Latin America as China's Energy Supplier," Riordan Roett and Guadalupe Paz (Eds.), pgs. 170-189.

²⁸ Chung-chian Teng, "Hegemony or Partnership" p. 93.

²⁹ Only one sentence in the paper was dedicated to the topic at hand.

China dedicates very little to this topic within its policy paper, it does states:

The one China principle is the political basis for the establishment and development of relations between China and Latin America and Caribbean countries and regional organizations.

Almost half of the world nations (12 out of 23) that maintain diplomatic relations with Taiwan are Latin American countries.³⁰ Due to the fact that the unification of Taiwan with mainland China is of utmost necessity for the Communist Party's internal legitimacy, Latin America is a key battleground for future legitimacy. For this reason, both the PRC and Taiwan have used "diplomacy dollars" in attempts to buy diplomatic relations.³¹

While they may not be grand goals, PRC interests do lie within Latin America as a voting block in the United Nations and also as a region looking to expand multilateralism as the expense of US unilateralism. This topic is mentioned with much emphasis in the China policy paper on Latin America for a simple reason: the voting block perception is based upon the assumption that the closer economic and political relations are between the PRC and the region, the less likely China will be castigated by the region in the United Nations for human rights issues. Similarly the PRC assumption hopes that closer regional ties will also block a small, politically-charged, but quite cohesive group of Central American nations

³⁰ Belize, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, St. Kitts and Nevis, St. Vincent and Grenadines maintain diplomatic relations with Taiwan.

³¹ In March 2004 and January 2005, Dominica and Granada, respectively, cut their diplomatic relations with Taiwan after the PRC offered million dollar financial aid packages. Beijing offered \$122 million to the Dominica for this change. Cited in "China's Growing Interest in Latin America," CRS Report for Congress (April 20, 2005).

from proposing initiatives to incorporate Taiwan into differing multilateral international organizations, including the UN General Assembly, Organization of American States and the World Health Organization.

Another PRC interest is to slowly assist with an multipolar evolution, leaving the unipolar distribution behind for the 20th century. While not only focused on Latin America, the PRC hopes to use its influence and allies to create an international scenario favorable to China's rise. While creating a new order balanced via multipolarism is a second major interest for China in the region, the RPC is cautious to not upset Washington or cause any alarm in the Defense Department. For this reason, Brazil and Argentina, and Mexico to a lesser degree, play a central role in the RPC strategy toward the region. These three countries reflect a growing regional consensus that rejects US unilateral actions, but also their moderate governments and economic importance make them targets for the PRC regional strategy. Due to its cautious approach, the PRC remains unconvinced about the benefits of increased engagement with openly anti-American regimes like Venezuela, Cuba, and possibly increasingly confrontational Bolivia or Nicaragua.

A Rundown on Nations of Importance

A brief analysis helps to clear up speculation about PRC intentions in contrast to the PRC's real strategy direction. Brazil was, is and will be the PRC's main attraction to the region for quite some time. Due to its' underestimated political influence in the region, it's respect for the one

China policy since 1974, its' technological collaboration with the PRC and in some respects directly questioning US hegemonic behavior, Brazil is an ideal political partner for the PRC's regional strategy. Considering Brazil represents over 40% of the region's exports (\$8 out of 20 billion in 2004) to China, including 30% of China's total soybean imports and 16% of China's total iron ore imports, Brazil is more than a simple strategic target, rather an important trading partner with important foodstuff, raw materials and minerals.⁵² Apart from the ideal portrayal of Sino-Brazilian relations facing off with the US, the bilateral relationship is not without problems.⁵³ After recognizing China as a "market economy" during PRC President Hu Jintao's visit to Brazil, there were hopes that China would back Brazil in its' search for a permanent seat in the UN Security Council. In the same visit, there were multiple reports that the President has promised \$100 billion dollars of investment over the next ten years, a promise later negated for being a misquotation for trade instead of investment.

Two other "strategic partners," Argentina and Mexico, while less important than Brazil, are relevant for their growing bilateral trade with China. Argentina represents an exporting market of foodstuffs, but also a possibly influential political partner in small intraregional issues, including Mercosur and Inter-American Development Bank membership. Mexico since the early 1990s has been watching anxiously as the Chinese

⁵² Domínguez, p. 27.

⁵³ The Economist published an article touching upon Brazil's frustrations with China. "Falling Out of Love," (August 4 2005) http://www.economist.com/world/la/displayStory.cfm?story_id=4249937

market out competes the Mexican textile industry. Even though President Fox and other politicians have made a number of political faux pas with regards to China's rise, Mexico continues to be China's second most important commercial partner in the region and receives large Chinese investments, often used as tools to better situate the Chinese industry in North America via the North America Free Trade Agreement (NAFTA).

From the US perspective, China's most controversial "strategic partner" is Venezuela.³⁴ Due to President Chávez's relentless anti-American campaign on the national, regional and international level, China is well aware that anything other than a pragmatic commercial relationship will be perceived by the US Defense and State Department as crossing the line in the US' backyard. While it is difficult to judge the true about of Chinese investment in Venezuela in the last few years, it is clear that the investments are over hundreds of millions of dollars and focused on petroleum and natural gas.³⁵ While significant, the investments are being used by Chavez's opportunist political strategy to stir up Washington fears and attempt to pull China under an anti-American umbrella. In general, those who see Chavez as more than a nuisance,

³⁴ R. Evan Ellis presents Venezuela as China's principal strategic partner in his monograph *U.S. National Security Implications of Chinese Involvement in Latin America*, Strategic Studies Institute, U.S. Army War College, (June 2005): p. 5-8. William Ratliff offers a very different view to the Sino-Venezuelan relationship and presents an excellent analysis of how the PRC pragmatism handles Hugo Chavez. "Beijing's Pragmatism Meets Hugo Chavez," *Brown Journal of World Affairs*, Vol XII, Issue 2, (Winter/Spring 2006): p. 75-83.

³⁵ Chietigi Bajpae, "China's Quest for Energy Security," *Power and Interest News Report*, (February 25, 2005), www.pinr.com; "China's Energy Engagement with Latin America," Wenran Jiang, *China Brief*, Vol. VI, Issue 16. The Jamestown Foundation, (August 2 2006)

rather a serious threat, are those who see China as a threat to US national security as well. However, before falling into such an easy classification, two points ought to help clear up the controversy over the Sino-Venezuelan relationship. Firstly, China started focusing on Venezuela in order to diversify its energy security portfolio before the April 11th 2002 coup d'état.³⁶ This is relevant because the Chavez's blatant anti-American campaign truly was launched in post-coup period. This disproves that China sought out Chavez for his ideological stance. In fact, under its pragmatic approach, China would have dealt with the same coup leaders or interim President Pedro Carmona had they prevailed in maintaining power. Secondly, President Hu Jintao skipped over Venezuela in his November 2004 tour throughout the region, a fact that reveals China will not risk its recent positive strategic dialogue with the US over Chavez's populist overtures. Lastly, while the PRC has little preference in regards to the regime types with which it builds relations, the pragmatic PRC perspective clearly knows that Venezuela's populist authoritarian-type democrat carries very high potential costs for not only Venezuela, but also the region and Chinese investment. For this reason, the costs might outweigh the benefits from the Chinese perspective if Chavez continues down the anti-American avenue. In a word, Beijing and Chavez have different goals and very different interests in the relationship, a fact that cannot be ignored.

Obviously, China's selection of "strategic partners" still leaves a lot of room for doubt with regards to US national security concerns. However,

³⁶ In May 2001, the PRC named Venezuela, not Chavez, as a strategic partner.

if the PRC approach was ideological or purely in search of a anti-American coalition, Cuba, Bolivia and potentially Nicaragua would be central figures in its War on US Hegemony. While it is true every “strategic partner” in the region rejected the US unilateralism in Iraq, these four countries – save possibly Chavez – would have rejected unilateralism under any flag, whether it be led by Japan, Russia or China. Therefore, Chinese engagement is not the catalyst of the region’s objection to US unilateralism; rather the Chinese position is a continuation of what most regional nations have held since the beginning of the 20th century.

Problematic Areas for US National Security

One common fear – although negated by the US State and Defense Department – lies within the increasing military-to-military contacts between China and its Latin America counterparts.³⁷ Anything other than constant monitoring of the content and participants of such military contacts would be naïve, considering that China and the majority of the Latin American countries see the United States as the main extra continental military threat. Therefore, any planning, arm sales or intelligence note-sharing would be a direct threat to US national interests both regionally and globally. It is no secret that reliable data is hard to come by, thus measuring US military visits to the region versus PRC military contacts seems close to useless.

³⁷ A typical analysis from a military threat point of view can be found in F. Michael Maloof, “Chinese military on rise in Latin America,” Joseph Farah’s G2 Bulletin, (November 21 2006). See also Ellis, U.S. National Security, p. 22-26.

Somewhere between the debate over PRC intentions and real threatening actions, there exists a decent amount of agreement in a few areas that deserve closer monitoring by the US Defense Department. There exists a large amount of speculation about the Sino-Brazilian technological collaboration, which has shown significant advances via two satellite launches in 1999 and 2003. Even though the initial technology is pacific, doubts remains as to whether China and Brazil have or will utilize the satellites for double use: pacific and military.³⁸ The Sino-Cuban relationship has caused concern in the post-Cold War period, and even some authors of labeled Cuba as China's key partner in the region.³⁹ Alleging an intimate military collaboration between the two, some sources state that China has been working two intelligence centers since 1999 and was negotiating the purchase of the Soviet's base Lourdes.⁴⁰

Of great concern, General of the U.S. Southern Command, Bantz J. Craddock pointed out publicly via a congressional hearing that the American Service Members' Protection Act of 2002 had seriously impeded the US from maintaining key bilateral relations via military aid with several Latin American allies, including Peru and Costa Rica.⁴¹ Amongst others, Brazil, Chile and Bolivia who joined the International

³⁸ Florencia Jubany y Daniel Poon "Recent Chinese Engagement in Latin America and the Caribbean: A Canadian Perspective, Fundación Canadiense para las Américas (FOCAL), (Mar, 2006): p. 8.

³⁹ Daniel Erikson, "Cuba, China, Venezuela: New Developments," Cuba in Transition, Vol. 15, Paper presented in the 15th Annual Meeting of the Association for the Study of the Cuban Economy (ASCE), (August 4-6 2005)

⁴⁰ Francois Lafargue, "China's Strategies in Latin America," Military Review, (May/June, 2005): 80-84. Dreyer, p. 90-91.

⁴¹ Colombia and Argentina have signed waivers exempting application to US military. The American Service-Members' Protections Act can be found at the Bureau of Political-Military Affairs (July 30, 2003) www.state.gov/t/pm/rls/othr/misc/23425.htm

Criminal Court without exempting US military from its application via extradition would be cut off from US financial aid via military assistance. Since General Craddock's assertion, there have been fears that the PRC has filled the US vacuum with new military ties. Nonetheless, President Bush appears to have realized the US losses and the PRC gains; on October 2, 2006, G. W. Bush issued a waiver - an act consistent with others in the past - to reinstate military aid to those countries already adjoined to the Court, including Barbados, Bolivia, Brazil, Costa Rica, Ecuador, Mexico, Paraguay, Peru, St. Vincent and the Grenadines, Trinidad and Tobago, and Uruguay.⁴²

One study published by the Naval War College in the US notes that the ideological and political threats to US security interests in Latin America are minimal, but does mention an number of key areas to be watched, although they are not necessarily related to the PRC strategy or government: the Triads or organized crime groups; illegal immigration, Tri-border area between Argentina, Brazil and Paraguay; the Sino-Cuba relationship; and Chinese initiatives in the Panama Canal.⁴³

There exists much less consensus on whether or not the PRC's advance in gaining membership to the Organization of American States as a permanent observer in 2004 should be considered meddling in the US' backyard. Since 1993 China has been applying to join the Inter-American Development Bank. In 1994 China became the first Asian country to join

⁴² White House, Memorandum for the Secretary of State, Office of the Press Secretary, <http://www.whitehouse.gov/news/releases/2006/10/20061002-7.html>

⁴³ Guillermo R. Delamer, Lyle J. Goldstein, Jorge Eduardo Malena, and Gabriela E. Porn, "Chinese Interests in Latin America," in *Latin American Security Challenges: A collaboration inquiry from North and South*, edited by Paul D. Taylor, Naval War College, (Newport, R.I., 2004): 91-95.

the Latin American Integration Association as an observer. In 1997, the RPC joined the Caribbean Development Bank.⁴⁴ On one hand, the US encourages a internationally involved China, a strategy the US believes will tame its ideological convictions and eventually democratize its governmental regime. Nevertheless, the PRC will always find some enemies in the US, calling for a review of the Monroe Doctrine to keep Chinese troops out of Haiti in its peacekeeping operations initiatives.

Within the debate over military relations between China and differing nations, there exists an abundant of opinions, little concrete verifiable information, of course, and a lot of speculation. It is quite clear that President G. W. Bush's administration was not alarmed, one's best guess is that President Elect Barak Obama will not be either. In fact, the Congressional Research Service, which researches on a bipartisan fashion for the US Congress, prepares extensive reports about numerous issues. In its report on Sino-American relations in 2006, it only dedicated a single page (out of 37) to present the PRC interest in Latin America, and it failed to mention the word "military" when referring to the regional engagement.⁴⁵

CONCLUSION

In short, the Chinese have arrived, and we must learn to live with them. That is the only sensible attitude to assume. To do otherwise will be self-defeating.

⁴⁴ He Li, "Rivalry between Taiwan and the PRC in Latin America," *Journal of Chinese Political Sciences*, Vol. 10, No. 2, (Fall 2005): p. 86-87.

⁴⁵ "China-U.S. Relations: Current Issues and Implications for U.S. Policy," Kerry Dumbaugh, CRS Report for Congress, (March 30 2006).

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During the last seven years of his term, President G.W Bush managed to maintain a positive strategic dialogue with the PRC. This is not to say the PRC was the initiator in bettering the relationship, rather to emphasize his administration has been faced with a several crisis involving PRC. The incoming President Obama will be expected to continue his foreign policy along the same lines as previous administrations, but considering Obama's more liberal stance on human rights and current financial crisis, one could image a few diplomatic impasses to be seen.

When Secretary of State Colin Powell wrote in the Foreign Affairs in 2004 and repeated in 2005 that the Sino-American relationship has not been better since Nixon's trip to Beijing, he may not have exaggerated too much.⁴⁶ However important the Sino-American relationship currently is, the deteriorating US-Latin American relationship cannot go unnoticed. Even if the assessment were true - which it may not be - that the PRC will not use the region against the US in its own backyard, it will not stop Latin America from searching for a temporary replacement until the US returns with greater attention and positive influence. In a word, the worse case scenario leaves the US with Latin America looking to adopt a new Beijing model, blocking US free trade initiatives and agreeing to redirect the region's minerals and energy resources to China. In the best case scenario, a pragmatic China will moderate the ideological differences

⁴⁶ Colin L. Powell, "Strategy of Partnerships," Foreign Affairs, (Jan/Feb 2004).

throughout the region, improve infrastructure via direct investments and assist indirectly with poverty and weak institutions.

Mostly likely the future will play out somewhere in between these two scenarios. Some believe we should look to the Japan model of the 1980's to predict how China will act in the 21st century.⁴⁷ Allowing the Chinese threat to stir up fears calling to impose a reenergized hegemonic and unilateral influence will only eventually push the US completely out of the new playing field. Besides, it is far from clear that Latin America will not be disenchanted with unfilled Chinese promises or direct competition in certain industries.

In order to efficiently engage Latin America and China, the US needs to define its goals and interests within the region. Only then, the US should analyze its' realistic options for assuring that its' interests are protected. Those who call for a Chinese containment policy have arrived late to the debate, misunderstand the PRC and exaggerate the true US influence in the region. Although it is hard to imagine, the US may have more positive influence over China than over the region at the present time. In this sense, China should be advised that President Chavez will be contained, and it is in China's best interest to abstain from further deepening its bilateral relationship. This can be explained in the best interest of the region due to an increasing possible division amongst Chavez skeptics and Chavez fans. In a similar fashion, China should be advised that intelligence sharing and military contacts are being monitored, but that presently the US generally views Chinese engagement

⁴⁷ Barbara Stallings, "The U.S.-China-Latin American Triangle" P. 255

in positive terms. This can be explained that a truly peaceful China will be welcomed, but certain lines will not be crossed.

Apart from the realism of such approach, it would also quiet those that hold to the Chinese threat in Latin America. Since the Sino-American relationship is crucial for solving a number of vital US national security issues, future presidential administrations must be able to effectively manage the bilateral relationship without interference from the Congress or influential academics evoking fears based upon the Chinese fear theory. According to this paper, the military contacts and Chavez continue to be the common concerns, thus clarifying its interests to the PRC and calming internal fears will help pave a smoother road for the Sino-American dialogue.

In the past, those that invoke the Chinese threat in Latin America often are protecting their own national interests, whether it be commercial, politically or ideological. Nonetheless, a significant percentage of the misunderstanding is related to the lack of knowledge concerning the PRC internal goals, global strategy and regional plan. There is a flawed assumption in thinking that PRC defense strategy is absolutely connected to commercial relations, thus supposing that slowing commercial relations would impede the PRC military from realizing its military objectives. Closely related to the supposed threat in Latin America, there is a lack of knowledge in Washington concerning the absence of US influence, interest, integration and investment in Latin America.⁴⁸ Until this is fully understood, north-south relations will not

⁴⁸ Ellis notes Chinese advances are directly related to the “significant erosion in the relative power and geopolitical position of the United States.” P. 23.

improve and political nuisances like Chavez will make China the unfortunate culprit.