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### May 2018

### **Master Thesis**

# The U.S. Factors in the development of Sino-Latin American Relations

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#### **Abstract**

This master thesis, composed by a graduate majoring in international relations in Aalborg University, is an academic paper focusing on the triangle relationship of the US, China and Latin America, namely *The U.S. Factors in the development of Sino-Latin American Relations*. With the the relationship between China and Latin American countries improving, the US concerns about the deepening cooperation in politics, trade and military between China and its neighbor Latin America, and responds actively to this developing relationship, which makes this topic interesting to explore.

This thesis is divided into nine chapters. The first chapter is the introduction of this thesis and the second the background. The third part is about theory and methodology, in which triangle theory in realism and geopolitical theory are used as the guiding theories of this thesis. In triangle theory, the relationship between any two will be affected by each player's relationship to the third, which is appropriate to analyze the interaction among China, Latin America the US. Geopolitical theory studies geographical variables that influence international politics, for example geographical positions and natural resources. Both qualitative data and quantitative data are applied in the thesis. Qualitative data like China's government policy paper, the US experts comments and public speeches are used to define the possible attitude of China, the US and Latin America towards each other. Quantitative date like China and US investment in Latin America are used to illustrate facts. The next three chapters introduce the historical evolution of Sino-Latin American Relations, the US response to the development of Sino-Latin American Relations, and the influences of the US factors on Sino-Latin American relations. This thesis also presents two cases study of Brazil and Mexico respectively in terms of their geographic position, natural resources and different degree of integration with the US, so as to give specific examples of the US influences on Latin American countries' relations with China. The last two parts are China's response to the US factors in its relations with Latin America and the conclusion.

**Key Words:** Sino-Latin American Relations, US factors, triangle theory, case study

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# The U.S. Factors in the development of Sino-Latin American Relations

#### 1. Introduction

In recent years, the relations between China and Latin American countries are improving, which has become a major breakthrough in China's diplomacy. The development of Sino-Latin American Relations not only has a profound historical basis, but also has a need for the power balance. With the evolution of China's Latin American policy, the Sino-Latin American relations have gradually become mature. The US however, as a country with long history of influence in Latin America, has kept close attention to the development of the Sino-Latin American relations. The US concerns about political cooperation, trade and energy cooperation, military and security cooperation between China and Latin America, worrying that these actions may weaken the influence of the US in Latin America and threaten the US national security. The United States actively promotes communication with China on Latin American issues and prevents possible adverse factors to the US and reexamines the strategic value of Latin America and begins to repair its relationship with Latin America. In the meantime, China's Latin America policy needs to take the US factors into consideration as well. When developing its diplomatic relations with Latin American countries, China needs to understand and evaluate the impact of the US factors on the development of Sino-Latin American relations.

This thesis firstly collates data and analyzes the evolution of China's Latin America policy and of Sino-Latin American relations, with a focus on the policy after 21st Century and its impact on Sino-Latin American relations. On this basis, this thesis further analyzes the response of the US to the development of Sino-Latin American relations, including what specific policies have been carried out by the US to deal with the expansion of Chinese forces in Latin America, and finally comes to the in-depth analysis of how the US factors influence on the development of Sino-Latin American relations, with two specific cases study of Brazil and Mexico.

The problem formulation of this thesis is: How does the US influence the Sino-Latin American Relations? With sub-questions like what is the current situation of Sino-Latin American Relations? What is the US response to the development of Sino-Latin American Relations? This thesis applies triangle theory of Realism in International Relations, with an additional concept of triangle relations specifically targeted at China, Latin America and the US. The triangle theory studies the interactions of three players in a triangle relationship. Within the triangle, there are three distinct pattern dynamics: the *ménage à trots*, consisting of mutually positive relationships among all three. For example, China, Latin American countries, such as Brazil and Mexico, and the US all are participants in world order and share positive relations; the stable marriage, consisting of a bilateral relationship excluding the third, which in this thesis the US functions as the third actor in Sino-Latin American relations. The romantic triangle, consisting of one pivot player playing off two suitors, and in this case Latin America is a place of great strategic value for both China and the US to fight for (Lowell, Dittmer, 1981). Geopolitical theory is also used to analyze the strategic value of China, Latin America and the US in terms of geographic position to each other. Geopolitical theory believes that geographical variables, such as geographical positions, natural resources, climates, have influences on international relations, and it is used to study foreign policy (Devetak, 2012). This theory is mainly applied in the thesis to analyze Latin America's rich natural resources that are important for the economic development of China, and its geographical position as the US backyard.

#### 2. Background

In this chapter, the basic definition of Latin America and the importance of this region in the world is introduced.

#### 2.1. Definition of Latin America

In this thesis, Latin America refers to territories in the Americas where the Spanish or Portuguese languages prevail: Mexico, most of Central and South America, and in the Caribbean, Cuba, the Dominican Republic, and Puerto Rico. *Latin America* is, therefore, defined as all those parts of the Americas that were once part of the Spanish and Portuguese Empires (Carlos Rangel, 1977).

#### 2.2. The Importance of Latin American Countries in World Order

With the end of the cold war and the collapse of the bipolar world order, Latin American countries are striving, in the tide of economic globalization and political multipolarization, to explore development models and foreign policies that conform to their own realities. The comprehensive strength of Latin American countries is constantly increasing, especially in Brazil, Mexico, and Argentina. These emerging Latin American powers have risen rapidly, and their international influence has increased significantly as well. They have become members of the Group of 20, actively participating in global affairs like global warming and the reform of the United Nations, which have increased the voice of developing countries in the international arena (Sun, 2010). Latin American countries are playing an increasingly important role in promoting the process of regional integration in Latin America, safeguarding world peace, and solving regional and global affairs.

## 2.2.1. Latin America As An Indispensable and Important Part of The World Economic System

Latin America's economy has developed rapidly in the 21st century, and its position in the world economic system cannot be underestimated. In 2002, the total GDP of

Latin America was only 1.658 trillion US dollars in terms of economic scale. Since 2003, the financial and fiscal situation of Latin America continues to improve, with social problems like poverty and unemployment gradually alleviated. After the outbreak of the international financial crisis, under the external conditions of deep debt crisis in Europe and the weak US economy, in 2011, Latin America's GDP grew to \$5.6 trillion, three times more than its GDP in 2002 and its share of global economic output rose to 8%. In terms of per capita GDP, Latin America in 2002 was \$3,149, but in 2011 it rose to over \$8,500, twice the number of GDP per capita in China in the same period (List of countries by GDP, 2012). The economic strength of emerging Latin American countries like Brazil and Mexico have been growing continuously, with Brazil overtaking Britain to be the world's 6th largest economy. This welldeveloped situation of Latin American economy has never occurred in the last 40 years. After the international financial crisis and the European debt crisis, the economy of Latin American countries was impacted to some extent, and problems like falling of the value of their currencies and stock markets, shrinking exports and declining foreign investment also arose, but the economy has not suffered the same sustained recession or downturn as it did in 1990s (Friedman, Edward, 2010). Through the positive development of economic and trade relations with China and other Asian countries, Latin American enterprises have actively opened up the Asian market, making its economy stabilized and rebounded and taking the lead to get out of the crisis.

### 2.2.2. Latin America As The Important Thrust in The Process of Economic Globalization

In 1960, Latin American countries set up the Latin American Free Trade Association in order to promote regional economic integration, and this action has opened the prelude to the development of political and economic integration in Latin America. Twenty years since then, the Latin American integration process has been steadily advancing, however by the 1980s, Latin American countries' economic and social development suffered from the so called "Middle Income Trap" (Americas Quarterly, 2011). The economic success has left many countries unable to compete with either low-wage exporters or high-tech producers, which made the pace of regional integration stagnated and even regressed. In the 1990s, the economic situation of Latin American countries have recovered and stepped into the fast lane of development.

Emerging countries like Brazil and Argentina have risen rapidly and actively promote the process of political and economic integration in Latin America (Nogueira, Uziel, 2007). The original regional integration group continues to absorb new members and now the vast majority of Latin American countries are members of the regional integration organization.

In recent years, there have been two noteworthy trends in Latin American integration. First, the Latin American regional integration group has developed rapidly, while the United States has led to a slow progress in the establishment of Pan American market. On the one hand, Brazil and other Latin American emerging countries give priority to the development of a good neighboring diplomacy and actively promote the process of regional political and economic integration. On the other hand, the United States and Latin American countries have been divided seriously on the process of establishing the whole Latin American market, and the American Free Trade Area was not built as scheduled as well. Secondly, in order to avoid excessive reliance on trade with the United States and to ensure the independence of Latin American political and economic development, Latin American countries choose to diversify their diplomatic strategy. They actively consolidated the economic and trade cooperation with the EU, for example Chile and Mexico have signed a free trade agreement with the European Union. The Latin American countries also actively extended the economic and trade relations with Asia Pacific countries, and Chile, Mexico and other Latin American new members have joined APEC; China has signed the free trade agreement with Chile, Peru, Costa Rica and is negotiating with more Latin American countries to carry out free trade. Chile and South Korea, Mexico and Japan have respectively signed a free trade agreement. Latin American countries are speeding up the free trade negotiation with Asia Pacific countries (Kevin P. Gallagher and Margaret Myers, 2014). The process of economic integration in the region is an important part in the process of economic globalization, and it also has great influence on promoting the recovery of Latin America and the world economy after the global financial crisis and the European debt crisis as well as providing reference for economic integration and cooperation in other areas.

### 2.2.3. Latin America As An Important Force in The Multi-polar World Structure

In 1947, Chile and Peru has proposed the two hundred mile territorial sea claims, since then, through a positive long-term struggle the Latin American countries have contributed to the signing of "the United Nations Convention on the law of the sea", contributing to the interests of developing countries to safeguard territorial sovereignty and exclusive economic zone. In 1967, Panama and other 14 Latin American countries signed a treaty on banning nuclear weapons in Latin America in Mexico City, and later other Latin American countries have all signed the Treaty, which makes the Latin American region the world's first place to implement denuclearization, promoting nuclear disarmament and global denuclearization process. In the 1980s, the Latin American countries through economic reform have continuously enhanced their comprehensive strength and improved international status significantly. In multilateral institutions such as the United Nations, WTO and G20, Latin American countries actively safeguard the interests of developing countries and break the monopoly of developed countries on global affairs. In the regional affairs, Latin American countries have been united in their own efforts to uphold independence and resolutely oppose any external interference and create regional political and economic integration institutions such as Rio Group. They have played a positive role in stabilizing the regional situation and promoting bilateral multilateral cooperation.

#### 3. Theory & Methodology

The thesis will adopt two theories. One is realism—triangle theory in IR may be focused. The other is geopolitical theory.

#### 3.1. Theory of Triangle in IR

Strategic triangles started to become popular in the international politics from 1970s. According to Dittmer Lowell, the US scholar who developed a game-theoretical analysis of strategic triangle, strategic triangles may be understood as a "sort of transactional game among three actors" (Lowell, Dittmer, 1981). Strategic triangle has been developed and applied in the classical strategic triangle of United States, Soviet Union and China in Cold War era, a competitive geopolitical strategic triangle among US-SU-China (Roberts, Ross, 1993). The Triangle of the Asia-Pacific region formed by the United States, the Soviet Union and China is of particular importance, both in geo-political and in military-strategic terms. This triangle has an important regional dimension. It is directly or indirectly linked to military, political, territorial, and economic issues of both international and intra-national relations in the Western Pacific and East Asia. The military and political relations among China, the Soviet Union and the United States have a decisive impact on regional and global security.

The three sides of the triangle must be cohesive independent units capable of shifting their positions within the triangle. The three powers must be of such regional and international importance that a shift by one from one side to another would rearrange the triangle and be powerfully felt in the world. The three powers each must have substantial military power and capacity to deploy that power against the other two sides. The three powers in the triangle are more powerful than any other power outside of the triangle, thus making the triangle significant. The three powers must have substantial international economic and political influence. Dittmer specified two objective conditions which must be met for a strategic triangle. First, all participants must recognize the strategic salience of the three principals. Second, although the three players need not be of equal strategic weight, each must be accepted by the other two as a legitimate autonomous player. Thus, the relationship between any two participants will be influenced by each player's relationship to the third (Lowell, Dittmer, 1981). In

this thesis, the triangle theory is mainly used in case study for specific Latin American countries' relations with China and the US, but not the whole Latin America as a participant in the triangle. When mentioning Latin America as a whole in the triangle relations of China-US-Latin America, it refers to the following concept specifically for the triangle relations of the three.

This thesis uses a concept of triangle relations specifically targeted at explaining the triangle relations of China, Latin America and the US. According to the analysis in *The United States, Latin America and China: a triangle relationship*, the author Ellis has put forward a different concept of this term (Robert, Evan Ellis, 2012). The author carefully expressed his view that China gives tacit consent to that Latin America is a part of the US's sphere of influence in their relationship with the Latin American countries, while the United States also sees China's demand, admitting Asia to be a part of China's sphere of influence.

#### **3.2.** Geopolitical Theory

Geopolitics is the study of the effects of geography (human and physical) on international politics and international relations (Devetak, 2012). Geopolitics is a method of studying foreign policy to understand, explain and predict international political behavior through geographical variables. These include area studies, climate, topography, demography, natural resources and applied science of the region being evaluated. Geopolitics focuses on political power in relation to geographic space. In particular, territorial waters and land territory in correlation with diplomatic history. Academically, geopolitics analyses history and social science with reference to geography in relation to politics. Topics of geopolitics include relations between the interests of international political actors, interests focused to an area, space, geographical element or ways, relations which create a geopolitical system (Evans, 1998).

As the two large parts of the whole American continental, the US and Latin America have large geographic advantage to cooperate. Latin America is regarded by the US as its backyard, and it is of great strategic value in terms of geographic position to the US. However, the fact that Latin America has rich energy output and its rich energy

resources rely on exports to better stimulate economic growth, while China needs large imports of energy and resources as a support to its economic development makes China and Latin America also share some interests in geo-economics. The development of Sino-Latin American inevitably attracts the US attention and become alert on its own geopolitical interests. The US responses to the Sino-Latin America nrelations will function as an factor that influences this bilateral relations.

#### 3.3. Methods Applied in The Thesis

This thesis carefully forms a problem to study: How the U.S. influences Sino-Latin American Relations? And in order to better explain and explore into this problem, some sub-questions are also used: What is the U.S. response to the development of Sino-Latin American Relations? Why Latin America is strategically important to the U.S.? How China responds to the U.S. factors in its relationship with Latin America?

Apart from a problem formulation, this thesis also uses quantitative data to objectively illustrate the author's point of view. This thesis collects the secondary data concerning the energy imports and exports of China, the US and Latin America, the visits, exchanges and documents released by China and Latin America, and the US official responses concerning the issue of China and Latin America from the official website of Chinese Ministry of Foreign Affairs, Ministry of Commerce, the White House, as well as those data released by economic organizations and energy companies like IMF and BP.

Two case studies of Brazil and Mexico are also used in this thesis to illustrate how the US factors functions in China's relations with Latin America countries. These cases analyze from the two countries's different geographic importance to the US, reserves of natural resources and the degree of integration with China in terms of world organizations such as the BRICS and the Organization of American States.

#### 4. Evolution of China's Latin America Policy and Sino-Latin America Relations

From the founding of PRC to the end of 20th century, Sino-Latin American relations have gradually been strengthened and matured. The real diplomatic relations between China and Latin American countries began in September of 1960, with the establishment of diplomatic relations between China and Cuba. The development of Sino-Latin American relations experienced the following stages before the 21st century.

#### 4.1. From 1949 to 1999

This part introduces the evolution of Sino-Latin American relations before the 21<sup>st</sup> century.

#### 4.1.1. Non-governmental Communication

The 20 years from 1949 to 1969 are basically the stage for the development of nongovernmental communication except for Cuba. After the founding of PRC in 1949, China has actively carried out its diplomatic work with Latin America and hoped to establish and develop friendly relations with Latin American countries on the basis of equality and mutual benefit. But under the background of cold war between the East and the west, the US tried to avoid any contact between PRC, a member the socialist camp, and Latin America as its backyard. After the Second World War, the Latin American countries were deeply affected by the US in political, economic and military aspects, so as its foreign policy, which led to their action of following the US to maintain diplomatic relations with Taiwan. In order to change this situation, China had been actively developing non-governmental communication with Latin American countries, trying to establish friendly relations with them through cultural and economic exchanges, so as to prepare for the formal establishment of diplomatic relations. After the victory of the Cuban revolution in 1960, Cuba quickly established diplomatic relations with China and became the first Latin American country to establish diplomatic relations with China. In this way, China has made a significant breakthrough in its diplomatic work with Latin America.

#### 4.1.2. General Establishment of Diplomatic Relations

In the 1970s, with the moderation of Sino-US relations, China experienced a period of general establishment of diplomatic relations with Latin America. Lots of Latin American countries started to hold some formal contact and diplomatic negotiations with the Chinese government, and the normalization of diplomatic relations between the two sides was finally achieved. From 1970 to 1977, China has established diplomatic relations with 11 Latin American countries, which uncovered the prelude to the development of the Sino-Latin American relations. This fruitful situation comes out of the following reasons: first, in 1970s, Sino-US relations began to thaw, and Beijing represented China in the UN instead of Taipei. China's international status increased unprecedentedly. Secondly, the effect of China's unremitting and active nongovernmental communication has gradually emerged, and the appeal of Latin American people to establish official relations with China is rising. Thirdly, Latin American countries began to pursue their independent foreign policy. They gradually realized that Latin America and China share common interests for being the third world countries, and to achieve diversification of foreign relations, it's helpful to establish diplomatic relations with China.

#### 4.1.3. Mutual Benefit and Common Development

Internationally, the confrontation between the United States and the Soviet Union showed a more balanced and stalemate trend in 1980s, which made the trend of multi polarization in the world more obvious. Domestically, with the convening of the third Plenary Session of the 11th CPC Central Committee, China has entered a new period of the economic construction as the central task and the implementation of the comprehensive reform and opening up. According to the changes both internationally and domestically, China's foreign policy has been adjusted as well. In 1988, Deng Xiaoping pointed out that China and Latin America should establish and develop good relations and make it a model for developing South to South cooperation among developing countries. China's Latin American policy has also made corresponding adjustment, for example the five principles of peaceful coexistence as the foundation to develop friendly relations with all Latin American countries, and continued to support

the struggle of Latin American countries to safeguard national independence and oppose foreign interference. In this period, China also paid more attention to the economic and trade cooperation with the Latin American countries in order to consolidate political relations. Through the above major adjustment of foreign policy, in 1980s and 1990s, the frequent visits between leaders of China and Latin American countries and the deepening of economic and trade cooperation had once again made Sino-Latin American relations reached a climax. During this period, six Latin American countries established diplomatic relations with China, and the relations between China and Latin America were further consolidated and promoted.

#### 4.2. The Current Condition of Sino-Latin American Relations in 21st Century

According to China's policy paper on Latin America (China's Policy Paper on Latin America and the Caribbean, 2008), since the new century, the in-depth development of the friendly and cooperative Sino-Latin American relations have brought more frequent high-level visits and increasing political mutual trust. The two sides have strengthened their cooperation in economic and trade, science and technology and culture, with expanding scales and increasing levels of cooperation.

#### 4.2.1. Frequent High-level Visits and Increasing Political Mutual Trust

Since entering the new century, there are frequent high-level communications between China and Latin America. There are bilateral visits as well as multilateral meetings with emerging Latin American countries in G20, APEC meetings, BRIC leaders meetings and other international occasions. Statistics show that from 2000 to 2013, Chinese leaders have visited Latin American countries for over 20 times, and in the same period, over 100 senior leaders of Latin American countries who established diplomatic relations with China has come to China. High-level communications have promoted bilateral cooperation in a many aspects, enhanced mutual trust and expanded consensus, and actively coordinated in global affairs to safeguard the interests of developing countries, which effectively promoted the comprehensive development of bilateral relations. With China's economy soaring up and the improvement of its international status, some Latin American countries who have not established diplomatic relations with China have also adjusted their policies towards China, seeking to develop bilateral relations, especially the economic and trade relations. At present, there

are 25 countries out of 35 in Latin America who have established diplomatic relationship with PRC, among which China has established a comprehensive strategic partnership with Brazil, Peru and Mexico, and consolidated strategic partnership with Venezuela and Argentina (Miller, Stephanie, 2009).

#### 4.2.2 Expanding Cooperation in Economy, Trade and FDI

In the 21st century, the economic and trade and investment cooperation of China and Latin America have shown a trend of sustained and rapid development. The scale of the trade between the two sides is expanding and the trade structure more reasonable. Currently, China has become the second largest trading partner for Latin America, and Latin America ranking the fourth in China's foreign trade and has become one of the fastest growing regions of global exports to China. In 2000, the Sino-Latin American trade volume broke through 10 billion US dollars for the first time, and more than 100 billion in 2007 and over 260 billion in 2017 (Official website of Ministry of Commerce). With the rapid development of bilateral trade between China and Latin America, China has become an important trading partner of many Latin American countries. China has become to the largest trading partner of Brazil, Chile and Peru, and the second largest trading partner of Argentina, Mexico and Venezuela. In terms of investment, the bilateral investment has developed rapidly as well. According to the Latin American Economic Commission, Latin America has become China's second largest overseas investment destination. China's direct investment in Latin America mainly goes to countries with rich natural resources such as Brazil, Venezuela and Ecuador, with key areas being primary product exploitation and infrastructure construction. China and Brazil have cooperated in the exploitation of iron, oil and copper mining and power grid construction and management. The Sino-Venezuela cooperation goes for oil exploitation and railway and house construction, and China also cooperates with Ecuador in the field of hydropower. By the end of 2012, China's stock of non-financial investment in Latin America exceeded \$54 billion. At the same time, the investment of Latin American countries in China is increasing. By the end of 2011, the Latin American countries had 27875 investment projects in China, with a real investment of \$153 billion (Rhys, Jenkins, 2012). The cooperation field involves many industries, such as manufacturing, real estate, hotel, textile industry and so on.

#### 4.2.3. Increasing Military Exchanges and Upgraded Security Cooperation

The cooperation in security affairs is a high-level cooperation between China and Latin America, which marks the relationship between the two sides has entered a phase of comprehensive deepening development. With the strengthening of military strength of the two sides, the military exchanges between China and Latin American countries are increasing, and cooperation in security has gradually deepened. At present, China is taking a positive attitude to maintain the stability of Latin America. The main manifestations are as follows:

Frequent Visits of Military Personnel; There was an increasing mutual visits between the Chinese and Latin American military forces, for example in 2004, China sent 20 military groups for exchange missions to Latin America, and 9 Latin American military leaders visited China in the same period. In 2008, former vice chairman of the Central Military Commission Xu Caihou visited Brazil, Chile and Venezuela.

Increasing Training of Military Officers; China has engaged in military communications with 18 Latin American countries. Tens of officers in Latin American countries go to Chinese military academies to study and get trained every year.

Dispatching Peacekeeping Military Forces; in 2004, at the invitation of the United Nations, Chinese peacekeepers were dispatched to carry out peacekeeping missions in Haiti. It was the first time China dispatched military power to the Latin American region, indicating that China played an important role in maintaining stability in Latin America (People's Daily, 2008). In 2010, China dispatched an emergency rescue team to carry out rescuing task after the Haiti earthquake and also provide emergency assistance and relief supplies;

Increasing Chinese Arms Sale to Latin America; With the quality and performance of Chinese product for national defense, the qualified and cheap Chinese military products are favored by Latin American countries. Cuba, Venezuela and other Latin American countries have signed arms deal with China (The Diplomat, 2016). Cooperation

in the military field between China and Latin America will further consolidate and deepen the relations between the two sides

#### 4.3. The Strategic Value of Latin America to China

By analyzing the strategic value of Latin America to China, this part explains the reason of China's evolution of its relations with Latin American countries.

#### 4.3.1. Latin America Meets China's Demand for Strategic Resources

Latin America is rich in mineral resources. Most of the basic mineral resources needed in modern industry can be found in Latin America and 3/4 of all these kinds of mineral have the highest reserves in the world. For example, the copper reserves in Latin America are about 100 million tons, ranking first among all continents, and Chile, Peru, Mexico and Bolivia are also the world's major copper producing country. Known as the country of copper, Chile is the world's largest copper producing country, with copper reserves of 1.85 million tons, accounting for 1/4 of the world's total copper reserves and 35% of world's total copper production. Another Latin America country, Peru, ranks fourth in the world's copper reserves. The iron reserves in Latin America are about 100 billion tons, and countries like Brazil, Venezuela, Chile, Peru, Cuba and Mexico all have large reserves of iron. With iron reserves over 65 billion tons and accounting for about 20% of the world total, Brazil ranks second in the world both in iron production and exports. In addition, nickel and cobalt in Cuba, tin and antimony in Bolivia, aluminum in Suriname and Jamaica, silver and sulfur in Mexico, saltpeter in Chile and the emerald of Columbia, the yield of these minerals are among the highest in the world (Lederman, Daniel et al, 2007). China is still in the process of industrialization and it needs larger amount of mineral resources, which makes Latin America an important exporter for China's mineral needs.

Latin America has abundant oil and gas resources. According to statistics, Latin America's proven oil reserves account for about 12% of the world's total oil reserves, ranking second in the world, inferior only to the Middle East. Venezuela is the largest oil producer in Latin America, with proven oil reserves ranking the fifth in the world, and oil revenues account for more than 80% of the total export revenue, accounting

for 40% of the government's revenue. Many Latin American countries have carried out oil development policy, and oil, as the largest export commodity in Latin America, has made important contributions to the economic development of the Latin American countries. With continuous increasing of population and the rapid development of economy, China has become the world's largest consumer of resources, especially oil consumption. In 1993, China has become a net oil importer; in 2003 China has become the second largest oil consumer, second only to the United States, and in 2004 China has become the world's third largest oil importing country after the US and Japan; in 2017 (Official website of Ministry of Commerce), China surpassed the United States as the world's largest net importer of oil. The shortage of resources and energy has become a major problem for the sustainable development of China's economy. In order to secure the huge domestic demand for energy resources and ensure its energy and resources security, China actively seeks diversified channels for energy and resources, and extensively carries out international cooperation in the field of resources and energy. The abundant energy and resources in Latin America undoubtedly play an important role in meeting the demand of China's strategic materials.

#### 4.3.2. Latin America Is of Great Strategic Value to The Unification of China

Latin America is the main region that Taiwan established diplomatic relations with. Among the countries that Taiwan establishes diplomatic relations, half of them are in Latin America, namely Republic of Dominica, Salvador, Guatemala, Honduras, Haiti, Paraguay, Belize, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Nicaragua (Wikipedia, 2018). Since 1988, the Taiwan authorities have continuously intensified their diplomatic activities in Latin America. By offering help to some countries in Central America and the Caribbean that have suffered economic backwardness and shortage of funds, Taiwan vigorously established good relationship with these countries to seek support for its expansion of diplomatic space and return to the United Nations. Under the elaboration of Taiwan authorities, these countries, driven by economic interests, took a pragmatic stance to maintain diplomatic relations with the Taiwan authorities and supports Taiwan in Intergovernmental organization such as the United Nations. In addition, the Taiwan authorities have actively promoted the establishment of diplomatic relations with those Latin American countries who have already estab-

lished diplomatic relations with China, trying to develop substantive diplomacy and expand their diplomatic space through foreign trade.

At present, China has established diplomatic relations with 25 countries out of 35 independent countries in Latin America. These countries officially support the position of one China and China's unification. Chinese government holds a determined position on the Taiwan issue. An important political purpose of China to develop diplomatic relations with Latin America is to let more Latin American countries know more about China, so that they can understand China's political and economic strength as well as the benefits of developing political and economic relations with China. In this way, those countries who have established diplomatic relations with Taiwan may turn to China and advocate the One China political stance. A typical example could be The Democratic Republic of Sao Tome and Principe, who had established diplomatic relations with China in 1975 but terminated in 1997 due to its establishment of relations with Taiwan, and the diplomatic relations of Sao Tome and Principe and China is resumed again in 2016 because of the breaking-off of diplomatic relations between Sao Tome and Taiwan (website of Ministry of Foreign Affairs of PRC, 2017). Therefore, the development of the relations with Latin American countries is of great strategic value to the restrain the international influence of the Taiwan authorities and the completion of China's reunification.

Latin America is of great strategic value to China, both in its natural resources and its political attitude towards Taiwan. China has made efforts to develop Sino-Latin American relations since the founding of PRC, and the bilateral relations has evolved a lot due to the needs of both sides.

#### 5. The U.S. Responses to The Development of Sino-Latin American Relations?

This chapter first analyzes the importance of Latin America to the US, and then digs into the possible influences of a developing Sino-Latin American relation on the US. And last introduces how US perceives and responds to Sino-Latin American relations.

#### 5.1. The Strategic Value of Latin America to The U.S.

The following analysis of the strategic value of Latin America to the US focuses on three aspects, namely geographical position, natural resources and social stability.

#### 5.1.1. Geographical Position

Geographically, Latin America is a barrier to the south of the United States and a backyard of the US. The US borders Canada in the North and Mexico in the South. Compared with Canada, which is highly integrated with America both in political and economic aspects, problems from the South have been sensitive and headache to the United States. Latin America as the south gate occupies an important position in the global strategy of the United States. Moreover, the Central America and Caribbean region, especially the Panama Canal, is the main channel between the west coast of US and Europe, the east coast and Japan (Asia), so Latin America is geopolitically significant for the US.

Latin America has an important impact on the domestic security of the United States. After the 9 / 11 incident, the United States' attention to domestic security reached its highest peak in history and was once the main consideration of American internal and foreign affairs. For a long period of time, for the United States, counter-terrorism is the main measure of maintaining domestic security. Although Latin America is not the forefront of the US war on terror, but after 9/11, the terrified US government and people inevitably worry that terrorist organizations may attack the US through Latin America. It was reported that Ben Laden's Al Qaeda had transferred funds through offshore financial centers in Panama and other places (Juan Miguel, 2010). In addition, in the triangle area of Argentina, Brazil and Paraguay, there are also some active forces which are regarded by the United States as terrorists, and the armed forces of

the Columbia revolution has long been regarded as a terrorist organization by the United states. To prevent and contain terrorist threats from Latin America, the United States seeks to maintain good relations with the governments of Latin America, and use the supports of Latin American governments to secure the United States fight against terrorism.

#### 5.1.2. Energy Resources

The United States is the most developed industrial country in the world. It needs to import a large amount of energy and raw materials from abroad in order to meet the needs of domestic production and living. Latin America happens to export primary products and energy as its main export products. Latin America has long been an important source of energy and raw materials for the US. Latin America is endowed with a vast territory and abundant resources. It is a market whose trade volume over billions of dollars and a population more than 500 million. Of every 7 dollars the United States gained, there is one coming from Latin America. The United States is the world's largest oil consumer for a long time, and oil interests have always been the core of its geo strategy. Take Venezuela for example, it is the second largest oil producer in the Western Hemisphere, and the fourth crude oil supplier for the United States. It accounts for 15% of the total oil imports in the United States. The oil tanker from Venezuela can reach the main oil refineries on the east coast of the US in only seven days, while the Middle East crude oil needs at least 5 weeks (Bruce, Bagley and Magdalena Defort, 2016).

#### **5.1.3. Social Stability**

The United States borders Latin America and has a close relationship with this region. The domestic stability of the US is unavoidable impacted by Latin America, especially the problem of drug crime and illegal immigration. The vast majority of drugs consumed by drug addicts in the United States come from Latin America. According to statistics, among the cocaine drugs that entering the US, 85% of them are produced in Columbia, Peru and Bolivia (Christopher Sabatini, 2012). In the anti-drug issues, the U.S. government believes that as long as the supply of drugs is restrained, the demand

for drugs in domestic society will naturally decline. So the United States often put pressure on Latin American government in anti-drug issues and offers support and assistance to the Latin American countries that restrain drugs effectively. For example, the Columbia Plan invested by the United States aims to fight with the production and trafficking of drugs in Latin American countries, and with the support of Columbia and other Latin American countries, the effect of the plan is obvious.

On the issue of immigration, the great economic difference between the north and the south of the American continent makes a lot of Latin Americans yearn for the US. Due to high threshold of legal immigration, many Latin Americans hope to illegally enter the United States through the US-Latin border. There are more than 8 million illegal immigrants in the United States, most of which are from Latin America. The United States needs Latin American immigrants to work, but the rapid increase of both legal and illegal immigrants has also brought some problems to the United States. Especially in the mid-term or presidential elections, immigration policy is a heated debated problem. Even if the views of the White House and Congress on immigration are different, there is a consensus that it is obvious: to solve the problem of immigration, the support of Latin American countries is necessary.

#### 5.2. The Possible Influences of Sino-Latin American Relations on The U.S.

Since twenty-first Century, China's efforts to strengthen ties with Latin American countries have attracted wide attention from the United States. The American political, academic circles and media have shown interest in Sino-Latin American Relations. The United States Congress held hearings and hire officials and scholars to set off on-site analysis on the impact of growing Sino-Latin American Relations on the US. The major media in the United States has carried heated comments on this issue, and relevant research institutions have also published a large number of articles. All these have shown great attention from all walks of life in the US to the strengthening cooperation of China and Latin America. In the view of the United States, the original intention of China and Latin America becoming closer to each other may be due to their strategic considerations and practical needs, but the consequences of growing

Sino-Latin American Relations may cause potential damage to the interests of the United States.

#### 5.2.1. Political Influences

The closer relations between China and Latin America may weaken the US influence on Latin America, making it difficult for the United States to continue to control Latin America as it did before. First of all, the "Beijing consensus" may replace the "Washington consensus" and become a national development model for Latin American countries to emulate. Latin America has attached great importance to the "Washington consensus" in the past 20 years, and has carried out a certain degree of reform in privatization and marketization in accordance with the requirements of the United States, but it has not been successful. Recent developments of China have prompted some Latin American countries to examine their economic and political path, and set off a new wave of self-reflection in the region for economic stagnation problem, and triggered heated discussions about learning the successful experience of some Asian countries. The United States is very sensitive about these changes. A spokesman for the former assistant secretary Shannon said publicly that "we hope that China can respect the broad consensus reached by Latin American countries, namely democracy is a national system that the whole region hopes to have and strongly support (Melinda, Liu, 2006)." Extensive cultural contacts between China and Latin America may expand China's influence in Latin America. Since twenty-first Century, the United States has noticed the frequent exchanges of visits between Chinese and Latin American leaders and the vigorously cultural exchanges. The Confucius Institute which teaches Chinese is also emerging in Latin America. In addition, the intervention of Chinese factors may enhance the anti-US forces in Latin America and increase the ability of China to compete or challenge with the United States.

#### 5.2.2. Economic and Trade Influences

In recent years, the trade between China and Latin America has increased dramatically. Latin American exports to China have increased 6 times over the past 5 years, increasing by 60% annually, while nearly half of China's overseas investment flows to Latin America. In addition, in order to optimize the oil import composition mode, China continuously seeks to invest in oil rich countries such as Venezuela, Ecuador,

Columbia, Argentina, Brazil and Mexico. Latin America's economic performance was excellent in 2004, which was mainly due to its raw material trade with China soaring up rapidly, other than growing trade with the US (Larry, Rohter, 2005). The former US ambassador in Latin America Rocha said that "except the already disappeared Soviet Union, I have never seen any country outside the region dares to challenge the dominant position of the US here, but at the moment, China is doing so(Melinda, Liu, 2006)."

#### **5.2.3. Security Influence**

The US worries that the enhancement of cooperation between China and Latin America may pose a threat to the security of the United States in many ways. First, the military exchanges between China and Latin America will reduce the military influence of the United States in Latin America. General Clark, commander of the Southern Command of the United States, warned at the congressional hearing held in 2004, saying that Chinese military officials visited 20 countries in Latin America, and nine Latin American defense ministers visited Beijing in the same period (Kelly, Hearn, 2005). The growing influence of China in the region is a new change that cannot be ignored. Secondly, China's peacekeeping troops stationed in the Latin America may pose a threat to the United States. The US is particularly concerned with the Chinese peacekeeping force in Haiti (Edward, Cody, 2004), which has opened the gate for the Chinese army entering the American continent and its potential impact is profound. Thirdly, China and Latin America military cooperation may provide China with an opportunity to understand the US military secrets. The US said its special forces have taught all the tactical skills to the Venezuelan special forces. Fischer of James Don foundation said that it is obvious that the Venezuelan special forces instructors can teach Chinese army the US special action theory and tactics (Kelly, Hearn, 2005).

What's more, the increase of China's presence in the Latin America is easy for China to collect the US intelligence. Some US scholars said in 2000, China has gained access to a base in Cuba near Havana to intercept the telephone of the US. In 2001, China entered an electronic monitoring center in Russia; the signal of China International Radio comes from Cuba, interfering the communication and air traffic control on the east coast of the US. Former assistant secretary of defense Peter Brooks pointing out that China uses Chinese enterprises, students, tourists and professional intelligence

officials to steal and collect the technical, commercial and industrial secrets they are interested in, so as to improve their military capability and economic competitiveness (Peter, Hakim, 2006).

#### 5.2.4. Taiwan Issue

Currently, 24 countries in the world recognize Taiwan as an independent country, of which 10 are Latin American countries. So the United States believes that one of China's important goal in the Western Hemisphere is to isolate Taiwan in diplomacy. The assistant secretary of United States for Western hemisphere affairs Charles Shapiro said in testimony for Congress that China wants its economic strength matches its influence in the region, and China hopes to compete with Taiwan in diplomatic competition and eventually isolate Taiwan. This is an important factor for its attention of Latin America (Kelly, Hearn, 2005). This goal of China is not a direct threat to the US, but it may constrain the US's Asia Pacific strategy. Meanwhile, the US is also worried about China's efforts to strengthen ties with Latin America for the purpose of isolating Taiwan may eventually enhance Latin America's centrifugal tendency.

#### 5.3. The U.S. Perception The Development of Sino-Latin American Relations?

Just like the response to the rise of China, in the US, there is a lot of controversy over the views about the impact of the strengthening Sino-Latin American ties on the US. Although it is generally believed that the United States should pay attention to this issue, different groups have different views on the impact of this phenomenon on their own stand. Their views affect the relevant policies of the US government to varying degrees.

#### **5.3.1.** The United States Congress: The "Monroe Doctrine" Is Threatened.

The US Congress has always been very concerned about China issues. In recent years, different sub committees of the two houses have held 6 hearings on related issues, showing their strong concern about Sino-Latin American cooperation. Burton, former chairman of the Latin American Committee of the House of Representatives, said that the US pays close attention to the situation of Sino-Latin American relations. The US

certainly doesn't want to see its potential enemy becoming a powerful force in Latin America. The United States must try to prevent the impact of China from hindering the United States supported revolution in Latin America. We should always look at Latin American issues in the framework of Monroe doctrine. "We have our concerns: Chavez, Castro, Ortega, Morales in Bolivia and their relationship with socialist China. We must pay special attention to this," former chairman of the Senate Armed Services Committee Warner expressed his concern on China activities in Latin America (Humphrey, Hawksley, 2006); congressman Mark worried that China would help Cuba to restore the ability to collect intelligence lost in the cold war and convey information to Venezuela. In fact, since the disintegration of the Soviet Union, some members of parliament have regarded China as the greatest threat to the interests of the United States in Latin America. They believe that China is investing a large amount of money in Latin America, and strengthens its military relations with Latin America. They also believe that China has political ambitions in the region. All of these are a potential threat to the long term pillar of American Latin American policy—Monroe doctrine (Peter, Hakim, 2006).

# 5.3.2. The US Military: Exaggerating The Threat of Sino-Latin Cooperation to The U.S.

The US military has continued its hard-attitude towards China on the issue of Sino-Latin American cooperation. In March 9, 2005, commander of the US Southern Command Clark said at the hearing of the armed forces Committee of the House of Representatives, "the military interaction between China and Latin America is more frequent. We see more and more senior officers, junior officers and even ordinary officers come to China for education and training, and more and more Chinese military delegations arrived in Latin America. According to our intelligence, almost all the South American countries have sent officers to China for further study, and the Chinese higher military academies even have special Latin American teaching groups. I seriously worried that high-level military officials of Latin American countries will be deeply printed with the stigma 'China'. I am afraid that one day our backyard will be occupied by Chinese military forces, so that we do not fight but yield (Wesley, Clark, 2005)." This utterance shows a strong fear for the security threat of US military.

# 5.3.3. The US Media: Sino-Latin American Cooperation Challenges The U.S. Superpower Position.

Some conservative media personages in the United States show great concern over China issues and there is no exception on the Sino-Latin American relations. Washington Times reporter Bill Gatetz wrote: "China is not only training Latin American officers but also quietly selling weapons to Latin America, such as new MANPADS to Bolivia. China also provides arms to Cuba, and cooperates with Brazil to design satellites for military applications. After last year's sale of JYL-1 mobile air defense radar, China may also sell FC-1 fighter jets to Venezuela, which putts Venezuela on a platform that is increasingly dependent on China's technology (Bill, Gertz, 2006). One of the Wall Street journal article says that China's rise in Latin America will make the United States efforts to control illegal immigration, arms smuggling, drug trade and money laundering become more complicated, because China is cooperating with those countries that are not friendly to the United States. Those unfriendly Latin American countries may use China to challenge the United States superpower (Mary Anastasia, O' Grady, 2004).

## **5.3.4.** The US Academic Sector: Rational Attitude Towards Sino-Latin Cooperation

The academic sector of the US is relatively calm about the strengthening ties between China and Latin American countries. On the strategic issue, Peter Hakim wrote in the *Diplomacy* journal that the United States and China have conflicting interests in Latin America. Washington wants to see its hemisphere neighbors to develop into a stable, democratic and prosperous trading partner in the rule of law, while China regards Latin America as a source of raw materials, a finished product market and a platform to demonstrate its power (Peter, Hakim, 2006). According to triangle theory, the romantic triangle consists of one pivot player playing off two suitors. The US and China has different interests and holds different positions towards the economic development of Latin America, thus they are competing with each other in this region. A professor of

strategic studies at the National War College Cynthia Watson said that she did not think China was pursuing hegemony, and the pursuit of leadership were just a manifestation and necessity of proving its international strength. China does not pursue the military superpower status as the US and Britain did in the past. Watson thinks that China really hopes to be accepted by the international community as a consultant of various world affairs, and its participation in Latin America is also for this purpose (Cynthia, Watson, 2005).

In economic and trade issues, senior policy analyst Stephen Johnson at the Heritage Foundation believes that the huge market of China, the investment and economic aid without additional conditions and China's flexible delivery business practices are very attractive for Latin American countries, but the consequences of this attraction is not good for the US. The project director of Western Hemisphere Riordan Roett at Johns Hopkins University believes that the Chinese factor has brought stability for the Latin American economic growth. China contributed to the economic growth in the region, and the United States should never treat this as a threat; meanwhile, Latin America is not the strategic focus of China's diplomacy. China and Latin America, they are just meeting the economic needs of each other. If China has any political motives, it can only be Taiwan (Riordan, Roett, 2005). China's energy investment in South America will help to form a larger global energy storage bank, and consumers around the world will benefit from this extra energy supply. China's economic activity in the region is carried out under relatively free trade conditions, which will promote the economic welfare of Latin American countries.

On the issue of security, President of the Asia-US Plan Al Sandol thinks that the influence of China in Latin America cannot be measured by investment, but the geopolitical threat China poses to the US by trading with Latin American countries. The United States should not ignore China's anti-US with Russia, which launches electronic warfare and cyber warfare against the US based on Central Asia and Latin America. Betts Jill at the US Center for Strategic and International Studies said that the military posture China made in the region, including sending peacekeeping troops to Haiti, should be interpreted as a part of Beijing's effort to improve its international image rather than as the specific trial to win the region's dominant position. Manuel Rich, the former US ambassador to Bolivia, also agreed with this view, saying that the

top priority of the Chinese government now is about economy and business. And it is unwise to deliberately highlight the military relations between China and Latin America (Kelly, Hearn, 2005).

In terms of coping strategies, there are basically no differences among all sides. It is suggested that the US government change its current diplomatic framework for Latin America, promote free trade agreements, dismantle the protectionist barriers in the US, reduce the cumbersome procedures and ineffective restrictions on foreign aid and vigorously promote public diplomacy. The most important thing is to promote the pragmatism of the US diplomacy in Latin America. Of the 22 countries that the Pentagon have stopped military aid, 11 are Latin American countries. In addition, the US aid restrictions also include respecting for human rights, protecting environment, not helping the past and present terrorists, and not using the equipment provided by the United States for any purpose other than its declared purpose. It is believed that the above conditions have become a bottleneck for the US diplomacy and the US government should amend the relevant legal provisions as soon as possible.

#### 5.4. The U.S. Specific Responses

Although there has been a heated debate in the US for a long time about the strength-ening relations of China and Latin America, the executive branch of the US foreign policy is not sure about the purpose, prospect and influence of Sino-Latin American cooperation so far, nor has it formed a unified and clear strategy. Administrative officials at all levels hold relatively gentle attitude and understand the increase in cooperation between China and Latin America, but they have also strengthened their guard work while keeping close attention. The specific responses of the United States to the development of Sino-Latin American relations are as follows:

#### **5.4.1. Resolving Doubts Publicly**

Although China's influence in the world is increasing, China is trying to find a way to avoid confrontation. It does not want to be regarded by the United States as a threat in Latin America. Former Assistant Secretary of state for Western Hemisphere Affairs Thomas Shannon said: "we will not necessarily see China's sudden interest in Latin America as a negative factor. On the contrary, it is likely to be a positive factor, for

China's target in Latin America is to promote trade rather than pursuing a political and military status. I think it is very important and welcome China's decision to send peacekeeping forces to Haiti. I am impressed by the very close analysis of China and the US on the affairs of the Western Hemisphere (Xinhua News Agency, 2006). Driven by economic and political factors, China is very active in Latin America, but there was no evidence that China's increased investment in the region is a trial to intervene in Latin American political affairs. China's interests are mainly in the expansion of commodity exports and energy. Compared with the oil volume the United States import from Venezuela every day, China's oil purchase from Venezuela is tiny. From a commercial point of view, the United States have more advantages than China for Venezuela.

#### **5.4.2. Promoting Communication**

Former Assistant Secretary of State Thomas Shannon paid a state visit to China in 2006, with the specific aim to communicate with China about the Latin American issues. This is the first time senior officials of the US State Department visited China for issues concerning Latin America. Shannon wanted to know China's trade and military policies on Latin America and to introduce to China the US efforts to push forward reform in Latin America. An unnamed official of the US State Department said that the United States hopes to hold a series of dialogues with China to further understand the activities of the other side in the region, so as to ensure that the two sides will not cross the line.(Xinhua News Agency, 2006)

#### **5.4.3.** Keeping Close Attention

The US State Department officials said that the US is closely watching all activities of China in recent years in Latin America. It has instructed the diplomatic departments and intelligence systems to count the routes and times of Chinese leaders and military personages visiting Latin America. For China's peacekeeping troops in Haiti, the CIA agents have also used both human and technical means to carry out a full range of monitoring work (Edward, Cody, 2004). Roger Noriega, the former assistant secretary of the Western Hemisphere Affairs, said that although China's influence in Latin America is still very small, the United States should monitor China's influence in Latin America, just like monitoring China's influence in the world.

#### **5.4.4. Taking Active Precautions**

The United States have tried to obstruct China's energy cooperation with Venezuela by ordering diplomatic agency in Latin American to monitor this bilateral cooperation. The US energy department and other departments are also active in obtaining information from the US oil traders who have business contacts with Venezuela. The Southern Command had once dispatched an aircraft carrier battle group to the Caribbean Sea to participate in the military exercise to show the concern of the United States to this area and to ease the its concern about the Chinese offensive actions in Latin America.

The United States' understanding of this problem can be seen from the relevant responses:

The influence of the Monroe Doctrine is still ingrained in the US political sector. The United States have realized that the decline of its influence in Latin America is mainly due to its own neglect on Latin America. But this does not hinder the US resistance of other forces filling the US vacancies. It shows the extraordinary sensitivity and exclusiveness of the United States to the diplomatic activities involved in Latin American countries. China's entry into Latin America has influenced the US core sphere of power, so its responses are stronger than those to other bilateral relations that might exclude the influence of the US in Latin American countries.

The United States is wary of the rise of China. With the development of China and the improvement of its international status, the US shows more concern about all kinds of diplomatic activities of China. Besides Latin America, China has gradually developed its relations with Africa, Oceania, ASEAN, Central Asia and the European Union, which has aroused great interest of the US. The United States' concern about the strengthening of Sino-Latin American ties comes from the background of China's rise, and it is a natural reaction of a hegemony to the potential challenger in its consciousness (Stephen, Johnson, 2005). This also reflects the long term consideration of the United States' consistent preventive strategy, especially with its particular attention for Latin America.

The centrifugal tendency in Latin America has exacerbated the sense of crisis in the United States. Because of the recent neglect of the United States in Latin America, the reform carried out in Latin America is not ideal. The United States has imposed a series of unilateralism in the international arena, leading to widespread opposition to the Bush administration's foreign policy in Latin America. Latin America tries to get rid of its over reliance on the US and looks forward to broadening its own channels of communication with the outside world, especially with the intensification of confrontation between some Latin American countries and the United States, the new conservative forces in the US turn their dissatisfaction with Latin American countries into a vigilance against the Latin American countries (Guillermo R.Delamer, 2004).

The US's concern about China's involvement in Latin America is more than the concern it has on Latin America' centrifuge. This is mainly shown in the United States' responses to the strengthening of Sino-Latin American relations are more aimed at China instead of Latin America. A scholar in the US Congress hearings pointed out that because the US implements the trade barrier policy in its domestic, which forces Latin America to seek other channels to expand the exports. In addition, after Bush coming to power, the anti-US sentiment in Latin America has risen, and China has actually offered for Latin America other choices of foreign policy (June, Dreyer, 2005). However, the hearings held by the US Congress are more aimed at China, and people from all walks of life see more of China's initiative to enter Latin America, while ignoring Latin America's desire to get rid of the single mode of carrying out diplomacy and trade and economy activities only with the US. This shows that the US has different judgments on the consequences of China's entry into Latin America and Latin America's initiative approach of China, and also shows that its attempt to prevent China's increasing influence is more than that of preventing Latin America's own independence.

#### 6. The Influences of The U.S. Factors on Sino-Latin American Relations

This chapter introduces a specific concept of triangle relations aimed at describing the relations of China, Latin America and the US, and the influences of US on Sino-Latin American Relations

# 6.1. The Triangle Relations Among China, Latin America and The U.S.

The United States is very important for Latin America, both in terms of its geographical position and political status. The triangle relationship of Latin America, China and the United States is to be explained elaborately in the following text.

Donald Trump, the newly elected president, has changed the pattern of stable relations between the United States and its regions, and recently he has transferred such way of handling foreign affairs to other parts of the world. Some scholars hold a skeptical attitude in China's influence on the balance of trade of the US and the possibility of new choices for Latin America. Taking Mexico for example, the Mexico authorities have made efforts to diversify imports and exports, especially in recent years. However, the data is not so encouraging; for example, Mexico's exports to China in 2016 were even lower than that in 2011, which is because Mexico has not prepared for the long-term cooperative relationship with China. The business and public sector of Mexico are lack of preparation for further cooperation and of understanding of the specific situation of Chinese consumers. There is still a lack of mutual understanding between the leaders of the state (Ignazio, Fariza and Xavier Fontedegloria 2017). China is the most populous country in the world, and in its many provinces, the population is even more than the number of people in Mexico. Each province has its own characteristics.

The US government reviewed the North American Free Trade Agreement which came into force in 1994, and Mexico also concentrated its trade partners to the its northern neighboring countries. However, its already lost priority in this market is now hard to grasp again. The lack of communication between China and Mexico has enhanced the competition between the two countries, and they are competing to sell their products to the US market. The added value of China's export market to the United States is

very similar to that of Mexico's, which makes the two countries competitors. This is a clear distinction between Mexico and other Latin American countries, such as Brazil, Chile and Venezuela, with its focus mainly on exports of raw materials.

The revitalization of China not only affected the historical and dynamic relations between Mexico and the United States, but also affected the bilateral relations between the US and Argentina, Brazil, Mexico and Venezuela respectively. The triangular relationship between Mexico, the United States and China has been affected by China's entry into WTO in 2001, and China has become "the fourth member" of the North American trade agreement (Enrique, Dussel and Kevin Gallagher, 2013). At first, there was no consensus between the China and the US, which made China worried about its development in the Latin American region. However, as early as 2006, Thomas Shannon, the assistant secretary of state for Western Hemisphere Affairs visited China and held talks with Mr. Zeng Gang, director of the Latin American division of China's foreign affairs department. This is the first time that the two countries have counterparts in consultations on Sino-US-Latin American affairs. This meeting also acquiesced in the existence of the triangular relations, and recognized that any action of either side will have an impact on the other two parties. The first time the term "triangle relationship" came out was in an article Latin America, China and the United States: a promising triangle written by Argentina scholar Juan Gabriel Tokatlian (Juan, Gabriel Tokatlian, 2007). The article envisages an opportunity to establish a geopolitical relationship that is beneficial to both big powers. In *The US-China-Latin* America triangle: implications for the future, specific concept of this triangle relationship is clearly described by the author Barbara Stallings (Barbara Stallings, 2008).

However, in *The United States, Latin America and China: a triangle relationship*, the author Ellis has put forward different concept of this term. The author carefully expressed his view that China gives tacit consent to that Latin America is a part of the US's sphere of influence in their relationship with the Latin American countries, while the United States also sees China's demand, admitting Asia to be a part of China's sphere of influence. Although China has publicly rejected the concept of G-2 (C. Fred, Bergsten, 2008), it seems to be waiting for a voluntary coordination work of Latin America, which seems reasonable from the point of view of two big powers, but the situation will become complicated from the perspective of Latin America. Latin

American is more willing to describe itself as an entity that endeavors to strengthen its outer regional relations and to strengthen its sense of existence on the global stage, instead of trapping itself in the triangular relationship with the two big economic powers (ECLAC, 2013).

Robert Evan Ellis proposed the inadequacies of the triangle relationship (Robert, Evan Ellis, 2012):

It covers up the identity of other important member states that should be included in the list of dynamic considerations.

It created the wrong idea of Latin America to be an integrated region.

It is essentially a new colonialist approach to the study of Latin American diplomatic relations.

Although China and the United States are two important external forces related with Latin America, the importance of the two partners is different according to the different analysis of countries in the region. Some countries in the region have begun to leave the shadow of the United States, and the triangle relations are not so clear. Latin American countries are positioning themselves in this pluralistic world, working with more and more potential partners, such as Russia, India and the European Union. Some other countries are also trying to establish close relations with China and Latin America and thus alienate the US diplomacy in the region.

# 6.2. The U.S. As A Chronically Uncertain Factor in The Development of Sino-Latin American Relations

The US factor is considered as a long-term uncertainty in the development of Sino-Latin American relations, because the development of Latin America cannot completely get away from the help of the US. The Latin American countries' policy towards China also has to consider the US's response. At present, although there is a widespread anti-US voice in Latin America, the United States still has strong control over the region. Currently, the relationship between the US and Latin America is also in readjustment. The economic interdependence between the two sides maybe further strengthened, and the US's influence on Latin America will not be substantially re-

duced. For example, the efforts of Venezuela in 2007 to become a permanent member of UN Security Council failed, because under the pressure of the United States, some Latin American countries did not stand in the side of Venezuela. In addition, with the help of the United States, President Uribe of Columbia effectively cracked down drug smuggling and reduced the activities of the anti-government forces. Uribe also succeeded in the presidential election in May 2006. Under the intervention of the United States, the political unrest in Haiti in early 2004 was quashed by President Aristide's resignation to overseas asylum. Some international media believed that Aristide resigned at the request of the United States and was forced to leave the country by the US.

For Latin American countries, the US market and its investment are the lifelines of their national economy. Latin America is economically dependent on the United States, and it is unlikely to be completely de-Americanized. The United States has hundreds of billions of dollars direct investment in Latin America, and it is Latin America's biggest trading partner in the world. In addition, in recent years, the US is the main source of remittance income for Latin American countries. In 2006, take Mexico as an example, the remittance income of Latin American countries equals to 2.7% of the total GDP (IMF, 2008). A recent report of the Inter-American dialogue shows that the remittances income in Latin America in 2014 was about \$62.3 billion.

At present, the relationship between the United States and Latin America is still in unequal interdependence, and to a large extent, the Latin American countries have not been able to get rid of its unilateral dependence on the US. Most Latin American countries have attached more importance and seek to expand their political and economic relations with other regions, and actively develop multilateral diplomacy. However, the great political and economic influence of the United States in Latin America still have an impact on the foreign policy of Latin American countries to a great extent. While the Latin American countries are trying to establish and deepen their partnership with China, they cannot ignore the attitude of the US. The US is still an uncertain factor for a long time and plays an important role in the relationship between China and Latin America.

# 6.3. The Effect of The US Factors on Cooperation in Particular Fields Between China and Latin America

The influence of the US on economic and trade cooperation between China and Latin America is decreasing. However, the cooperation between China and Latin America in specific fields, such as military and energy resources, is still restricted by the US factors. The development of the Sino-Latin American economic and trade relations in the new century does not pose a threat to the economic interests of the United States in Latin America. The current Sino-Latin American economic and trade relations have developed smoothly, and China has become the second largest trading partner for Latin America, second only to the United States. But the economic and trade exchanges of China and Latin America mainly focus on labor-intensive and resource-intensive products, while the US economic and trade relations with Latin American depends on a large number of US investment in Latin America. There is no direct conflict in China and the US economic presence in Latin America, instead, they are complements for each other. Different scholars hold different opinions towards the development of Sino-Latin American economic and trade relations and regard it not as a challenge to the US interests in Latin America, and even think optimistically that the development of this bilateral economic and trade relations can promote the economic development of the entire region (Matt, Ferchen, 2011), and promote the development of the US-Latin America economic and trade relations.

Compared with the US attitude towards the Sino-Latin American trade and economic cooperation, the US shows more vigilance towards the cooperation between China and Latin America in the field of military and energy cooperation. The cooperation between China and Latin America in military and energy is more restricted or even opposed by the US. As has mentioned before, when talking about Chinese military activities in Latin America, Hillary Clinton said that the development of Sino-Latin American relations is one of the most serious problems the US face, and the Senate committee should be alarmed by this; Senator McCain called for emergency changes of the relevant laws for Latin American military aid, in order to increase the influence of the United States (bjzc.org, 2006); congressman Mark worried that China would help Cuba to restore the ability to collect intelligence lost in the cold war and convey

information to Venezuela (Peter, Hakim, 2006). In the face of doubts of the United States, Latin America has to consider the US response when seeking further development of its military cooperation with China. The Sino-Latin American military cooperation is not a road without obstacles.

The cooperation of China and Latin America in energy and resources is increasingly influenced and restricted by the United States. China is now the second largest oil consuming country in the world, the third largest oil importer, and also a big importer of iron, rare metals and logs. China's imports of these raw materials, which were originally supplied by Asian countries, are now turning to Latin America and Africa. Latin America has always served as a repository for the US resources to meet a large portion of the domestic demand for energy resources in the US. The Sino-Latin American cooperation in energy resources is regarded by the United States as a threat to its energy security, and the US has strong reaction to this cooperation. For example, in the process of energy cooperation between China and Venezuela, the United States had fully mobilized its diplomatic institutions stationed in Latin America to closely monitor the progress of China-Venezuela energy cooperation. At present, the United States is still the largest importer of energy resources in Latin America, and the Chinese purchases of energy in Latin America cannot be compared with those of the US. But with the continuously strengthening energy cooperation between China and Latin America, the US is to pose greater pressure and become a major constraint in this energy resource cooperation.

So, as a new and important triangle relation in the new century, the US, Latin America and China inevitably influences each other. The US, due to its geographic position, historical influences on Latin America and its economic and political strength, has chronically influences on Sino-Latin American cooperation in fields like economy and military.

# 7. Case Study of Brazil and Mexico

This Chapter introduces two cases study of Brazil and Mexico in terms of their geographic position, natural resources and different degree of integration with the US, so as to give specific example of the US influences on Latin American countries' relations with China.

## 7.1. Brazil

Brazil is the largest country in Latin America, and it has been committed to strengthen its leadership position in the region and to achieve greater international influence. China is more and more involved in the economic construction of Brazil, which caused significant changes in the economic structure of the region. In 2011, Brazil overtook the UK to become the world's sixth biggest economic entity, which equipped Brazil with the potential to play an important role in the international political environment, and Brazil has emerged as the leader of the American subcontinent (CO-FACE, 2015).

For China, with the acceleration of the transformation of the international pattern and the rapid rise of China and Brazil, the relationship between the two countries is also deepening. Brazil's gross national product ranks the highest in Latin America. Besides the traditional agricultural economy, Brazil's production and service industry is also growing vigorously, and it also takes natural advantages in raw material resources. Brazil has the world's largest reserves of iron, copper, nickel and manganese. (Rhys Jenkins and Alexandre de Freitas Barbosa, 2012) In addition, its communications, finance and other emerging industries are also on the rise. Based on Brazil's unique energy supply advantages and its BRICS membership, plus its improving economic strength and political influence in recent years, China has given more attention to Brazil. The reasons and manifestations of China and Brazil's strengthening of contacts are mainly as the follows:

# 7.1.1. Increasingly Close Economic Ties in Resources and Energy Cooperation

The key factor of the rapid development of China-Brazil relations lies in the high complementarity of the two countries' economy. For China, the importance of Brazil lies in that it can provide raw material supply for China's economic growth. For Brazil, China is generally beneficial for Brazil's export and economic growth. In terms of the trade structure of the two countries, China has a huge demand for raw materials, and Brazil has a rich reserve of resources. Meanwhile, Brazil has strong demand for manufactured goods, while China is the main producer of cheap and qualified industrial products. The strong complementarity of the economy is the driving force for the development of Sino-Brazil relations, which is also an important factor for China's emphasis on Brazil in terms of foreign policy.

Brazil is an important exporter of agricultural products, energy and mineral products in Latin America and the world. The rapid development of China's economy has strong demand for Brazil's export products. According to Chinese customs statistics, the main products China imported from Brazil are mineral products, plant products, base metals, cellulose, paper, animal and vegetable oils, plastics, rubber and so on. Taking oil as an example, Brazil achieved self-sufficiency in energy in 2006, and after the discovering of huge offshore oil fields in 2007 and 2010 in succession, Brazil's existing oil reserves account for 33% of Latin American oil reserves. Brazil is the most potential oil supply country, and the energy cooperation between China and Brazil has natural complementarity. China has become Brazil's biggest trading partner in 2009 and the largest oil export destination for Brazil in 2010. (Julie Klinger, 2015) According to the data of China Customs General Administration in 2016, Brazil has become one of the top ten countries in China's crude oil imports, with the fastest growth rate and ranking ahead of Venezuela. (China Customs Data Network, 2015)

Since the new century, the two countries has frequent high-level interaction and has made breakthroughs in energy cooperation. In 2006, China National Development and Reform Commission signed the memorandum of China-Brazil high level coordination and cooperation in energy and mineral sub-commission with the Ministry of Energy and Mineral Resources of Brazil. (Maria regina Soares de lima and Monica Hirst, 2008) In addition, China and Brazil have signed a series of energy cooperation

agreements. In 2011, China and Brazil signed the "Joint Communique of People's Republic of China and Federative Republic of Brazil." This communique covers several areas of cooperation, especially in the energy field. The two sides expressed their willingness to further deepen cooperation in oil trade and finance, oil and gas exploration, electric power, energy equipment, the peaceful usage of nuclear energy and in new energy field including biofuels, and to further open up new areas of energy cooperation. (Rhys Jenkins, 2012)Chinese President Xi Jinping and Prime Minister Li Keqiang visited Latin America in 2014 and 2015 respectively, and they expressed expectations for the cooperation with Brazil in oil and electricity. During the visit of prime minister Li Keqiang to Latin America, the two sides have expanded cooperation and signed a contract of \$1.5 billion in investment and \$2 billion in loans.

Due to the innate superiority of resources and energy, Brazil has gradually become the most important partner of China in Latin America. The two countries will maintain deep cooperation in resources and energy for in the future. Energy security, as an important national interest, is an important consideration for China to formulate foreign policy. China-Brazil relations will continue to take on a positive trend under the escort of energy cooperation between the two sides. (Robert Evan Ellis, 2014)

# 7.1.2. BRICS Member and Strategic Partnership with China

As an early member of the BRIC countries, Brazil is the most important developing countries and emerging market. Compared with China, Brazil has similar social economic development goals, similar positions on many international issues and common requirements to reform the current world political and economic system and establish a more balanced system of global governance. These common interests and similar positions lay the foundation for the improving Sino-Brazil relations. As the Brazil Vargas Foundation economist Humberto has said, with the adjustment of international pattern and economic order, BRICS countries in general share common interests and demands. They hope to see a multi-polarized world, commit themselves to the construction of world peace, and oppose the politics of power and violence in international relations. (Kevin Gallagher and Roberto Porzecanski, 2008)

Since joining the BRICS from the beginning of twenty-first Century, Brazil has contributed to the BRICS cooperation mechanism and the development of world multi polarization. Brazil has played an important role together with other BRICS members, especially with China, in terms of financial reform, climate change, social development and anti-terrorism peace keeping. (Robert Evan Ellis, 2012)In July 2014, President Xi Jinping made a speech in the Brazil Congress when he visited Brazil. He said that China and Brazil are both influential developing countries with broad prospects and emerging markets. Sino-Brazil relations have more and more global influence. The most direct embodiment of this influence is that the typical representatives of developing countries, China and Brazil, are strongly voicing in various diplomatic occasions such as BRICS cooperation mechanism. The BRICS has provided more bridges and platforms for China and Brazil. China has been committed to building the strategic partnership with Brazil for many years, and strives to build a more diversified cooperation mechanism based on the BRICS, so as to safeguard the all-round economic and political relations between the two countries. (Spanakos and Marques, 2014)

Since 1990s, the relations between China and Brazil have entered the stage of steady and rapid development. In 1990s, the level and frequency of the visits between Chinese and Brazil leaders increased significantly, which promoted the political mutual trust between the two countries and helped China and Brazil establish strategic partnership in 1993, and this relationship has been consolidated continuously. Since Lula was in power, the China-Brazil relations have entered the best period in history. (Barbara Stallings, 2008)In 2004, when China established diplomatic relations with Brazil for 30 years, President Hu Jintao and President Lula successfully exchanged visits and signed the joint communique, and the bilateral relations between China and Brazil have entered a new stage of comprehensive and rapid development. President Hu Jintao said in his speech to the Brazil Congress in 2004 that the strengthening of the strategic partnership between China and Brazil is not only conducive to the prosperity and progress of the two countries, but also to the maintenance of world peace and the promotion of common development. This conclusion accurately summarizes the essence and development direction of China-Brazil Relations. In February 2009, Xi Jinping, vice president of China at that time, pointed out when he visited Brazil that the further strengthening cooperation between the two important emerging powers China and Brazil has a global and strategic impact. This highly reflects the importance China has attached to Brazil. In 2012, the relationship between China and Brazil was upgraded to a comprehensive strategic partnership. In November 24, 2016, China called the Latin American region as "the hot spot of vitality and hope" in the new white paper "China's policy documents on Latin America and the Caribbean." Brazil is the largest developing country in the Western Hemisphere and the largest economy in Latin America. China has been paying great attention to this emerging power for a long time and is committed to strengthening bilateral political mutual trust and deepening the strategic partnership between China and Brazil (Roberto Hernandez, 2012). As two members of BRICS, China and Brazil share a close bilateral relations, and the BRICS have excluded US from the Sino-Brazil bilateral relations. Brazil as the biggest country in Latin America has great weight in international community, and as has mentioned before, both China and US value the rich natural resources of Brazil. So the US is highly alert to the development of Sino-Brazil relations and always functions as the third player who influences this bilateral relation.

## 7.1.3. The Promotion of Brazil's International Status

After the change of the bipolar situation in the international pattern in 1990s, under the influence of various forces and integration of world economy, all countries on the international stage are facing new differentiation or combination. Brazil has entered a new round of economic growth, with its macro-economy stably grow and social development making remarkable achievements. Brazil, which has rich natural resource, is becoming more and more confident, and the dream of becoming great powers that the Brazil government and its elites have been pursuing since independence is clearer. The Brazil government has seized the opportunity to seek better participation in the global market and economic integration. At the global level, it has been actively paying attention to global issues, and has made up for its past shortage of establishing relations with big powers. The rise of Brazil's international influence is not only closely related to its status in the world economic structure, but also depends on the political choice of the Brazil government and the elites. (Ana Covarrubias, 2015)

With the active promotion of two consecutive presidents Cardoso (1995~2002) and Lula (2003~2010), Brazil's diplomacy has achieved fruitful results. In particular, in

Lula's terms, the international influence of Brazil is rising. In a speech to Brazil's diplomats in 2003, President Lula said that the government has made a political decision to make Brazil enter the world as a major country, and is willing to respect other countries and gain the respect of other countries. Lula further pointed out that "We are not willing to accept the way we participate in international affairs. It seems that we are a poor country in Latin America, a third world country. A country with street children and only knows how to play football and how to enjoy the carnivals. There are street children, carnivals and football in Brazil. But there are more things in Brazil. This is a great country. Brazil has everything that is equal to any other country in the world. We will not give up this goal." (Matt Ferchen)This speech embodies the strategic keynote of Lula's great power goal in his 8 years in power. The Brazilians believe that Brazil is qualified to be regarded as a global power and it is ready to act as a big country.

In order to achieve this goal, it is necessary to cooperate with the developing countries, especially with emerging powers in international affairs. The Lula administration has actively promoted the establishment of G20 with Brazil, India, South Africa and China as the core of the group, and to form developing countries into alliance in the Doha round of trade negotiations. Brazil hopes to better promote the BRICS cooperation and balance the influence of the United States and the European Union, and expand its and other developing countries' voting rights at the World Bank and the International Monetary Fund. (Alex Fernandez and Barragan Hogenboom, 2007) Brazil has also made a strong voice in the climate change negotiations. The appeal of Brazil also includes becoming a permanent member of the Security Council in the reform of the UN Security Council. In addition, in the framework of the United Nations and the Organization of American States, Brazil takes a positive stance and plays an important role in national security, regional conflicts and crisis resolution. Since 2004, Brazil has led the United Nations peacekeeping operation in Haiti. After the 2009 Haiti earthquake, Brazil donated \$19 million to the United Nations, and announced that it provided 205 million dollars for the Haiti disaster relief plan together with 1300 relief workers. In recent years, Brazil army has also participated in the UN peacekeeping operations in Libya, the Central African Republic, Cote d'Ivoire and East Timor. (Jaime Ortize, 2012) As Brazil's economic strength and position in the Western Hemisphere strengthening, and its geo-strategic role gained through multilateral international forum increasing, Brazil has become a very important member in Latin America and international political arena. And the rapid promotion of its international status has created more opportunities for China to strengthen the relations between the two countries.(Ruben Gonzalez-Vicente, 2012)

#### 7.2. Mexico

As the second largest economic power in Latin America, Mexico is another country worth studying. In recent years, Mexico has maintained a relatively fast economic growth rate and has become an important developing country in the world. China and Mexico share many similarities in economic development and Mexico also has a unique advantage in terms of geopolitics being the connection of the US and the Central America. Since the establishment of the strategic partnership between China and Mexico, the economic and trade relations of the two countries have developed rapidly and the total amount of trade has been increasing. When the two countries established diplomatic relations in 1972, the bilateral trade volume was only around 13 million dollars. In 2004, the second years of strategic partnership, the bilateral trade volume reached 7.1 billion dollars, and the bilateral trade volume in 2011 was 33 billion dollars, which is 2568 times than that in 1972 and 4.7 times than that in 2004. (Han Huimin, 2013)At present, Mexico has become the second largest trading partner of China in Latin America, second only to Brazil, while China is the second largest trading partner of Mexico right after the US. While continuing to strengthen its economic cooperation with Mexico, China is also committed to deepen its multidimensional relations with Mexico.(Leonardo Lacovone and Ferdinand Rauch, 2013)

In June 2013, Chinese President Xi Jinping held talks in Mexico City with Mexico's president Enrique Peña Nieto. The two heads of state announced the promotion of the strategic partnership between China and Mexico as a comprehensive strategic partnership, which marks a new stage of development between the two countries. President Xi Jinping made a speech in the Mexico Senate and elaborated on China's policy towards Mexico. Firstly, China advocates both China and Mexico's adherence to mutual trust and mutual respect, and face the complex and changeable international situation

by mutual understanding and support. China advocates maintaining the momentum of high-level exchanges, to give full play to the leading role of high-level exchanges, to strengthen dialogue and consultation and to safeguard the common interests of the two countries. Secondly, China advocates that while consolidating cooperation in traditional fields such as mining, agriculture and communications, it is also necessary to vigorously expand cooperation in emerging fields such as energy, transportation, infrastructure construction, high technology and clean energy, energy saving, environmental protection and high-end equipment manufacturing. China attaches importance to both trade and investment, and aims to build more platforms to promote bilateral trade and business exchanges, so as to deepen friendship and carry out mutually beneficial cooperation in various forms of trade promotion, market development and industrial investment. The two countries share development opportunities together and promote the development of bilateral economic cooperation and trade balance. Thirdly, China advocates the active participation of China and Mexico in global economic governance, jointly promoting the economic recovery and growth of the world economy and the balanced development of international forces. The two sides should jointly promote democracy in international relations and work together to cope with global challenges such as the international financial crisis, climate change and sustainable development, and safeguard the common interests of China and Mexico and other developing countries. These are the guiding policy for China to push forward the comprehensive strategic partnership between China and Mexico in the coming time.(Xi Jinping, 2013)

In general, China is committed to building a good relationship with Mexico in foreign policy. For China, the importance of Mexico in Latin America is second only to Brazil, which has been discussed in the previous chapter. Compared with China-Brazil Relations, the relationship between China and Mexico has more complex and specific problems, which is embodied in the following aspects:

# 7.2.1. The Economic Complementarity Is Insufficient and The Level of Bilateral Trade Is Not High

Compared with the inherent economic complementarity between China and Brazil, China and Mexico have some overlapping problems in the product structure and market of import and export. With the increasingly close economic and trade ties between the two countries, trade frictions also occur frequently. Since 2003, the absolute volume of Sino-Mexico trade has increased rapidly, but its growth rate is slower than the growth rate of the whole Sina-Latin America trade. Compared with the scale of its own foreign trade, the Sino--Mexico trade scale is relatively small and is not highly dependent. Although the degree of trade binding of the two countries is on the rise as a whole and the bilateral trade relations are strengthening, the two countries still have less combination in economy. (Kevin P.Gallagher, 2008)Mexico's economy is export-oriented and basically relied on the United States, and its economy is influenced by the economic fluctuation of the United States. This economic growth mode determines the Mexico excessive dependence on the United States and restricts the development of cooperation between Mexico and other countries in economic and trade, and also affected China's trade policy towards Mexico to a certain extent.(Mauricio Mesquita Moreria, 2007)

In recent years, because of the active and continuous use of antidumping measures of Mexico, the bilateral trade frictions between the two countries have happened frequently. When pricing China's export products, Mexico often adopts a discriminatory price to compare and to determine the dumping margin, so in the end a high antidumping duty rate is often charged to China. For example, in 1993, China's footwear export was charged 1105% anti-dumping duty by Mexico, which was the highest tax rate ever charged in the world. In March 2012, Mexico also imposed a 250% antidumping duty on graphite electrodes produced in China, which is also a rare high tax rate.(website of the Ministry of Commerce of PRC, http://www.mofcom.gov.cn)

# 7.2.2. Both Sides Are Competing Fiercely In The International Market

China and Mexico have similar industrial structure, making the two countries' export products similar and the export structure similar and resulting in fierce competition between the two countries on export products. (Andre Varella Mollick and Karina Wvalle-Vazquez, 2006)For example, the labor-intensive products represented by textile and clothing are the main areas of competition between the two countries. Mexico was the main supplier of the US textile and clothing, but since China joined WTO, Mexico and China launched a fierce competition in the US market, with Mexico's market share fell from 15% in 2001 to 5% in 2011 and China's market share increased from 9.3% to 40.1%.(Han Huimin, 2013)At the same time, in the Eurasian market, Mexico is also facing a strong impact by China's textile and clothing products.

The United States is the most important export market for both China and Mexico, and the competition between the two countries is inevitable. After the signing of the North American Free Trade Agreement, the United States has become the largest export market for Mexico. But in 2003, the market share of Chinese products in the US exceeded Mexico for the first time, and the gap are widening, reaching 5.2% in 2011.(Ignazio Fariza and Xavier Fontedegloria,2017) It is inevitable that Mexico holds that China has occupied Mexico's market share in the United States, making the relationship between the two countries tense. The similarity between China and Mexico's export products and market influences the economic and trade exchanges between the two countries, and frequent friction also makes China worry about Mexico in terms of foreign policy.(Dosch, Jorn and David Goodman, 2012)

## 7.2.3. The U.S. Factors Have A Profound Impact

Compared with China-Brazil relations, the relationship between China and Mexico is more far-reaching influenced by the United States. Mexico and the United States share a more than 3000 km long border. This geopolitical feature has made the relation between Mexico and the US close. As an important ally of the US in Latin America, Mexico plays an important role in the US policy towards Latin America. The US relies on Mexico's support on some key issues such as drug dealing and traffick-

ing.(Hernandez, 2012) Due to the special geographical location and the influence of Mexico in Latin America, besides the close trade relations mentioned above, Mexico and the US have similar interests in border security, immigration and national security as well. In February 2007, when Gutierrez, US Secretary of Commerce, visited Mexico, he said that Mexico is a valuable partner and a friend of the United States. The development of bilateral relations is an important part of the US policy. This has determined that the United States will not allow and let the Sino-Mexico relations continue to rise, and China's foreign policy towards Mexico will also be impeded by the US.(Wang Ting, 2012)

As part of the "China threat theory", the "Latin America becoming China's backyard theory" reflects the United States is not only deeply concerned about the energy cooperation, food cooperation, and military cooperation between Latin American and China, but also worried that the two sides will conduct deeper strategic cooperation, suspecting of Latin America becoming allies with Russia, Iran and other countries that are not so close with the US. Of course, the biggest worry of the US is China's influence in Latin America to further expand, thus the Latin American countries gradually turning to China and eventually become the backyard of China. (Guo Delin,2011)In view of the special interests between Mexico and the United States, China has encountered stronger resistance in developing Sino-Mexican relations than the development of Sino-Brazil relations. Frequent trade frictions are a relatively prominent manifestation. Compared with the interdependence and support between the US and Mexico, the history of Sino-Mexican relations is relatively short and foundation relatively weak. The Sino-Mexican relations are developing at a fast speed and are mainly concentrated in the field of economy and trade. There are still obstacles in the strategic aspects like national security and political and military sectors, together with restrictions of the US factors.(Hakim and Peter, 2006)

To sum up, the development of China-Brazil relations have benefited from the complementary economies of the two countries and their common advantages as BRICS countries. Compared with China's relations with Mexico, the Sino-Brazil relations are much less obstructed and frictional, so that China and Brazil can deepen cooperation smoothly. China and Mexico, on the one hand, have weaker economic complementarities and stronger competitiveness, and bilateral trade growth rate is relatively slow,

which makes the bilateral relations weaker and the third player—the US—is easy to affect the development of Sino-Mexico relations; On the other hand, Mexico is distinguished from other Latin American countries because of its special position in the national interests of the United States. It is especially valued by the US and is a key battlefield for the US to defend its backyard (Kevin P.Gallagher and M.Shafaedd, 2010).

# 8. China's Responds to The U.S. Factors in Sino-Latin American Relations

Apart from the US responses on the development of Sino-Latin American relations, China also takes correspondent actions to deal with the possible influences of the US on Sino-Latin American relations. This chapter explores China's reaction towards the US factors in its relations with Latin American countries.

# 8.1. China Further Improves Strategic Partnership with Latin America Countries

The national interest is always the decisive factor in the relationship between different states. There is neither historical resentment nor realistic geopolitical conflict between China and Latin America, so whether it is for the economic globalization or democratization of international relations, China and Latin America have reason to cooperate. At present, both China and Latin American countries belong to the developing countries, and both face the historical responsibility of developing the national economy and realizing the modernization of the country. In international affairs, China and Latin America also face with many common problems, such as promoting the establishment of a fair and reasonable new international political and economic order and safeguarding the legitimate rights and interests of developing countries. Strengthening and deepening Sino-Latin American relations is a win-win choice for both sides. (S.M Shafaeddin, 2004)China has made the following efforts to build a mutually trust and equally-cooperating Sino-Latin American relations:

Politically, China has made greater efforts to promote mutual support and further strengthen communication with Latin American countries in order to become truly reliable partners. At present, China and Latin American countries keep equal and sincere exchanges on many major issues, and China has established a strategic partnership for common development with Venezuela, a strategic partnership with Brazil, Mexico and Argentina, and a comprehensive partnership with Chile. China has further deepened its political relations with Latin American countries through high-level visits. Meanwhile, it has strengthened communication with those countries that have not established diplomatic relations with China to further curb Taiwan's diplomatic space in Latin America. (Liang Bei, 2015)

Economically, China emphasizes the potential of China and Latin America to deepen bilateral cooperation and further strengthens the important position of economic and trade cooperation in the Sino-Latin American relations. In the era of globalization, the position of economic and trade cooperation in international relations has reached an unprecedented height, and the development of economic relations consolidates the political relations. Currently, the overall level of Sino-Latin American economic and trade cooperation is still not high, and there are complementarities in many aspects in the Sino-Latin American economy, especially in the field of trade and investment, this bilateral cooperation has great potential.(Bruce Gilley and Andrew O'Neil, 2014)

Culturally, China and Latin American countries communicate with each other more closely. China strives to enhance understanding and actively carries out dialogues among different civilizations. At present, Latin Americans and Chinese people do not know each other very well. China and Latin America, through various forms of cultural exchanges, can enable the people of both sides to get more communication and ideological understanding, and also promote the diversity of the world's cultural development.

China is actively exploring new cooperation areas and ways of cooperation between the two sides. It has not been a long time since the relations between China and Latin America have really made rapid development, and the bilateral cooperation in many areas has just started. China and Latin America have potential to cooperation in many areas such as tourism, culture, sports, medical and health, academic research, environmental protection and so on, and the prospect of cooperation is very broad. For example, the cooperation projects of China and Brazil jointly developing and testing artificial satellites has become a model of the South to South cooperation in the field of science and technology.(Rebecca Ray, Kevin Gallagher and Rudy Sarmiento, 2016) There are many common interests and complementary interests between China and Latin America. Both sides have the realistic needs of mutual dependence and mutual cooperation in the political and economic fields. At the same time, there are also competitions between the two sides in the macro environment of economic globalization. The current problems in Sino-Latin American relations are mainly concentrated in the economic field with the following embodiments:

Firstly, the commodity structure of the Sino-Latin trade is not a balanced one. Nearly 2/3 of the commodities China imported from Latin America are primary products such as fuel, minerals and agricultural products, while 90% of the exports to Latin America are finished products. (Ben Laidler, 2013)From the economic point of view, it is difficult for countries whose main export products are natural resources to form a strong economic vitality and technological innovation ability. The short term economic growth of the Latin American countries can benefit from China's import of their resources, but it is not sure whether this kind of import and export trade mode can obtain the long-term identity of the Latin American government or the enterprises.

Secondly, the total amount of trade between China and Latin America is not distributed in a balanced way. Latin American countries used to be the surplus party in the bilateral trade between China and Latin America, but in 2006 China has become the surplus party. Statistics shows that in 2006, China's exports volume to Mexico amounted to \$8 billion, the import volume from Mexico was 2.33 billion US dollars, and China's surplus amounted to about \$5.7 billion. (Sun Yu, 2010)Some Latin American countries, in order to resist China's export commodities, sometimes use anti-dumping measures. For example, Mexico's anti-dumping sanctions on Chinese goods have always been harsh, while Brazil, another Latin American big country, has also adopted anti-dumping and countervailing measures against Chinese goods.

Thirdly, the mode of economic and trade cooperation between China and Latin America is single. The economic and trade cooperation between China and Latin America is still mainly concentrated in the form of goods trading, and the mutual investment cooperation is slow with some opacities in both sides' investment policy. (Evan Ellis, 2014) Therefore, few investments have been made by both sides so far, and there are not many enterprises that are really interested in going out.

Based on the reality that both China and Latin America countries are developing countries, there is a convergence between the two sides in the economic structure, and there is a certain degree of direct competition between the two sides in the whole world market. The emergence of trade frictions and trade disputes between China and Latin America is inevitable in short term. Such frictions and disputes are not enough

to affect the overall situation of China and Latin America. However, in the long run, in order to establish a more comprehensive and extensive cooperative relationship between China and Latin America and truly achieve mutual benefit, China has analyzed the problems existing in the Sino-Latin American economic and trade relations, and formulated correspondent policies to ensure the development of China-Latin America relations in the background of both cooperation and competition and achieve mutual benefit.(ECLAC, 2015)

# 8.2. China Strengthens Dialogue and Communication with The US on Latin American Affairs

The development of the Sino-Latin American relations does not mean that China intends to challenge the interests and values of the United States in Latin America. China and the United States have many cross interests in Latin America, and the common interests of China and the US are greater than the conflicted interests. The depth and breadth of Sino-Latin American relations cannot be compared with the bilateral relations between the US and Latin America. In terms of economic and trade field, 56% of the current foreign investment in Latin America, and 55% of exports and 43% of imports are related to the US. The United States is Latin America's main trading partner, major investor and main creditor country. (Wu hao, 2015) Latin American economic life is inseparable from the United States. China's cooperation with Latin American countries in military, energy and other fields is also normal state-level cooperation. It is not aimed at any third country, nor able to shake the military and energy cooperation between the United States and Latin American countries. For example, the United States has established military bases in many Latin American countries, and China has not set up military bases anywhere in Latin America. In the US congressional hearings, someone pointed out that there were 60 Latin American military officials trained in China in 2005, while 68807 Latin American military officials were trained in the United States from 2001 to 2004. This contrast between China and the United States was completely disproportionate. (Wang Xiaomei, 2007)

As two world powers and permanent members of the United Nations Security Council, both China and the US shoulder the common responsibility of maintaining world

peace and stability. They both play an irreplaceable role for each other. China and the United States have a broad space for cooperation on international issues such as counter-terrorism. Both countries strive to promote peace, stability and prosperity in the Asia-Pacific region, and both hope for a balanced and friendly relationship among the countries of Asia-Pacific region. Both sides make efforts to work together and cooperate in many international problems, such as preventing the proliferation of weapons of mass destruction, protecting global ecological environment, combating terrorist activities, dealing with drug crimes and preventing the spread of AIDS. Both sides communicate and cooperate in solving regional hot issues. The convergence of interests between China and the United States is beneficial not only to the two countries, but also to the whole world and the Asia-Pacific region. The positive interaction between China, the United States and Latin America is not only beneficial to all parties involved in cooperation, but also conducive to peace, stability and prosperity in the Asia-Pacific region as a whole.

In addition, China has strengthened dialogue and communication with the US on Latin American affairs and institutionalized a strategic dialogue mechanism. Dialogue and communication is a very effective way to deal with international relations. Faceto-face and direct communication between the two sides on issues of common concern can effectively increase trust and resolve doubts, reduce misjudgment, seek common ground while reserving differences, and eliminate differences between the two sides. The strategic conflicts of interest that exist between China and the United States in the Latin American region can seek mutual understanding through dialogue and communication, so as to ease the tension between the two sides caused by conflicted interest. It can also create conditions for cooperation beyond in other areas of mutual concern. In August 2005, the first strategic dialogue between China and the United States was held. The two sides exchanged in-depth exchanges on issues of common concern and provided a new and effective communication platform for the future development of bilateral relations. The two sides have expanded the connotation of strategic dialogue, and placed their concerns in Latin America into the framework of bilateral strategic dialogue. The combination of consultation and strategic dialogue can establish mutual understanding and mutual trust, and resolve the possible conflicts between China and the US in Latin America.(Revan Ellis, 2009)

The promotion of the Sino-Latin American relations should not only take into account

the national interests of the two sides, but also take into account the current situation of US-Latin American relations and Sino-US relations, and strive to deal with this triangle of relations with a multi-angle of view and strive to create a win-win situation. The development of Sino-Latin American relations is in line with the fundamental interests of China and Latin America. It is the trend of the times that no political force can control. However, in developing specific cooperation with Latin America, especially in the sensitive areas, China fully assess the possible response of the United States and enhance mutual understanding in order to avoid any negative impact on Sino-US relations brought by the development of Sino-Latin American relations.(Jiang Shixue, 2015) Moreover, most Latin American countries are members of the regional economic integration organization. The United States has formed a strong economic alliance with Mexico, Central American countries, Caribbean countries, Peru and Columbia, seeking the deepening and development of multilateral relations in the framework of the North American Free Trade Zone. The southern market formed by Brazil, Argentina, Uruguay, Paraguay and Venezuela is expanding. Latin American regional economic integration has obviously appeared in two evenly matched camps. (Angle Melguizo, 2014)As for the complexity of Latin American issue, China attaches attention when deepening Sino-Latin American economic cooperation.

With the deepening of the exchanges between China and Latin American countries, there are inevitable frictions between the United States and China in some fields. China has worked hard to develop its relations with Latin American countries on the premise of ensuring that its relations with the United States are not affected. For example, energy cooperation between China and Venezuela is in the interests of both countries, but China also keep alert to possible conflicts with the United States resulted from the strengthening of energy cooperation between China and Venezuela. The China-Venezuelan energy cooperation is bound to affect the United States, a traditional petroleum exporting destination for Venezuela. China not only needs to coordinate its relations with Venezuela, but also attach importance to cooperation with the United States, so as to gradually form a mechanism of consultation that is reasonable and able to solve the energy problem and achieve the ultimate goal of win-win cooperation and benefit sharing.(Christopher Sabatini, 2012)

#### 9. Conclusion

As a member of developing countries, China's foreign policy has focused on the strengthening of friendly cooperation with developing countries. China has positioned itself as an active advocator and supporter of the South to South cooperation. Cooperation with developing countries has become an important part of China's comprehensively opening up strategy. The fast and friendly development of Sino-Latin American relations in the new century is in line with the fundamental interests of both China and Latin America, and is also a new paradigm for the South to South cooperation. (Juan Gonulez Garcia, 2013)Further deepening the cooperation between China and Latin America in various fields is conducive to safeguarding and expanding the national interests of China and Latin America, and it is beneficial to the joint self-strengthening of both sides, and promotes the establishment of a new international political and economic order.

Latin America, as the backyard of the United States, is undoubtedly of great strategic significance for the United States. As the new participant in Latin America, China seeks to develop diplomatic relations with the Latin American countries, which results in the attention and vigilance of the United States. Although the United States has focused on counter-terrorism and non-proliferation since it suffered from terrorist attacks, preventing potential rivals from challenging its hegemony has always been a long-term national policy that the United States has never ignored. It is natural for the United States to react strongly to the strengthening of cooperation between China and Latin America, but the real question is the extent to which the United States is responding and the impact of its responses. The rapid response of the United States to the development of Sino-Latin American relations is fundamentally a natural defense of an existing hegemonic power against a new power, whose purpose is to safeguard the existing hegemonic interests and stabilize the existing international order. (Cynthia J.Arnson, Jorge Heine and Christine Zaino, 2014)

Objectively speaking, the trade and military ties between the US and Latin America are still far ahead of China. China accounted for only 2% of the total foreign trade volume in Latin America in 2000, while the US accounted for 53%. By 2010, the

proportion of China rose to 11%, the number of the United States dropped but still counts for 39%. In 2004, the total trade volume between the US and Latin America exceeded 445 billion dollars, which is 10 times the total trade volume between China and Latin America. In 2014, China surpassed the European Union and became the second largest trading partner with Latin America, second only to the US. In 2017, the trade volume between the United States and Latin America exceeded 763 billion dollars, while the trade volume between China and Latin America in 2017 was about 260 billion dollars, and the US remained three times that of China. In addition, the United States is at the dominant position of various organizations of the American region. China has applied for accession to the American Development Bank for nearly 20 years before it was finally allowed to join in 2013, while Korea and Japan and over 20 other non-American countries have already become members for many years.(Su Yusong, 2014) Even Venezuela, whose oil export the US concerns most, only occupies about 5% of China's total crude oil imports, far below Angola's 18%, Saudi Arabia's 16% in and Iran's 12%. Nearly half of Venezuela's 3 million barrels of oil exports are transported to the United States. As for arms sales, Russia has the largest number of arms sales to Latin America. With Venezuela, Russia has an arms deal over \$1 billion.(Wang, 2007) China itself is also a developing country and is unable to invest in Latin America like developed countries did. At the same time, Washington has realized that China and Latin American countries have complementarities in import and export commodities, but also competitive relations in labor intensive industries. The economic and trade cooperation between the two sides will not be easier than that between the United States and Latin America. These are facts that the United States cannot deny.

Subjectively, the United States believes that, first of all, there is no indication that China is promoting the anti-US agenda in Latin America. The vast majority of analysts believe that some of the actions China takes in Latin America may not be able to form a confrontation with the United States. China recognizes the dominance of the United States in Latin America, and Beijing is very cautious in dealing with the relationship with Washington. Secondly, the cost of cooperation with Latin America limits China's enthusiasm. Farr Kopf, who served in the United States Senate Foreign Relations Committee, said that Latin America was too far away from China, and Latin America did not become a battleground for China and the United States to compete

for regional control and influence, nor reviving the confrontation between the United States and the Soviet Union during the cold war. In the long run, the United States is the priority for Latin American countries. Thirdly, except from Latin America, China needs to pay more attention to other issues related to the Sino-US relations. China is not possible to affect its cooperation with the United States in order to gain local interests in Latin America. Analysts in the US see the Chinese government's caution from the limitation of the political goals of energy cooperation between China and Venezuela. Therefore, under the current situation, the US government has not too much sense of crisis. There is still no clear judgment on the consequences of the strengthening cooperation between China and Latin America for the US. Although the US is not possible to relax its vigilance against the development of Sino-Latin American relations, the momentum of friendly development between China and Latin America is inevitable in the new century.

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