# NEG

## 1nc & Overview

### 1nc Shell

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#### Chinese engagement with Latin America is high and stabilizing – increased US engagement will trade-off with Chinese involvement

Watson 09 Professor of Strategy at National War College [Cynthia A. Watson, U.S. Responses to China’s Growing Interests in Latin America: Dawning Recognition of a Changing Hemisphere, “Enter the Dragon? China’s Presence in Latin America”, http://www.wilsoncenter.org/sites/default/files/EnterDragonFinal.pdf]

CONCLUSIONS

Beijing probably might not have increased its role in Latin America had the Middle East not been a major distraction for Washington over the past fi ve and a half years. Washington has wanted Beijing to modernize its economy. This was bound to create more economic, diplomatic, and trade prowess for China as it has reached beyond the isolationism of the Cultural Revolution, particularly in the newly globalized world. In many ways, Beijing’s increased involvement in Latin America reflects the unanticipated consequence of getting what the West hoped for from China.

But, the inability of Washington to consider anything beyond the concerns about terrorism spreading around the world, and trying to salvage a peace of some sort without nuclear weapons in the Middle East, is having consequences for U.S. interests in other parts of the world. For cultural and geographic reasons, the ties between the United States and Latin America ought to be stronger than those between China and the Latins. Expectations of the strength of Latin America–U.S. ties have probably always been unrealistic and frankly ahistorical; the two parts of the world actually have a number of fundamental differences. But the distance between Latin America’s experiences and those of China are even vaster, ranging from religion to ethnic homogeneity to historical roles in the world. Washington must make a more concerted effort to act as a genuine partner with the region, rather than relegating it to the position of secondary or tertiary thought that assumes absolute U.S. leadership.

The United States and China claim that each is serious about adopting the economic philosophy that undergirds capitalism: economic growth is a net benefit for all, not a zero sum game. If true, China, Latin America, and the United States benefit from the greater Chinese engagement in this region because it creates competition. Pure economic theory, however, always runs up against political philosophies, leading to trade conflicts, protectionism, and all-too-often a zero sum view based on the international relations theory of realpolitik: what’s good for my adversary must be bad for me.

The risks of arousing realpolitik in the United States, particularly as the nation faces increased frustration with the reality of the Middle East, is significant, probably more than the PRC bargained for when it began engaging more with Latin America over the past decade. It appears unlikely that Beijing will seriously accelerate its involvement in the region because of the number of Congressional hearings, public conferences and assessments, and other warnings alerting the United States to China having discovered Latin America. To accelerate its involvement would risk the relatively strong relations with Washington at a time when other trade problems and overall concerns about China’s growing power are already rising in the United States.

At the same time, Washington’s ability to focus equally on all areas of the world is not possible. With U.S. interests directed elsewhere, it seems highly likely that Beijing will be able to maintain the level of involvement in the region it already has, without Washington raising too great a ruckus. Indeed, Beijing’s best outcome from its current balance of involvement in the area is probably going to be the long-term development of trust and ties over several decades with the leaders of this region, rather than immediately creating crucial, highly public ties between itself and Latin American leaders. As so often appears true in the international system, probably the old tale of the tortoise and hare applies here, where China’s biggest gain will be accomplished over a long time of getting to know the region, rather than showing up repeatedly in the ‘rock star’ role which is too soon and too rash for a long-term, stable set of ties. Washington seems likely to worry about the rock star phenomenon, rather than attempting to manage the emergence of another state becoming a long-term partner with its Latin American neighbors.

#### Chinese lead in Latin American economies are vital to maintain their economic growth.

Arnson et al. ‘9(Cynthia Anderson, Mark Mohr, Riordan Roett, writers for Woodrow Wilson International Center for Scholars, “Enter the Dragon? China’s Presence in Latin America”, <http://www.wilsoncenter.org/sites/default/files/EnterDragonFinal.pdf>) (JN)

China’s role in Latin America is, above all, based on trade, despite U.S. concerns about China’s military inﬂuence in Latin America. The major exception to this rule is Cuba, for which China represents a political relationship as well as one based on economic interests. Although Venezuelan authorities may also prefer that its relationship with China have political as well as economic dimensions, it is not clear that China has the same expectations of its relationship with Venezuela. To China, Latin America represents a signiﬁcant source of the necessary natural resources that will help China maintain its economic growth. Due primarily to trade with China, Latin America’s trade volume grew from $2.8 billion in 1988 to $49 billion in 2005. Also, and as publicly announced, China intends to surpass $180 billion in trade with Latin America by 2010, not only due to the country’s need for natural resources, but also as a result of China’s intention to diversify and expand its markets in the region. Thus, Latin America represents a substantial market for Chinese goods.

#### Sustained economic growth prevents social unrest that would collapse the ruling party – that would cause great power war.

**Kane 01** [Thomas Kane, PhD in Security Studies from the University of Hull & Lawrence Serewicz, Autumn, <http://www.carlisle.army.mil/usawc/Parameters/01autumn/Kane.htm>]

Despite China's problems with its food supply, the Chinese do not appear to be in danger of widespread starvation. Nevertheless, one cannot rule out the prospect entirely, especially if the earth's climate actually is getting warmer. The consequences of general famine in a country with over a billion people clearly would be catastrophic. The effects of oil shortages and industrial stagnation would be less lurid, but economic collapse would endanger China's political stability whether that collapse came with a bang or a whimper. PRC society has become dangerously fractured. As the coastal cities grow richer and more cosmopolitan while the rural inland provinces grow poorer, the political interests of the two regions become ever less compatible. Increasing the prospects for division yet further, Deng Xiaoping's administrative reforms have strengthened regional potentates at the expense of central authority. As Kent Calder observes, In part, this change [erosion of power at the center] is a conscious devolution, initiated by Deng Xiaoping in 1991 to outflank conservative opponents of economic reforms in Beijing nomenclature. But devolution has fed on itself, spurred by the natural desire of local authorities in the affluent and increasingly powerful coastal provinces to appropriate more and more of the fruits of growth to themselves alone.[ 49] Other social and economic developments deepen the rifts in Chinese society. The one-child policy, for instance, is disrupting traditional family life, with unknowable consequences for Chinese mores and social cohesion.[ 50] As families resort to abortion or infanticide to ensure that their one child is a son, the population may come to include an unprecedented preponderance of young, single men. If common gender prejudices have any basis in fact, these males are unlikely to be a source of social stability. Under these circumstances, China is vulnerable to unrest of many kinds. Unemployment or severe hardship, not to mention actual starvation, could easily trigger popular uprisings. Provincial leaders might be tempted to secede, perhaps openly or perhaps by quietly ceasing to obey Beijing's directives. China's leaders, in turn, might adopt drastic measures to forestall such developments. If faced with internal strife, supporters of China's existing regime may return to a more overt form of communist dictatorship. The PRC has, after all, oscillated between experimentation and orthodoxy continually throughout its existence. Spectacular examples include Mao's Hundred Flowers campaign and the return to conventional Marxism-Leninism after the leftist experiments of the Cultural Revolution, but the process continued throughout the 1980s, when the Chinese referred to it as the "fang-shou cycle." (Fang means to loosen one's grip; shou means to tighten it.)[ 51] If order broke down, the Chinese would not be the only people to suffer. Civil unrest in the PRC would disrupt trade relationships, send refugees flowing across borders, and force outside powers to consider intervention. If different countries chose to intervene on different sides, China's struggle could lead to major war. In a less apocalyptic but still grim scenario, China's government might try to ward off its demise by attacking adjacent countries.

### 1nc Cuba

#### Chinese leading party is turning to Cuba to insure economic growth

Global Times 6/2/13 (6/2/2013, Global Times, Senior CPC official looks to expansion of China-Cuba cooperation, <http://www.globaltimes.cn/content/786078.shtml#.Ube0__nvu9E>)

A senior Communist Party of China (CPC) official said in Havana Saturday China was willing to expand cooperation with Cuba in various fields to promote both countries' economic development.

Cuba was the first Latin American country to establish diplomatic ties with China, Guo Jinlong, a member of the Political Bureau of the CPC Central Committee, said when he met Mercedes Lopez Acea, vice president of the Cuban Council of State and first secretary of the Havana Provincial Committee of the Cuban Communist Party (CCP).

Guo said the CPC was ready to maintain high-level exchanges with the CCP and share experience in state governance and party building.

As twin cities and capitals, Beijing was willing to work jointly with Havana to deepen cooperation and expand cultural and people-to-people exchanges, said Guo, who is also secretary of the CPC Beijing Municipal Committee.

Lopez said the relationship between Cuba and China, which was based on mutual understanding and mutual respect, had become a model of bilateral ties.

Each country faced the task of building socialism with its own national characteristics, she said, adding Cuba was ready to further boost exchanges and cooperation with China.

Guo also met Ricardo Cabrisas Ruiz, vice president of the Cuban Council of Ministers, on Thursday afternoon.

A CPC delegation led by Guo arrived here Thursday. He will also visit Brazil.

### 1nc Mexico

#### China and Mexico are committed to deepening their economic ties now.

Fox News Latino 6/2/13 (“China's President Wants To Open the Floodgates of Trade with Mexico”, Fox News, June 2 2013, <http://latino.foxnews.com/latino/money/2013/06/02/china-president-wants-to-open-floodgates-trade-with-mexico/>)//CB

During the April talks, Xi said "he is committed to working with Mexican authorities to help Mexico export more," Mexico's vice minister of foreign relations, Carlos de Icaza, told The Associated Press.

That's key for Mexico, because its trade deficit with China is exploding, far surpassing that of any other Latin American nation.

While China is looking to assure supplies of raw materials, Mexico is looking to diversify its trade and investment, which have long been dominated by its superpower neighbor to the north.

"In the new global geopolitical and economic map, China is, and I think it has arrived to stay, the world's second economic power," De Icaza said. Mexico "has to understand and strengthen relations with a nation that has such great strategic value."

De Icaza said the countries hope to sign at least a dozen agreements in the fields of trade, energy, tourism, science and technology during Xi's visit.

Mexican exports to China came to a bit over $5.7 billion in 2012, while its imports from that country stood at almost $57 billion, according to statistics from Mexico's Economy Department. Cell phones, video games and parts for electronics factories have been pouring into Mexico, which sends China minerals such as copper and lead.

Overall trade between China and Latin America has expanded quickly over the past decade and the continent now imports more from China than it does from the European Union, according to the U.N. economic agency for the region.

### 1nc Venezuela

#### China is increasing their influence and economic control of Venezuela because of US absence.

BARRIONUEVO and ROMERO 09 ( Alexei- Reporter from the New York Times, Simon-Simon Romero became the Brazil bureau chief for The New York Times, “Deals Help China Expand Sway in Latin America”, <http://www.nytimes.com/2009/04/16/world/16chinaloan.html?_r=0>, April 15, 2009)

China has also pushed into Latin American countries where the United States has negligible influence, like Venezuela.

In February, China’s vice president, Xi Jinping, traveled to Caracas to meet with President Hugo Chávez. The two men announced that a Chinese-backed development fund based here would grow to $12 billion from $6 billion, giving Venezuela access to hard currency while agreeing to increase oil shipments to China to one million barrels a day from a level of about 380,000 barrels.

Mr. Chávez’s government contends the Chinese aid differs from other multilateral loans because it comes without strings attached, like scrutiny of internal finances. But the Chinese fund has generated criticism among his opponents, who view it as an affront to Venezuela’s sovereignty.

“The fund is a swindle to the nation,” said Luis Díaz, a lawmaker who claims that China locked in low prices for the oil Venezuela is using as repayment

Despite forging ties to Venezuela and extending loans to other nations that have chafed at Washington’s clout, Beijing has bolstered its presence without bombast, perhaps out of an awareness that its relationship with the United States is still of paramount importance. But this deference may not last. “This is China playing the long game,” said Gregory Chin, a political scientist at York University in Toronto. “If this ultimately translates into political influence, then that is how the game is played.”

### Overview

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## Uniqueness

### Increasing Engagement

#### China-Latin America relations growing – recent visit strengthened partnership

**Xinhua 13** (“Xi's Latin America tour deepens ties with developing countries”, Global Times, June 7 2013, <http://www.globaltimes.cn/content/787469.shtml#.UbepbPmTif4)//CB>

President Xi Jinping's tour in Latin America marks the full launch of China's ties with the region that is increasingly important to both sides, according to Chinese scholars.

From May 31 to June 6, Xi paid state visits to Trinidad and Tobago, Costa Rica and Mexico. He also met with leaders from several Caribbean countries in Trinidad and Tobago's Port of Spain.

In a speech given at the Mexican Senate on Wednesday, Xi called for concerted efforts to beef up relations China and Latin America.

Yang Zhimin, a research fellow from the Latin America Institute under the Chinese Academy of Social Sciences, said Xi's visit marks the full launch of ties of China and Latin America, which, in geological terms, is composed of four sub-regions, including South America, Central America, the Caribbean region and Mexico.

Yang said the three states Xi visited represent distinct subdivisions of Latin America and are economically complementary to China.

"For example, Chinese tourists can boost the development of the tourism industries in those countries, while those countries' agricultural products and mineral resources can find a market in China," Yang said.

Yang said China can learn from some Latin American countries in terms of financial services and ecological conservation.

In 2008, China's government published a policy document detailing its ties with Latin America, vowing to build a comprehensive cooperative partnership with mutual benefit and equality.

Trade volume between the two sides has increased from 2.29 billion US dollars in 1990 to 261.2 billion US dollars in 2012. Of the 10 free trade agreements China has signed with other countries, three are with Latin American countries.

While holding a luncheon with state leaders from Caribbean countries, Xi said China will unswervingly develop a comprehensive cooperative partnership with these countries.

"Xi met with a number of leaders from Caribbean countries. The outcome of the meetings was quite positive and demonstrates the attention China has paid to the region," Yang said.

In San Jose, Xi and Costa Rican President Laura Chinchilla agreed to enhance high-level exchanges and pragmatic cooperation.

Yang said Costa Rica serves as an important hub between North and South America, adding that China can strengthen its economic ties with other countries in the region that have no diplomatic ties with China.

Xi said at the Mexican Senate that a stronger partnership between China and Latin America will boost the development of both sides and serve peace, stability and prosperity in the region and the world.

The visits mark Xi's second foreign trip since he became China's president in March. At the end of March, Xi visited Russia, Tanzania, South Africa and the Republic of Congo. He also attended the fifth BRICS leaders' summit in Durban.

#### China increasing its economic ties to Latin America – trade numbers prove

Yunfei 6/8/13 ( Qi, The author is a researcher on international relations, “Xi's visit to Latin America enhances relations”, <http://www.china.org.cn/opinion/2013-06/08/content_29068091.htm>, 6/8/13)

Profound implications for emerging regions

President Xi's first state visit to Latin American and the Caribbean region has profound implications for relations between the region and China. Trinidad and Tobago is an important player in the English-speaking Caribbean region and also one of China's most important partners in the region. Costa Rica is the only Central American nation to have established diplomatic relations with China, while Mexico, as an important emerging market economy, has maintained a strategic partnership with China.

Hong Lei, spokesperson for China's Ministry of Foreign Affairs, commented that China viewed the visit as an opportunity to enhance political trust, reciprocal cooperation and friendship between China and the three Caribbean nations, as well as with other nations in Latin America and the Caribbean.

China has worked to improve ties with Latin America in order to promote mutual benefits, understanding and cooperation, rather than to gain a competitive edge in Latin America.

Mutual benefits

Burgeoning trade relations between China and Latin America is the major driving force for improved ties between the two. China is now Latin America's second largest trading partner and major investment source. It is also the largest trading partner of Brazil and Chile and second largest trading partner of Argentina, Mexico, Peru and Venezuela.

The value of trade between China and Latin America exceeded US$250 billion by 2012, with Latin America becoming China's second largest foreign investment destination.

Improved economic ties between China and Latin America are mutually beneficial, with Latin American countries in need of Chinese investment in infrastructure construction, automobile manufacture and natural resources exploitation, while China has a huge demand for Latin America's rich natural resources.

Challenging times

Despite the visible benefits, China will face considerable challenges as it looks to increase its investment in Latin America. To this end, it is crucial that China learns more about Latin American markets and their rules and regulations. Investment in the region's oil and mineral resources will be hampered by such complex issues as labor laws, local community objections and the concerns of the environmental protection lobby.

#### China investing heavily – now & future plans.

Cerna 11( Michael, a graduate student in International Policy Management, “China’s Growing Presence in Latin America: Implications for U.S. and Chinese Presence in the Region” <http://www.chinacenter.net/chinas-growing-presence-in-latin-america-implications-for-u-s-and-chinese-presence-in-the-region/>, April 15, 2011)

China’s thirst for natural resources has sent the country in search of sustainable supplies of oil, soy and iron ore. In South America, China has found some of the most well-endowed partners in the world. China is devouring Latin American commodities and eyeing a market of 500 million people. “Countries in South America have arable land and need our technology and investment, and they welcome our companies. It’s a win-win solution,” said Wang Yunkun, deputy director of the Agriculture and Rural Affairs Committee of the National People’s Congress, as reported by MercoPress. In 2006, more than 36% of Chile’s total exports were directed toward Asia, with China taking 12% of the total. Chile was the first Latin American country to complete a major bilateral trade agreement with China (Santiso, 2007). Since then China has looked beyond Chile, also targeting Brazil, Venezuela, Ecuador, Argentina and Peru.

In 2009, China became Brazil’s largest single export market, eclipsing the U.S. for the first time in history. Later, Brazil’s then-president, Luiz Inacio Lula da Silva, and his Chinese counterpart, Hu Jintao, signed an agreement that allowed the China Development Bank and Sinopec to loan Brazil’s state-controlled oil company, Petrobras, $10 billion in return for as many as 200,000 barrels a day of crude oil for ten years (Economist, 2009). This is but one example of how China is seizing lending opportunities in Latin America when traditional lenders such as the Inter-American Development Bank are being pushed to their limits. “Just one of China’s loans, the $10 billion for Brazil’s national oil company, is almost as much as the $11.2 billion in all approved financing by the Inter-American Bank in 2008,” according to The New York Times.

It was not only in Brazil that China went after oil. In order to meet rising industrial needs and consumer demand, China has pursued investments and agreements with a variety of Latin American oil producers. In 2007 Venezuela agreed to a $6 billion joint investment fund for infrastructure projects at home and for oil refineries in China able to process Venezuelan heavy crude oil (Santiso, 2007). Venezuela planned to increase oil exports to China by 300,000 barrels per day. Then in 2009, Venezuela announced a $16 billion investment deal with the Chinese National Petroleum Corporation (CNPC) for oil exploration in the Orinoco River to develop heavy crude oil resources (Economist, 2009). Meanwhile, the CNPC has invested $300 million in technology to use Venezuela’s Orimulsion fuel in Chinese power plants. This exemplifies Venezuela’s desire to break away from the U.S. During a visit to China in 2004, President Chavez said shifting exports to China would help end dependency on sales to the United States (Johnson, 2005).

In 2003, China bid on rights to Ecuador’s major oil fields. Also in 2003, the China’s CNPC acquired a stake in the Argentine oil and gas firm Pluspetrol, which operates in northern Argentina and Peru. In August of 2009, the CNPC bid at least $17 million for 84% stake in YPF, Argentina’s largest oil company (Economist, 2009).

China is interested in more than just oil. Deutsche Bank researcher Tamara Trinh states that as China’s agricultural demands have risen sharply in the last decade, soy has been a major export to China from Argentina and Brazil. China accounts for almost 40% of the world’s soybean imports and Latin America’s vast agricultural sector is a perfect match for China’s needs.

There is no denying that there are some positive effects for both sides that pave the way for increasing relations. Trinh reports that profits based on soy have grown from around $10 billion in the early 1990s to more than $35 billion today for Latin America. Brazil and Argentina have benefitted most from China’s growing hunger for soy, with exports growing from around 25 million tons in 2000 to almost 40 million tons in 2005 – which accounts for more than half of China’s total soybean imports.

China is also the world’s leading importer of metal ores, a large percentage of which comes from South America. Brazil is China’s third largest supplier of iron ore and largest exporter of iron ore in the world, accounting for billions of dollars in profit for Brazil. As China’s need increases, so will Brazil’s exports to China. Chile and Peru, the largest producers of copper in the world, account for more than 50% of China’s copper imports, according to Trinh.

China’s investments have been in the area of transportation, with an eye toward making resource deliveries more efficient. China is partnering with Brazil to improve Brazil’s railways and establish a rail link to the Pacific to cut transportation costs of iron ore and soybeans. Other countries also are benefitting from Chinese investment. China is proposing to build a rail link in Colombia to rival the Panama Canal. The 220- kilometer line would connect Cartagena, on the northern Atlantic coast of Colombia, with its Pacific coast, making it easier for China to pass goods through Latin America and import raw materials. China is currently Colombia’s second-largest trade partner after the U.S., with bilateral trade rising from $10 million in 1980 to more than $5 billion in 2010, according to The Guardian’s Tania Branigan. At the same time, a consortium of three companies from China, (as well as companies from Japan and South Korea) are bidding on a high speed rail project in Brazil to connect Rio, Sao Paulo and Campinas, which shows that China’s focus goes beyond the coastal countries.

In addition, China signed a $10 billion agreement with Argentina in July 2010 to refurbish two major rail lines, according to Global Intelligence Report. China signed an agreement to take a 40% stake in a Venezuelan rail project worth $7.5 billion in 2009. This project to connect oil-producing regions in Venezuela to the capital will assist China in maintaining a steady energy supply from Venezuela. There are also opportunities not paid for by China, but beneficial to the Asian country nonetheless. In January 2011, Peru completed work on a road that connects the mountainous country to Brazil. This has the potential to boost Peruvian and Brazilian trade with Asia. Peru itself has had a free trade agreement with China since 2008.

#### China on mission to build ties in Latin America

Yunfei 6/8/13 (Qi Yunfei, researcher on international relations, 6/8/13, Xi's visit to Latin America enhances relations, http://www.china.org.cn/opinion/2013-06/08/content\_29068091.htm)

Chinese President Xi Jinping wrapped up his week-long tour of Trinidad and Tobago, Costa Rica, and Mexico on June 6, which promises a new era of strategic cooperation between China and Latin America.

Profound implications for emerging regions

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Hong Lei, spokesperson for China's Ministry of Foreign Affairs, commented that China viewed the visit as an opportunity to enhance political trust, reciprocal cooperation and friendship between China and the three Caribbean nations, as well as with other nations in Latin America and the Caribbean.

China has worked to improve ties with Latin America in order to promote mutual benefits, understanding and cooperation, rather than to gain a competitive edge in Latin America.

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Improved economic ties between China and Latin America are mutually beneficial, with Latin American countries in need of Chinese investment in infrastructure construction, automobile manufacture and natural resources exploitation, while China has a huge demand for Latin America's rich natural resources.

Challenging times

Despite the visible benefits, China will face considerable challenges as it looks to increase its investment in Latin America. To this end, it is crucial that China learns more about Latin American markets and their rules and regulations. Investment in the region's oil and mineral resources will be hampered by such complex issues as labor laws, local community objections and the concerns of the environmental protection lobby.

Economic cooperation between China and Latin-America is still somewhat stymied by the fact that both sides possess a similar industrial structure which has resulted in increased trade friction between the two sides. Some small and medium-sized enterprises in Latin America fear that they will lose their competitive advantage in industries where China also has a share. Different industrial sectors in Latin America are also divided regarding their governments' China policy, with manufacturing sectors asking for trade protection and the mining and agricultural industries demanding easier access to the Chinese market.

The future of Sino-Latin American ties

China and Latin-America are set to enhance comprehensive relations, and there is a need for both sides to deepen their strategic cooperation based on mutual political trust, enlarge their common interests, taking trade cooperation as a key factor, and safeguard food security through cooperation in agricultural production.

Economic cooperation between China and Latin America should go beyond trade and reach into areas including investment and scientific innovation. China should increase its direct investment in Latin America and participate in its infrastructure upgrade process.

#### China’s strengthening economic ties with Latin America

R. Evan Ellis (2-20-13) professor of national security studies, modeling, gaming, and simulation with the Center for Hemispheric Defense Studies, with a research focus on Latin America’s relationships with external actors, including China, Russia, and Iran. <http://es.oxfordjournals.org/content/early/2013/02/19/es.kht015.short> (China in Latin America: The Whats and Wherefores)

According to Ellis, China’s interest in Latin America is largely rooted in its voracious demand for the kinds of primary products— copper, iron ore, soybeans, fish meal, and petroleum—that are needed to fuel and sustain its high-growth industrial model. At the same time, Chinese policymakers are looking to secure new export markets for the country’s increasingly sophisticated manufactured goods. On the political side, China has pursued its objective of isolating Taiwan (in a region where a high number of countries continue to recognize Taiwan and not the PRC), and it has sought strategic alliances with such countries as Argentina, Brazil, Chile, and Peru. The latter, Ellis argues, has been enacted in low-key ways as China seeks to avoid provoking the United States within its long-established ‘sphere of influence’. Here, Ellis points to the combination of diplomacy and determination that Chinese leaders have displayed in crafting China’s relationship with Latin America.

While providing a wealth of information on China’s growing cultural, political, and social links with various Latin American countries, Ellis pays special attention to the nature of the economic ties that are evolving between China and these countries. The author highlights a pattern of trade specialization based on traditional comparative advantage, whereby Latin American nations are exporting mainly primary materials to China and in exchange importing manufactured goods that are high up on the value-added chain. Ellis raises two notes of caution with regard to this scenario: first, is the risk of Latin America’s ‘deindustrialization’ as China has quickly become the top trade partner of Argentina, Brazil, Chile, and Peru, perhaps inadvertently encouraging the dependence of these countries on revenues, related to the export of natural resources?; second, is the growing competition from China that some Latin American countries now face in exporting to third markets, especially the United States? The phenomenon of being abruptly displaced by China in such US sectors as electronics, machinery, and textiles has been especially acute for Mexico and the Central American countries.

Nevertheless, the South American countries, in particular, seem to have embraced this old-fashioned comparative advantage arrangement with China, which has spurred unprecedentedly high growth rates for many of these countries in the 2000s. Across the region, there are also strong hopes that closer trade ties will garner hefty inflows of Chinese foreign direct investment (FDI). Thus far, however, it is the trade bonds that have dominated and readily towered over Chinese FDI in Latin America. In fact, Chinese FDI has been minimal in the region, leaving these countries just as susceptible as they have always been to the vicissitudes of price and demand fluctuations for raw materials on international commodity markets. This point, along with the red flag waved over the threatened phenomenon of deindustrialization in Latin America, is something about which Ellis could perhaps have been a bit more critical in his analysis of the much tighter economic ties that have been formed between China and Latin America in the 2000s.

#### China spreading sphere of influence into Latin America – increased funding

The Economist 6/6 (“Why has China snubbed Cuba and Venezuela?”, The Economist, June 6 2013, <http://www.economist.com/blogs/economist-explains/2013/06/economist-explains-3?fsrc=gn_ep>)//CB

However, as our story on Mr Xi’s visit to Latin America points out, he may have had other reasons for picking the destinations that he did. Firstly, he may be trying to respond to Mr Obama’s “pivot” to Asia by showing that China is developing its own sphere of influence in America’s backyard. China’s business relationship with Latin America gets less attention than its dealings with Africa, but in terms of investment, it is much bigger. According to Enrique Dussel, a China expert at Mexico’s National Autonomous University, Latin America and the Caribbean were collectively the second largest recipient of Chinese foreign direct investment between 2000-2011, after Hong Kong. In terms of funding, Kevin Gallagher of Boston University says China has provided more loans to Latin America since 2005 than the World Bank and the Inter-American Development Bank combined. The visits to Mexico and Costa Rica may also represent a pivot of sorts in terms of the type of economic relationship China has with Latin America. Up until now, China has hoovered up the region’s commodities, importing soya, copper, iron, oil and other raw materials, particularly from Brazil, Chile and Venezuela, while flooding the region with its manufactured goods. But its relations with Mexico, a rival in low-cost manufacturing, have been frosty: China accounts for only about 0.05% of Mexican foreign direct investment, and it exports ten times as much to Mexico as it imports.

But as wages in China have increased and high energy prices have raised the cost of shipping goods from China to America, Beijing may be looking for bases such as Mexico and Costa Rica where it can relocate Chinese factories and benefit from free-trade agreements with the United States. This idea thrills the Mexican government, but does it pose an immediate threat to Venezuela and Cuba? Probably not: China will continue to need their staunch ideological support over issues like Taiwan, for one thing. But it does suggest that China’s economic interest in the region is broadening, especially along the Pacific coast. If that proves to be the case, Cuba and Venezuela, deprived of the charismatic Chávez to court Beijing on their behalf, will have to work hard to stay relevant.

#### China investing heavily in Latin America now.

BARRIONUEVO and ROMERO 09 ( Alexei- Reporter from the New York Times, Simon-Simon Romero became the Brazil bureau chief for The New York Times, “Deals Help China Expand Sway in Latin America”, <http://www.nytimes.com/2009/04/16/world/16chinaloan.html?_r=0>, April 15, 2009)

CARACAS, Venezuela — As Washington tries to rebuild its strained relationships in Latin America, China is stepping in vigorously, offering countries across the region large amounts of money while they struggle with sharply slowing economies, a plunge in commodity prices and restricted access to credit.

In recent weeks, China has been negotiating deals to double a development fund in Venezuela to $12 billion, lend Ecuador at least $1 billion to build a hydroelectric plant, provide Argentina with access to more than $10 billion in Chinese currency and lend Brazil’s national oil company $10 billion. The deals largely focus on China locking in natural resources like oil for years to come.

China’s trade with Latin America has grown quickly this decade, making it the region’s second largest trading partner after the United States. But the size and scope of these loans point to a deeper engagement with Latin America at a time when the Obama administration is starting to address the erosion of Washington’s influence in the hemisphere.

“This is how the balance of power shifts quietly during times of crisis,” said David Rothkopf, a former Commerce Department official in the Clinton administration. “The loans are an example of the checkbook power in the world moving to new places, with the Chinese becoming more active.

#### U.S. engagement declining in Latin America now – expansion of economic ties

Ben-Ami 6/5/13 - former Israeli foreign minister and internal security minister, is Vice President of the Toledo International Center for Peace (Shlomo, “Is the US Losing Latin America?”, Project Syndicate, June 5 2013, <http://www.project-syndicate.org/commentary/the-new-nature-of-us-influence-in-latin-america-by-shlomo-ben-ami>)//CB

MADRID – It is a mantra increasingly heard around the world: US power is in decline. And nowhere does this seem truer than in Latin America. No longer is the region regarded as America’s “backyard”; on the contrary, the continent has arguably never been so united and independent. But this view fails to capture the true nature of US influence in Latin America – and elsewhere as well.

It is true that US attention to Latin America has waned in recent years. President George W. Bush was more focused on his “global war on terror.” His successor, Barack Obama, seemed to give the region little thought as well, at least in his first term.

Indeed, at the Summit of the Americas in Cartagena in April 2012, Latin American leaders felt sufficiently confident and united to challenge US priorities in the region. They urged the US to lift its embargo on Cuba, claiming that it had damaged relations with the rest of the continent, and to do more to combat drug use on its own turf, through education and social work, rather than supplying arms to fight the drug lords in Latin America – a battle that all acknowledged has been an utter failure.

It is also true that Latin American countries have pursued a massive expansion of economic ties beyond America’s sway. China is now Latin America’s second-largest trading partner and rapidly closing the gap with the US. India is showing keen interest in the region’s energy industry, and has signed export agreements in the defense sector. Iran has strengthened its economic and military ties, especially in Venezuela.

### Chinese Soft Power High

#### Chinese soft power high – Latin American polling & political similarities

**Arnson ‘9** (writer for Woodrow Wilson International Center for Scholars, “Enter the Dragon? China’s Presence in Latin America”, <https://mail-attachment.googleusercontent.com/attachment/u/0/?ui=2&ik=7eed61efe3&view=att&th=13f35a4b091fc71f&attid=0.1&disp=inline&realattid=f_hhtqprsb0&safe=1&zw&saduie=AG9B_P_u1Ls0WHVGkfbjg6SgM16L&sadet=1370994615232&sads=1l8p_RO_bf--caGgbz-vjZ9nP-A>) (Nanda)

In LAC, public opinion of China is positive. When Chinese leaders speak out about their aims

and goals in the region, they utilize concepts like growth, mutual beneﬁts, non-interference in

internal affairs and, most importantly, development. To Latin American reformers, progressives,

and left-leaning political leaders, these precepts sound much better than the free trade policies or neoliberal trade approaches linked with hemispheric North–South economic asymmetries and

high social costs. One must remember that an essential element of Latin American political culture is the refrain of political utopia. Intellectuals, leftist political forces, and social actors ﬁnd this notion congenial, in contrast to the pragmatic views coming from the North and perceived as part of a negative agenda. Chinese discourse engenders a sense of an altruistic, revolutionary model.

Political doctrine also provides a framework for understanding China’s use of diplomatic terms

such as friendship, cooperation, and mutual beneﬁ t in order to shape a positive agenda on both

sides. For instance, recent attempts to recast state-private sector relationships in LAC are similar to

China’s “state capitalism” model in which the state—not the market—maintains high regulatory

power over the economy. Leadership style is another point of mutual identiﬁcation. China’s “fourth generation” political leadership’s social and economic priorities—such as welfare needs, income redistribution, social stability, environmental sustainability, and anti-corruption campaigns—are similar to the main goals pursued by Latin American political leaders in their respective nations.

#### China has soft power in Latin America - infrastructure financing and development projects

**Arnson et al. ‘9** (Cynthia Anderson, Mark Mohr, Riordan Roett, writers for Woodrow Wilson International Center for Scholars, “Enter the Dragon? China’s Presence in Latin America”, <http://www.wilsoncenter.org/sites/default/files/EnterDragonFinal.pdf>) (JN)

Moreover, China has started to show the first elements of an imperialist state in the making. It has strengthened it diplomatic presence and economic influence, often referred to as “soft power,” in the developing world, specifically in Africa, Latin America, and Southeast Asia. It has tried to earn international goodwill through financing infrastructure and natural resource development projects, assisting in the execution of such projects, and backing PRC state enterprise ventures in many developing countries. If in terms of development grants China is a relatively small source of global aid, when its commercial and concessional loans, technical assistance, and state-sponsored or subsidized investments are included, the PRC becomes a major source of economic assistance. [[1](http://internationalviewpoint.org/spip.php?article1883#nb1)]

### China Dominating LAC economies

#### Decreased U.S. influence increases China involvement in Latin America

**Wiest 11** (Nailene Chou, “Soft Power and China's Story in Latin America”, Caixin, November 9 2011, <http://english.caixin.com/2011-11-09/100324170.html>)//CB

No wonder the developing world is held in thrall. There's likewise a prevailing readiness to accept and emulate China, which in turn has given China a golden opportunity to extend its cultural soft power abroad. Indeed, promoting soft power overseas was a policy goal recently declared by the Chinese government. The initiative recognizes that a nation's success on the world stage, as Harvard University's Joseph Nye once said, "depends not only on whose army wins, but also on whose story wins." Yes, the story is important. Now, China needs a convincing narrative. The China-Latin America attraction is easy to understand. China provides a growth model as a counterweight to the United States. Latin American countries have tried one failed development model after another only to find themselves, unlike the dynamic economies of East Asia stuck in a slow-growth rut. State-led import substitution policies mired these countries in self-imposed isolation and inefficiencies. Neoliberal policies in line with the Washington Consensus led to dependency on fickle capital inflow. China's economic success, achieved via controlled economic liberalization and by expanding technical capacities in order to attract foreign investment, offers a viable alternative. In the second half of the 20th century, Mao Zedong's doctrine of guerrilla warfare – which once shone like a beacon guiding fervent revolutionaries in South America – faded into the Andean jungles. But since launching its capitalist transformation, China has avoided ideological exports. It carefully keeps a safe distance from leftist politics in Venezuela and Bolivia, while adhering to mercantilist policies: Doing business for business' sake. Latin American countries that today count China as their No. 1 trading partner, such as Brazil, Chile and Peru, have benefited enormously as Chinese commodity purchases boosted export revenues and helped them weather the 2008 financial crisis. In contrast, countries overly dependent on the United States, such as Mexico, were hurt more than others during that recent downturn. With the U.S. economy in recession, cash-rich China is now in a unique position to invest in capital-intensive projects.

#### China set to overtake US as #1 Latin American trade partner

Dilek 3/28(Emine Dilek, Publisher/Managing Editor: Progressive Press, March 28, 2013, China’s Takeover of South America, http://www.progressivepress.net/chinas-takeover-of-south-america/)

According to China Times Magazine, China will replace the European Union as South America’s most important trading partner by 2015. Currently, Asia accounts for more than 25% of South America’s total trade.

With poverty levels dropping to their lowest in 20 years in the region, Latin America is fast becoming an open market for both investors and consumers. As Europe and USA battle with political and economic turmoil, they are falling behind in taking advantage of South America’s ongoing development..

In addition, China’s swift industrial growth is causing the country to be in a perpetual quest for natural resources such as copper, iron ore, soybeans and oil. China has been in bilateral trade with Africa for natural resources since the early 2000s. Although that trade continues to grow at an extraordinary pace, China has been working on expanding its economic relations with Latin America.

Because China’s interest has been seen as almost purely economic and therefore a welcome change from American political influence, trade relations between China and Latin America have been booming for a decade.

China has been utilizing financial “aid” in return of guaranteed access to certain natural resources or in the case of financing of construction projects, with the condition of Chinese companies undertaking the projects.

Asia Times report that, in 2009, China lent Brazil $10 billion in exchange for future oil shipments. In 2010, China advanced $20 billion to Venezuela to pump oil from the Orinoco Belt block and lent $10 billion to Argentina to renovate its aging railway system. Smaller loans have gone to other countries. China is the largest export market for Brazil and Chile, and comes in second with Argentina, Colombia, Peru, and Venezuela.

Kevin Gallagher, an international relations professor at Boston University who co-wrote a book on China in Latin America, says “It’s a real opportunity for Latin America if they play it right and it’s a real challenge to the U.S. The Chinese are a kick in the pants for the United States to articulate a little bit more of a serious relationship with the region.”

Latin America and China also share cultural ties through Chinese immigrants whose presence in the region dates back to 400 years. Central and South America boast significant Chinese populations. Cuba has long maintained economic and military ties to China as well.

China acquired many assets in Latin America at bargain prices during the global financial crisis of 2007–2008. The country seized this opportunity to win influence and goodwill for investing in the region at a time in which Western investors were not.

### US influence declining

#### U.S. influence declining now – threatened by global powers

**Duddy and Mora 5/1/13** (Patrick and Frank, “Latin America: Is U.S. influence waning?”, Miami Herald, May 1 2013, <http://www.miamiherald.com/2013/05/01/3375160/latin-america-is-us-influence.html>)//CB

A more-nuanced assessment inevitably will highlight the complex, multidimensional ties between the United States and the rest of the hemisphere. In fact, it may be that we need to change the way we think and talk about the countries of Latin America and the Caribbean. We also need to resist the temptation to embrace overly reductive yardsticks for judging our standing in the hemisphere.

As Moises Naim notes in his recent book, The End of Power, there has been an important change in power distribution in the world away from states toward an expanding and increasingly mobile set of actors that are dramatically shaping the nature and scope of global relationships. In Latin America, many of the most substantive and dynamic forms of engagement are occurring in a web of cross-national relationships involving small and large companies, people-to-people contact through student exchanges and social media, travel and migration.

Trade and investment remain the most enduring and measurable dimensions of U.S. relations with the region. It is certainly the case that our economic interests alone would justify more U.S. attention to the region. Many observers who worry about declining U.S. influence in this area point to the rise of trade with China and the presence of European companies and investors.

### Cuba Specific

#### China has a growing influence on Cuba and Venezuela- selling them trainer jets

Pham 10 -was previously senior vice president of the National Committee on American Foreign Policy, and editor of its bimonthly journal, American Foreign Policy Interests. (J Peter, “China’s Strategic Penetration of Latin America: What It Means for U.S. Interests”, American Foreign Policy Interests, 32: 363–381, 2010)

It goes without saying that China’s growing presence in Latin America will not only affect the region itself but will also affect the United States and its relations with its southern neighbors not just economically but also in their political and security dimensions.

Politically the expansion of the PRC’s network of relationships throughout Latin America will likely be felt by the United States in two ways. First, the mere existence of an alternative trading, financing, and=or development partner—to say nothing of a potential alternative ally—alters the strategic calculus for the nations of Latin America and the Caribbean. For some, China offers an alternative to the ‘‘Washington Consensus,’’ which posits a Western-style model of democratic politics, good governance, free trade, and fiscal responsibility as the path to development. Beijing’s model is more attractive to certain rulers because of ‘‘the simple, political equation behind it: the power of the market plus the stability of authoritarian rule,’’ leaving governments free to embrace ‘‘certain tenets of liberal economic policy, such as opening the economy to foreign investment, allowing labor flexibility, keeping tax and regulatory burdens low, and creating a first-class infrastructure through combined private sector and state spending’’ while still keeping ‘‘a firm grip on government, the courts, the army, the internal security apparatus, and the flow of information.’’75 Certainly having the PRC as an alternative partner to engage has increased the leverage of America’s hemispheric neighbors as illustrated by the example offered by one Inter-American Development Bank consultant. China’s initiatives in the region continue demanding fine tuning of U.S. policy toward Latin America. The recent reevaluation of the application of the American Service Members Protection Act (ASPA) to several Latin American countries is a good example. The United States has pushed hard since 2003 for countries to sign the Bilateral Immunity Agreements, under which U.S. soldiers and officials would not be subject to prosecution by the International Criminal Court (ICC). Most Latin American countries refused to sign such waivers, so they were ‘‘punished,’’ particularly in terms of ending U.S. military assistance under the International Military Education and Training (IMET) program. The Southern Command claimed that their refusal created a vacuum that could be filled by Chinese military cooperation with Latin American counterparts. At the end of 2006, however, the U.S. government and the Congress lifted the sanctions and restored cooperation in this crucial area. Second, the growing presence of Chinese institutions, personnel, and arms sales in the Americas presents the United States with a number of security challenges, some of which it has not encountered in some time, if ever. For example, it has been observed that ‘‘delegation traffic between Cuba and China, and other information, suggest that China has actively supported Cuba’s Air and Air Defense Forces (DAAFAR) in the development of sophisticated radar, early-detection, and antiaircraft systems’’ and that, in exchange, ‘‘China has alistening post of some importance in cooperation with the Cubans’’77 —the latter an apparent reference to the Lourdes facility less than 100 miles from Key West, which was built by the Soviet Union as one of the largest and most sophisticated signals intelligence (SIGINT) collection centers in the world and was, until 2001, staffed by more than 1,000 Russian personnel.78 In addition to helping out Cuba, China has also been arming Venezuela, selling it 24 K-8 trainer jets and eyeing the possibility of selling the more advanced Chinese-made J-10A fighter in the future. A U.S. Army War College study published several years ago contained the following nonexhaustive catalog of some of the People’s Liberation Army’s other engagements in Central and South America. With respect to military-to-military ties, China has cautiously strengthened its relationships with a number of countries in recent years, including Venezuela, Ecuador, Bolivia, and Chile. In Venezuela, the joint intention to strengthen military-tomilitary ties was one of the elements of cooperation announced by the two nations following the 2004 trip by President Cha´vez to China. Strengthened Sino-Venezuelan military ties build on a modest foundation, including China’s previous sale of military transport aircraft and associated training to Venezuela. With respect to Ecuador, the two nations indicated a desire to strengthen their military ties during a visit of the Ecuadorian Joint Chief of Staff Victor Rosero with the Chinese People’s Liberation Army Chief of the General Staff Liang Guanglie. With respect to Bolivia, Bolivian Defense Minister Gonzalo Arredondo visited China in November 2004 to meet with Chinese Defense Minister Cao Gangchuan. In the meeting, the ministers acknowledged an increase in bilateral army-to-army exchanges and visits and other forms of cooperation. With respect to Chile, the two nations have a number of military-to-military ties, although balanced by similar ties to the United States, South Korea, Australia, and Japan. Sino-Chilean military-to-military ties include attendance by Chilean officers at the National Defense University of China (since 1997), Chinese representation at the Chilean War College (since 1997), visits by the Chinese naval commander to Chile in 2002 and by the Chilean naval commander to China in 2003, and multiple trips by the Chilean training ship, Esmeralda, to Chinese ports.80 Certainly Chinese bases and troops are not necessary for the Chinese military to acquire through exchanges such as these fresh insights into the U.S. military’s tactical, operational, and strategic doctrine and capabilities. In April 2002, for example, when Hugo Cha´vez expelled U.S. Special Operations Forces (SOF) trainer after a failed coup d’e´ tat against his regime, he immediately brought in Chinese military trainers to replace the Americans. One expert on Latin American security remarked that ‘‘the new trainers were able to observe Venezuelan soldiers closely, and thus to understand the content and effectiveness of their U.S. training.

#### Cuba and China re committed to increasing political and economic ties

UPI 6/18/13 - United Press International (UPI) has been a leading provider of critical information to media outlets, businesses, governments and researchers worldwide (“China and Cuba seek greater cooperation”, UPI, June 19 2013, <http://www.upi.com/Top_News/World-News/2013/06/19/China-and-Cuba-seek-greater-cooperation/UPI-69371371651113/>)//CB

BEIJING, June 19 (UPI) -- Chinese President Xi Jinping said his country would like to work more closely with Cuba on international and regional issues.

Xi told Cuba's visiting first vice president, Miguel Diaz-Canel, that China would like to forge a good partnership with Latin American and Caribbean nations, the official Chinese news agency Xinhua reported.

The Chinese leader called for stronger cooperation between China and Latin America.

As for China and Cuba, Xi said he would like to maintain a bilateral high-level exchange of visits, increase party-to-party exchanges and enhance political trust.

Diaz-Canel said Cuba places great importance on building ties with China.

He concludes his three-day visit to China on Wednesday.

#### Sino Cuban relations good - Liberalizes Cuba’s economy

Hearn 8/10/2011 (Adrian H. Hearn, Australian Research Council (ARC) Future Fellow at the University of Sydney and co-chair of the Latin American Studies Association, 10 August 2011, China Global Governance and the Future of Cuba, Journal of Current Chinese Affairs)

The Latin American operations of Chinese state enterprises, undertaken¶ through state-to-state channels with “no strings attached”, challenge¶ orthodox conventions of international cooperation. Alarmist reports of¶ worst-case scenarios and potential threats, from disregard for human¶ rights to telecommunications espionage, obscure the more encompassing¶ and genuine challenge of building dialogue with China on Western hemisphere¶ affairs. As Daniel Erikson has written, the energy of policymakers¶ and publics would be better directed at leveraging China’s intensifying¶ engagement with multilateral institutions as a basis for discussing regional¶ codes of governance and approaches to state intervention (Erikson¶ 2011: 132). The changing internal dynamics of the IMF, including the¶ increase of China’s voting rights, suggest that this process is now underway.

Recent changes in Cuba indicate that even in a country at diplomatic¶ odds with the United States, Chinese initiatives are not inimical to mainstream¶ principles of development and governance. Long-term market¶ expansion, coordinated industrial sectors, and state oversight of private¶ initiative are goals that drive the engineers and policy advisers behind¶ Sino-Cuban projects. These goals also resemble the principles advocated¶ by Latin American, European, and US officials in the wake of the GFC.¶ The Cuban reforms formalised by the 2011 Communist Party Congress¶ will support a further convergence of positions, as they propose a more¶ balanced mix of state and market forces. Although Sino-Cuban initiatives¶ are managed under the banner of state-to-state cooperation, Chinese¶ support for Cuba’s liberalisation agenda is prompting the Western hemisphere’s¶ only communist nation toward alignment with international¶ norms.

As China becomes a more active and assertive global player, distinct¶ perspectives of the state will continue to generate tensions over international¶ development cooperation. However, China’s growing influence in¶ the IMF, the United Nations, and other multilateral institutions will create¶ important opportunities for dialogue on the costs, benefits, and timing¶ of state intervention. It is crucial that the international community¶ develop ways to assimilate Chinese understandings of the state into prevailing¶ regimes of governance and simultaneously adapt these regimes to¶ the changing geopolitical landscape.

### Mexico Specific

#### Mexico-China relations improving now – infrastructure cooperation agreement

**Steel Guru 6/17/13** (“Mexico and China sign infrastructure cooperation agreement”, Steel Guru, June 17 2013, <http://www.steelguru.com/chinese_news/Mexico_and_China_sign_infrastructure_cooperation_agreement/315525.html)//CB>

Mexico and China signed a Memorandum of Understanding (MOU) last week which aims to strengthen cooperation in infrastructure construction, according to the Secretary of Communications and Transport.

In a statement, the Secretary explained that the MOU was carried out in during the Chinese President's visit to Mexico. The statement said that "The purpose of the MOU is to know the infrastructure projects and its various facets. Mechanisms established by this instrument will be through a process of exchange of information on technologies, experiences and legislation and will focus on exploring specific projects."

Similarly, these projects will seek to positively impact financing mechanisms at the local level, and will also take care of any international immigration laws of both countries for this purpose. Although the MOU is not legally binding, the obligation entails the enforcement of international rights.

#### Mexico making moves to engage economically with China

Malkin 6/4/13 (Elisabeth, “Chinese President Makes Bridge-Building Trip to Mexico”, The New York Times, June 4 2013, <http://www.nytimes.com/2013/06/05/world/americas/xi-makes-bridge-building-trip-to-mexico.html?_r=0>)//CB

Latin American leaders have long complained that Washington pays too little attention to the rest of the hemisphere’s concerns, and China has begun to take advantage of that perception.

As Latin America and the Caribbean become less dependent on the United States, “they have another economic ally, and that economic ally is a superpower,” said S. Lynne Walker, the director of the China-Americas program at the Institute of the Americas in California.

Matt Ferchen, a scholar at the Carnegie-Tsinghua Center for Global Policy in Beijing, suggested that President Xi’s itinerary may also be intended as a message to the United States. “China wants to remind the U.S. that just as the U.S. has influence in regions close to China, China too has rising influence in the Americas,” he wrote in an e-mail.

Analysts will be watching the trip closely for signs that Mexico and China are taking steps toward changing their frosty relationship.

Mexico’s government would like to narrow its large trade gap with China. Last year, Mexico imported $57 billion in goods from China and sent back only $5.7 billion in products, according to Mexico’s Ministry of Economy.

#### China investing in Mexican oil and steel industries

Reuters 4/6/2013 [Reuters – editorial; “Mexico's Pemex to increase oil exports to China”; http://www.reuters.com/article/2013/04/06/mexico-china-oil-idUSL2N0CT0CH20130406] RahulNambiar

The two-year agreement between Pemex and China's Sinopec was signed in January, Pemex Chief Executive Emilio Lozoya said at a press conference in Sanya, [China](http://www.reuters.com/places/china?lc=int_mb_1001). "This represents a landmark in the history of Pemex, since it is the first long-term contract of its kind signed with a Chinese company," Lozoya said. The level of exports to [China](http://www.reuters.com/places/china?lc=int_mb_1001) could increase over time as part of the agreement, he added. Pemex sends most of its oil to Mexico's largest trade partner, the United States. The oil company in 2012 exported an average of 1.256 million barrels a day, of which 85,000 barrels a day went to Asia. Lozoya was at a press conference with Mexico's President Enrique Pena Nieto, who is on an official visit in China. Pena Nieto and Pemex signed two separate agreements with Xinxing Cathay International Group and China National Petroleum Company for academic and technological cooperation. At the same event, China's government signed an agreement of understanding with Mexican [steel](http://www.reuters.com/sectors/industries/overview?industryCode=22&lc=int_mb_1001) company Altos Hornos de Mexico. The agreement between Pemex and the Chinese companies comes as Pena Nieto prepares to launch a major overhaul of the Mexican energy sector this year, aimed at making Pemex more efficient. The Mexican oil industry has been hampered by under-investment and legal prohibitions on private participation

#### Chinese economic engagement in Mexico now over oil

**A.P 6/2/13** (Associated Press, “China drawn to Mexico’s growing economy”, <http://cumberlink.com/business/china-drawn-to-mexico-s-opening-economy/article_ab3ef51a-2161-5c9b-bb0e-69c9a336edb8.html>) (JN)

China has invested heavily in resource-rich Latin America in recent years, striking major trade deals with governments from Venezuela to Argentina. Now its president is reaching out to one of the few countries in the region where ties have been slow to develop: Mexico.

President Xi Jinping's three-day visit starting Tuesday comes as Mexico debates opening its highly regulated energy sector to more foreign investment.

China's president has said he plans to address Mexico's large trade deficit with the Asian power and discuss ways to increase Mexican exports. Analysts say that could mean oil, which Mexico has and China needs to fuel its expanding economy and the cars of its growing middle class.

"Access to strategic raw materials is key to understanding the dynamic of relations with China," said Hugo Beteta, director for Mexico and Central America of the United Nations Economic Commission for Latin America and the Caribbean. "Clearly there is an interest by China in Mexican oil."

#### China competing with U.S. over Latin American influence – want to expand to mexico

**Reuters 6/12** (“The looming U.S.-China rivalry over Latin America”, Reuters, June 12 2013, <http://www.trust.org/item/20130612201137-eda5t>)//CB

China has particular interest in Mexico, the region's second-largest market. Beijing has been competing with Mexico to supply the U.S. market with manufactured goods. But China is now looking to work with Mexico City - investing in infrastructure, mining and energy because of the expected reforms that would open the oil industry to foreign investment. There are obstacles ahead. One irritation that President Enrique Pea Nieto shared with Xi is that though Mexico posted a trade surplus with its global partners, it ran a big deficit with China. China is looking for even more however. It is eager to pursue a free trade agreement with Mexico, but Mexico City said last week it was too soon. Meanwhile, Mexico's trade with the United States continues to flourish and it is due to displace Canada as the largest U.S. trade partner by the end of the decade, according to the Dialogue. China is also considering joining negotiations for the Trans-Pacific Partnership agreement, which aims to boost trade among the Americas, Asia and Australia. The talks include the United States, Canada and other major economies on the Pacific Rim. Each superpower also brings baggage to the region. Washington still seeks to exert pressure on its partners. It has told Brazil, for example, that it has the responsibility to use its leverage with others, such as Iran. Meanwhile, "Chinese investment," Farnsworth said, "doesn't always bring with it good governance practices or anti-corruption or environmental concerns." The different approaches suit Latin America just fine as it looks for continued growth. "Latin Americas welcomes being courted by both superpowers," Shifter explained.

#### China-Mexico cooperation increasing now – high on agenda

**Reuters 5/31/13** (“As Xi visit approaches, Mexico wants to balance its trade with China”, Reuters, May 31 2013, <http://www.reuters.com/article/2013/05/31/us-mexico-china-idUSBRE94U18920130531)//CB>

Chinese President Xi Jinping arrives in Mexico next week and Mexican deputy foreign minister Carlos de Icaza said tackling the trade deficit would be high on the agenda.

"We believe Mexico and China need to work to create the conditions that allow trade and investment flows to increase between the two sides and, above all, to correct the strong imbalance in the trade balance," he told Reuters.

"The trade imbalance is an area of concern without any doubt and work must be done to resolve it," he said.

In an interview with the Mexican newspaper Excelsior published on Friday, Xi said China was willing to listen if Mexico wanted to deepen trade ties.

"Were the Mexican side to propose tackling the creation of a free trade zone with China, the Chinese side is ready to reinforce the possibility of working with the Mexican side on this," Xi said, according to the Spanish text of his comments.

Mexico and China have no free trade agreement and when asked about Xi's remarks, de Icaza said Mexico wanted to strengthen relations with China, but that any trade talks would be a matter for the Economy Ministry to decide.

#### Mexico aiming for engagement with Canada and other global powers, not U.S.

**Clark 6/17/13** – foreign affairs reporter (Campbell, “Mexico pushes for direct ties with Canada, apart from U.S. influence”, The Globe and Mail, June 17 2013, <http://www.theglobeandmail.com/news/politics/mexico-pushes-for-closer-direct-ties-with-canada-apart-from-us-influence/article12594783/?cmpid=rss1>)//CB

New Mexican President Enrique Pena Nieto wants ties with Canada to be a priority in the country’s foreign policy, rather than the on-again, off-again interest of two countries distracted by relations with the United States, Mexico’s ambassador says.

Ambassador Francisco Suarez Davila arrived in Ottawa a week ago with a mandate to pursue a new deepening of relations between the two countries – not just for dealing with the U.S., but also as direct trading partners, and potential diplomatic allies on the world stage.

### Venezuela Specific

#### Chinese-Venezuelan ties high – decades of cooperation over oil”

**Ríos 12** (Xulio, Director of the China Policy Observatory, “China and Venezuela: Ambitions and Complexities of an Improving Relationship”, <http://link.springer.com/content/pdf/10.1007%2Fs12140-012-9185-0.pdf>, August 12, 2012)

China calls "pragmatic" the ambitious economic relationship with Venezuela that has been built, covering areas such as energy, agriculture, high technology or infrastructure construction, with the first two sectors favored by both governments. In total, more than 300 cooperation projects have been implemented or are in progress [8]. The Convention on Economic and Technical Cooperation signed in September 2000 is the driving framework of this process.

The following table gives a convincing insight into the evolution of bilateral trade, each time with significant rises, also reflecting the effects of the crisis in 2008. In the first ten years of the Bolivarian government, the rise in the trade balance is close to 5000 percent. Between 2003 and today, trade multiplied by 24 (Table 1). In the field of energy, it can be noted that Venezuela has become the fourth largest supplier of oil to China and its fifth largest trading partner in Latin America [17]. Shortly after the visit of Prime Minister Li Peng in 1996 and even without Chavez in the Venezuelan presidency in June 1997, the National Oil and Natural Gas China Corporation achieved through an international tender, the right to harvest in two old oil fields in Venezuela, worth US$ 358 million dollars. Production began the following year. It was then the largest Chinese investment project in Latin America. Until the end of 1999, the total investment volume amounted to about US$ 400 million dollars and 11 Chinese-funded enterprises were established in the country. At that time Venezuela had not expressed any interest in oil supplies to China with the excuse that its location was not favorable because of its remoteness.

In 2004, by agreement, Venezuela licensed to the China National Petroleum Corporation (CNPC) 12 wells Zumano mature oil field, which has large reserves of heavy crude. To this end Petrozumano SA was created, to perform exploration and production activities in the states of Anzoategui and Monagas. In September 2009 it was announced an agreement between the two countries to extract together about 450,000 bpd of extra heavy crude in the Orinoco oil belt, the main energy reserve of the Latin American region. Thus, China's investment (US$ 16,000 million dollars) was added to Russia (US$ 20,000 million dollars) in the area. China also built drilling and oil platforms, railways and housing.

The projected commitments meant that in 2010, Venezuela cherish the goal of exporting to China about 1 million barrels a day, - to the US currently exports 1.5 million. Others delayed to 2012 the culmination of this figure. On the other hand, the state oil company Petroleos de Venezuela (PDVSA), took to build three oil refineries in the Chinese territory and Chinese oil companies involved in the construction and operation of refineries in the Orinoco basin, with the goal of not only exporting to China, but also to third countries. Furthermore, Chinese shipyards are building for Venezuela three double-hull super tankers to transport Venezuelan crude to China. Venezuela craves its own fleet of tankers to not depend on middlemen and save costs.

#### China has a growing influence on Cuba and Venezuela- selling them trainer jets

Pham 10 -was previously senior vice president of the National Committee on American Foreign Policy, and editor of its bimonthly journal, American Foreign Policy Interests. (J Peter, “China’s Strategic Penetration of Latin America: What It Means for U.S. Interests”, American Foreign Policy Interests, 32: 363–381, 2010)

It goes without saying that China’s growing presence in Latin America will not only affect the region itself but will also affect the United States and its relations with its southern neighbors not just economically but also in their political and security dimensions.

Politically the expansion of the PRC’s network of relationships throughout Latin America will likely be felt by the United States in two ways. First, the mere existence of an alternative trading, financing, and=or development partner—to say nothing of a potential alternative ally—alters the strategic calculus for the nations of Latin America and the Caribbean. For some, China offers an alternative to the ‘‘Washington Consensus,’’ which posits a Western-style model of democratic politics, good governance, free trade, and fiscal responsibility as the path to development. Beijing’s model is more attractive to certain rulers because of ‘‘the simple, political equation behind it: the power of the market plus the stability of authoritarian rule,’’ leaving governments free to embrace ‘‘certain tenets of liberal economic policy, such as opening the economy to foreign investment, allowing labor flexibility, keeping tax and regulatory burdens low, and creating a first-class infrastructure through combined private sector and state spending’’ while still keeping ‘‘a firm grip on government, the courts, the army, the internal security apparatus, and the flow of information.’’75 Certainly having the PRC as an alternative partner to engage has increased the leverage of America’s hemispheric neighbors as illustrated by the example offered by one Inter-American Development Bank consultant. China’s initiatives in the region continue demanding fine tuning of U.S. policy toward Latin America. The recent reevaluation of the application of the American Service Members Protection Act (ASPA) to several Latin American countries is a good example. The United States has pushed hard since 2003 for countries to sign the Bilateral Immunity Agreements, under which U.S. soldiers and officials would not be subject to prosecution by the International Criminal Court (ICC). Most Latin American countries refused to sign such waivers, so they were ‘‘punished,’’ particularly in terms of ending U.S. military assistance under the International Military Education and Training (IMET) program. The Southern Command claimed that their refusal created a vacuum that could be filled by Chinese military cooperation with Latin American counterparts. At the end of 2006, however, the U.S. government and the Congress lifted the sanctions and restored cooperation in this crucial area. Second, the growing presence of Chinese institutions, personnel, and arms sales in the Americas presents the United States with a number of security challenges, some of which it has not encountered in some time, if ever. For example, it has been observed that ‘‘delegation traffic between Cuba and China, and other information, suggest that China has actively supported Cuba’s Air and Air Defense Forces (DAAFAR) in the development of sophisticated radar, early-detection, and antiaircraft systems’’ and that, in exchange, ‘‘China has alistening post of some importance in cooperation with the Cubans’’77 —the latter an apparent reference to the Lourdes facility less than 100 miles from Key West, which was built by the Soviet Union as one of the largest and most sophisticated signals intelligence (SIGINT) collection centers in the world and was, until 2001, staffed by more than 1,000 Russian personnel.78 In addition to helping out Cuba, China has also been arming Venezuela, selling it 24 K-8 trainer jets and eyeing the possibility of selling the more advanced Chinese-made J-10A fighter in the future. A U.S. Army War College study published several years ago contained the following nonexhaustive catalog of some of the People’s Liberation Army’s other engagements in Central and South America. With respect to military-to-military ties, China has cautiously strengthened its relationships with a number of countries in recent years, including Venezuela, Ecuador, Bolivia, and Chile. In Venezuela, the joint intention to strengthen military-tomilitary ties was one of the elements of cooperation announced by the two nations following the 2004 trip by President Cha´vez to China. Strengthened Sino-Venezuelan military ties build on a modest foundation, including China’s previous sale of military transport aircraft and associated training to Venezuela. With respect to Ecuador, the two nations indicated a desire to strengthen their military ties during a visit of the Ecuadorian Joint Chief of Staff Victor Rosero with the Chinese People’s Liberation Army Chief of the General Staff Liang Guanglie. With respect to Bolivia, Bolivian Defense Minister Gonzalo Arredondo visited China in November 2004 to meet with Chinese Defense Minister Cao Gangchuan. In the meeting, the ministers acknowledged an increase in bilateral army-to-army exchanges and visits and other forms of cooperation. With respect to Chile, the two nations have a number of military-to-military ties, although balanced by similar ties to the United States, South Korea, Australia, and Japan. Sino-Chilean military-to-military ties include attendance by Chilean officers at the National Defense University of China (since 1997), Chinese representation at the Chilean War College (since 1997), visits by the Chinese naval commander to Chile in 2002 and by the Chilean naval commander to China in 2003, and multiple trips by the Chilean training ship, Esmeralda, to Chinese ports.80 Certainly Chinese bases and troops are not necessary for the Chinese military to acquire through exchanges such as these fresh insights into the U.S. military’s tactical, operational, and strategic doctrine and capabilities. In April 2002, for example, when Hugo Cha´vez expelled U.S. Special Operations Forces (SOF) trainer after a failed coup d’e´ tat against his regime, he immediately brought in Chinese military trainers to replace the Americans. One expert on Latin American security remarked that ‘‘the new trainers were able to observe Venezuelan soldiers closely, and thus to understand the content and effectiveness of their U.S. training.

#### Sino-Venezuelan economies ties high – tons of oil development

Iwata 6/6/13 (Mari Iwata, Wall Street Journalist, Venezuela Secures $4 Billion Funding From China, http://online.wsj.com/article/SB10001424127887324798904578528922435217366.html)

TOKYO—Venezuela has secured $4 billion in funds from China to be used for oil field development, Oil Minister Rafael Ramirez said Thursday.

The minister didn't give details of the new funding from China, which will add to at least $35 billion of credit Beijing has provided to Venezuela, mostly in return for future oil deliveries.

The South American country's state energy company Petroleos de Venezuela SA, or PDVSA, said Wednesday that Venezuela was negotiating a $4 billion credit line from Export-Import Bank of China.

Mr. Ramirez was speaking in Tokyo following a trip to Beijing for talks with Exim Bank President Li Ruogu and other officials.

Venezuela has also secured a number of financing agreements with its partners, ranging from Russia's Rosneft to U.S. oil major Chevron Corp., CVX -1.01% during the past few weeks as it looks for funding for its plans to rapidly boost oil production.

The new Chinese funds add to a separate $4 billion loan that PDVSA will receive from the Chinese government to boost oil production at Petrolera Sinovensa, a joint venture in Venezuela's between PDVSA and China National Petroleum Corp. in Venezuela's rich Orinoco heavy oil belt.

"We plan to increase output to four million barrels a day by 2014 and six million barrels a day by 2016. Only Asia can absorb these increases," Mr. Ramirez told reporters.

Venezuela currently produces about three million barrels a day of crude oil.

Mr. Ramirez met Japanese Industry Minister Toshimitsu Motegi and was later due to meet officials of Inpex Corp. 1605.TO -2.53% and state-funded Japan Oil, Gas and Metals National Corp.

#### China engaging now with Venezuela- investing into oil reserves

J. Peter Pham (2010) was previously senior vice president of the National Committee on American Foreign Policy, and editor of its bimonthly journal, American Foreign Policy Interests. <https://mail-attachment.googleusercontent.com/attachment/u/0/?ui=2&ik=add107b159&view=att&th=13f35a4b0310fb64&attid=0.4&disp=inline&realattid=f_hhtqqsdk3&safe=1&zw&saduie=AG9B_P_784-6J8gb1x_C7hRIluWa&sadet=1370994616672&sads=RPGczyjZ3X_Xl9VxxAsGIlrR3Ew> (China’s Strategic Penetration of Latin

America: What It Means for U.S. Interests)

In this perspective, Latin America, a region historically viewed by Beijing as ‘‘not only too far away to be of real interest to China, but...also much more dominated by the United States,‘‘16 has acquired an increasing importance in the PRC’s grand strategy. As one scholar at the Inter-American Dialogue noted in testimony before the U.S. Congress, ‘‘There is little question that China’s global search for the commodities necessary to sustain its rapid economic expansion forms the bedrock of its relationship with Latin America.’’17 Jiang visited the region no fewer than four times during his time in power, whereas his successor, President Hu Jintao, has made four official trips so far—and, in the process, has visited more Latin American countries than his two American counterparts, George W. Bush and Barack Obama, combined. During his first year in office, Vice President Xi Jinping, Hu’s likely successor as head of the Chinese Communist party as well as the PRC’s head of state, embarked on an extended tour of five Latin American and Caribbean nations—Mexico, Jamaica, Colombia, Venezuela, and Brazil. In November 2008, just before Hu’s third visit to Latin America, which included the Asia-Pacific Economic Cooperation (APEC) summit in Lima, Peru, the Chinese government published its first ever policy paper on Latin America and the Caribbean, which, amid its rhetorical flourishes, frankly acknowledged that ‘‘the Chinese side wishes to expand and deepen mutually beneficial cooperation with Latin American and Caribbean countries in resources and energy.’’

Thus it is not surprising that Venezuela, the Latin American country with the largest proven oil reserves, has also absorbed the most Chinese investment among the economies of Latin America and the Caribbean. Since the PRC first entered the Venezuelan market in 1997, the China National Petroleum Corporation (CNPC) has assumed the operation of two oilfields and undertaken to develop another 15 declining oilfields in Zumano in the eastern part of the South American country. China has, in fact, become the second largest consumer of Venezuela’s petroleum production after the United States. In August 2006, during President Hugo Cha´vez’s fourth visit to China, CNPC and the China Petroleum and Chemical Corporation (Sinopec) agreed to invest five billion dollars jointly in oil exploration and production projects in Venezuela; in addition, the Venezuelan strongman announced plans to increase his country’s oil sales to China to more than one million barrels per day by 2012.19On a follow-up visit two years later, in September 2008, Cha´vez signed additional energy cooperation deals that included provisions for China to build three refineries to process Venezuela’s heavy crude oil.20 A year later, a three-year $16 billion agreement was reached for China to explore for oil along the promising Orinoco Belt.

In addition to oil, China has become a major consumer of Orimulsion, a low-grade industrial fuel patented by state-owned Petrole´os de Venezuela, S.A. (PDVSA), which manufactures it out of bitumen from the largest deposit in the world located along the Orinoco. In 2001 PDVSA and CNPC invested $330 million to establish a joint venture, Orifuel Sinoven S.A. (Sinovensa), to produce 6.5 million metric tons of the fuel each year. In 2003 CNPC built the first of a series of power plants in Guangdong capable of burning Orimulsion. As a result, today Venezuela is China’s second most important power fuel provider after South Korea.22 Overall, in 2008, the last year for which data are currently available, the volume of trade between China and Venezuela reached ten billion dollars, nearly three times the figure from just five years earlier.

### Agriculture Specific

#### China – Latin America engaging now – agricultural cooperation

**Xinhua 13** (“China, Latin America to boost agricultural cooperation”, Xinhua, June 9 2013, <http://news.xinhuanet.com/english/china/2013-06/09/c_132444844.htm)//CB>

China, Latin American and Caribbean countries will look to eliminate trade barriers as they look to boost agricultural cooperation, a joint statement said Sunday.

Efforts will also be made to simplify trade procedures, according to a statement from the China-Latin America and the Caribbean Agricultural Ministers' Forum, which was held in Beijing.

The sides will work together to set up agricultural research and development centers and demonstration projects for food production and processing, the statement said.

China, Latin American and Caribbean countries will jointly hold agricultural fairs and expos to promote bilateral trade.

The sides will make full use of a special fund of 50 million U.S. dollars set up by the Chinese government last year for bilateral agricultural cooperation, the statement added.

#### Agricultural coop now

**Xinhua 6/10/13** (staff writer for Chinadaily, “China, Latin America to boost agricultural co-op”, <http://www.chinadaily.com.cn/business/2013-06/10/content_16604896.htm>)

[BEIJING](http://www.cityofbeijing.gov.cn/) -- China, [Latin America](http://www.chinadaily.com.cn/business/Invest_latin_america.htm)n and Caribbean countries will look to eliminate [trade](http://bizchina.chinadaily.com.cn/category.shtml?cate=trd) barriers as they look to boost agricultural [coo](http://www.chinadaily.com.cn/bizchina/2006-09/27/content_698091.htm)peration, a joint statement said Sunday.

Efforts will also be made to simplify trade procedures, according to a statement from the China-Latin America and the Caribbean Agricultural Ministers' Forum, which was held in Beijing.

The sides will work together to set up agricultural research and development centers and demonstration projects for [food](http://bizchina.chinadaily.com.cn/category_c2.shtml?ch_cate=1081&cate=lgh) production and processing, the statement said.

China, Latin American and Caribbean countries will jointly hold agricultural fairs and expos topromote bilateral trade.

### Infrastructure & Energy Specific

#### China increasing economic involvement in L.A. now – infrastructure and energy cooperation

**Fei 13** (Xu, “Xi's Trip Opens New Horizon for Ties with Latin America”, CRJ English, June 7 2013, <http://english.cri.cn/6909/2013/06/07/195s769020.htm)//CB>

POTENTIAL TO BE TAPPED

China and Latin America have expanded pragmatic cooperation in recent years, delivering tangible benefits to both sides.

With two-way trade reaching 261.2 billion U.S. dollars in 2012, China has become the second largest trading partner of Latin America and the Caribbean, which witnessed the world's fastest growth in exports to China.

By investing nearly 65 billion dollars so far in Latin America and the Caribbean, China has helped create much-needed jobs in the region.

However, both sides are fully aware that there is potential to be tapped. China's development offers great opportunities for Latin America.

As the world's second biggest importer, China will buy goods worth over 1 trillion dollars over the next five years and its overseas investment will exceed half a trillion dollars.

As Xi has mentioned in his speech at the Mexican Senate, China is confident in maintaining steady economic expansion, which would create more business opportunities for the world including Latin America and the Caribbean.

Latin America needs Chinese investment and participation in infrastructure construction. The region's products such as farm produce and energy need the Chinese market.

### Oil Specific

#### China invests in Mexican and Venezuelan Oil

Winkley 13 [6/6, Ben Winkley – WSJMoneyBeat analyst and writer; “Energy Journal: China Broadens Reach Into Latin America”; http://blogs.wsj.com/moneybeat/2013/06/06/energy-journal-china-broadens-reach-into-latin-america/]RahulNambiar

Having successfully made vast inroads into Africa, North America and the key oil-producing region of the North Sea, resource-hungry China is turning its attention to Central and South America.

Venezuela is negotiating a [$4 billion credit line from the Export-Import Bank of China](http://online.wsj.com/article/SB10001424127887324299104578527992258394864.html) that would be used for purchasing oil-field equipment, The Wall Street Journal’s Kejal Vyas reports from Caracas. The deal adds to a separate $4 billion loan that state oil company PdVSA will receive from the Chinese government to boost oil production at Petrolera Sinovensa, a joint venture in Venezuela’s vast Orinoco heavy-oil belt.

The Chinese Ex-Im Bank is also extending a [credit line of $1 billion to Petroleos Mexicanos](http://www.rigzone.com/news/oil_gas/a/126927/Pemex_China_Make_Landmark_Deal), Rigzone reports, again to buy vessels and offshore equipment.

The Mexican and Venezuelan oil sectors have been [hampered by underinvestment](http://online.wsj.com/article/SB10001424127887324000704578386771059515346.html) and restrictions on outside money.

What’s in it for China? As ever, access to the fuel for its economy—Venezuela currently sends more than 600,000 barrels of oil a day to China and aims to reach 1 million barrels a day within a couple of years, the Journal says. Pemex will begin increasing oil exports to China by an initial 30,000 barrels a day, [Reuters reports](http://www.reuters.com/article/2013/04/06/mexico-china-oil-idUSL2N0CT0CH20130406).

#### China invests in Mexican and Venezuelan Oil

Winkley 6/6/2013[Ben Winkley – WSJMoneyBeat analyst and writer; “Energy Journal: China Broadens Reach Into Latin America”; http://blogs.wsj.com/moneybeat/2013/06/06/energy-journal-china-broadens-reach-into-latin-america/]RahulNambiar

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## Link

### Ties are Fragile

#### Chinese-Latin economic ties are fragile – too early to be locked in.

Ferchen ’12 (Matt Ferchen, Resident scholar at the Carnegie=Tsinghua Center for Global Policy, “China’s Latin American Interests”, <http://carnegieendowment.org/2012/04/06/china-s-latin-american-interests/a7av>) (JN)

The Chinese government goes to great lengths to emphasize that its relations with the developing world, including with Latin America, represent a different approach than that of the United States or Europe. To highlight this difference, China has long promoted its foreign policy principles of respect for sovereignty and commitment to noninterference in the internal affairs of other countries. Yet, there is, in fact, a heated battle to portray the relationship in a positive or negative light and much wealth and prestige are on the line. But the irony is that lost in all of this debate is that China’s economic ties to Latin America have important similarities to the historical experience of other rapidly industrializing countries. That is, China is undergoing an intense period of industrialization and urbanization and therefore has a voracious appetite for raw materials. Whether or not this industrialization is healthy, sustainable, or even the product of Chinese government policies is debatable. What is clear is that for all of China’s efforts to emphasize its different approach to dealing with developing countries, the structure of its trade relationship with Latin America looks very similar to historical relationships between the industrializing countries of the “North” and the commodity-rich developing countries of the “South.” And difficult questions that Chinese mining or other firms in Latin America face about labor or the environment are very similar to those confronted by American or European firms in the past. The real challenges for government and business officials in China and Latin America attempting to create a sustainable and stable long-term economic and political relationship are: the relationship is still very new, is relatively narrow (in its commodity basis), and is potentially more fragile than often understood (commodity booms can be followed by busts, or at least prices reverting to their historical downward trend). That is, those officials in China and Latin America might be best served by recognizing that China, at least in terms of its trade and investment relationship with commodity-rich countries in Latin America and elsewhere, is more “normal” than many recognize or would like to admit.

### US involvement undermines China

#### China fills in US economic gaps – plan trades-off

BARRIONUEVO and ROMERO 09 ( Alexei- Reporter from the New York Times, Simon-Simon Romero became the Brazil bureau chief for The New York Times, “Deals Help China Expand Sway in Latin America”, <http://www.nytimes.com/2009/04/16/world/16chinaloan.html?_r=0>, April 15, 2009)

Dante Sica, the lead economist at Abeceb, a consulting firm in Buenos Aires, said the Chinese overtures in the region were made possible by the “lack of attention that the United States showed to Latin America during the entire Bush administration.”

China is also seizing opportunities in Latin America when traditional lenders over which the United States holds some sway, like the Inter-American Development Bank, are pushing up against their limits.

#### China’s strategy will be hurt by US presence – military papers prove

**Johnson ‘5** (Stephen Johnson, writer for the Heritage Foundation, “Balancing China’s Growing Influence in Latin America”, <http://www.heritage.org/research/reports/2005/10/balancing-chinas-growing-influence-in-latin-america>) (JN)

China's main rival for global preeminence is the United States. China sees the United States as preventing Tai­wan's reunification with the mainland and thwarting Beijing's rise as a power. Previously, China was isolated, but now plays key roles in Asian geopolitics and aspires to do so elsewhere. Besides status as a nuclear nation, it is a member of the U.N. Security Council, the World Trade Organization, the Group of 77 developing nations, and the Asia Pacific Economic Coopera­tion group. It also holds observer status in the Organization of American States.

While China has become the second-largest U.S. trade partner after Canada, it challenges U.S. influence wherever it can. In fact, it will soon have more attack submarines than the United States, with the addition of four Russian Kilo-class subs and new diesel-electric vessels equipped with technology that will allow them to run quieter than nuclear submarines.[[1]](http://www.heritage.org/research/reports/2005/10/balancing-chinas-growing-influence-in-latin-america" \l "_ftn1" \o ")

According to former U.S. Ambassador to Beijing James Lilly, "[T]he facts are that [the Chinese] run massive intelligence operations against us, they make open statements against us, their high-level documents show that they are not friendly to us." Chinese military white papers promote power pro­jection and describe U.S. policies as "hegemonism and power politics."[[2]](http://www.heritage.org/research/reports/2005/10/balancing-chinas-growing-influence-in-latin-america" \l "_ftn2" \o ")

In the Western Hemisphere, the Chinese are taking advantage of failures of half-hearted mar­ket reforms and Washington's unwillingness to pursue neighborhood relations with much enthu­siasm. National Defense University professor Cyn­thia A. Watson notes, "[T]he 1990s turned into a period of severe disappointment as free markets led to rampant corruption and unfulfilled expec­tations in Latin America while Washington became the world's superpower rather than a part­ner for the region.

### Influence Trades-off

#### There is only room for one great power in Latin America.

Dowd 2012 (Alan-Alan W. Dowd is a Senior Fellow with the American Security Council Foundation, “Crisis in the America's”, <http://www.ascfusa.org/content_pages/view/crisisinamericas>)

Focused on military operations in the Middle East, nuclear threats in Iran and North Korea, and the global threat of terrorism, U.S. policymakers have neglected a growing challenge right here in the Western Hemisphere: the expanding influence and reach of China.

Eyeing energy resources to keep its economy humming, China is engaged in a flurry of investing and spending in Latin America.

In Costa Rica, China is funding a $1.24-billion upgrade of the country’s oil refinery; bankrolling an $83-million soccer stadium; backing infrastructure and telecommunications improvements; and pouring millions into a new police academy.

In Colombia, China is planning a massive “dry canal” to link the country’s Pacific and Atlantic coasts by rail. At either terminus, there will be Chinese ports; in between, there will be Chinese assembly facilities, logistics operations and distribution plants; and on the Pacific side, there will be dedicated berths to ship Colombian coal outbound to China.

In mid-January, a Chinese-built oil rig arrived in Cuba to begin drilling in Cuba’s swath of the Gulf of Mexico. Reuters reports that Spanish, Russian, Malaysian and Norwegian firms will use the rig to extract Cuban oil. For now, China is focusing on onshore oil extraction in Cuba.

New offshore discoveries will soon catapult Brazil into a top-five global oil producer. With some 38 billion barrels of recoverable oil off its coast, Brazil expects to pump 4.9 million barrels per day by 2020, as the Washington Times reports, and China has used generous loans to position itself as the prime beneficiary of Brazilian oil. China’s state-run oil and banking giants have inked technology-transfer, chemical, energy and real-estate deals with Brazil. Plus, as the Times details, China came to the rescue of Brazil’s main oil company when it sought financing for its massive drilling plans, pouring $10 billion into the project. A study in Joint Force Quarterly (JFQ) adds that Beijing plunked down $3.1 billion for a slice of Brazil’s vast offshore oil fields.

The JFQ study reveals just how deep and wide Beijing is spreading its financial influence in Latin America: $28 billion in loans to Venezuela; a $16.3-billion commitment to develop Venezuelan oil reserves; $1 billion for Ecuadoran oil; $4.4 billion to develop Peruvian mines; $10 billion to help Argentina modernize its rail system; $3.1 billion to purchase Argentina’s petroleum company outright. The New York Times adds that Beijing has lent Ecuador $1 billion to build a hydroelectric plant.

There is good and bad to Beijing’s increased interest and investment in the Western Hemisphere. Investment fuels development, and much of Latin America is happily accelerating development in the economic, trade, technology and infrastructure spheres. But China’s riches come with strings.

For instance, in exchange for Chinese development funds and loans, Venezuela agreed to increase oil shipments to China from 380,000 barrels per day to one million barrels per day. It’s worth noting that the Congressional Research Service has reported concerns in Washington that Hugo Chavez might try to supplant his U.S. market with China. Given that Venezuela pumps an average of 1.5 million barrels of oil per day for the U.S.—or about 11 percent of net oil imports—the results would be devastating for the U.S.

That brings us to the security dimension of China’s checkbook diplomacy in the Western Hemisphere.

Officials with the U.S. Southern Command conceded as early as 2006 that Beijing had “approached every country in our area of responsibility” and provided military exchanges, aid or training to Ecuador, Jamaica, Bolivia, Cuba, Chile and Venezuela.

The JFQ study adds that China has “an important and growing presence in the region’s military institutions.” Most Latin American nations, including Mexico, “send officers to professional military education courses in the PRC.” In Ecuador, Venezuela and Bolivia, Beijing has begun to sell “sophisticated hardware…such as radars and K-8 and MA-60 aircraft.” The JFQ report concludes, ominously, that Chinese defense firms “are likely to leverage their experience and a growing track record for their goods to expand their market share in the region, with the secondary consequence being that those purchasers will become more reliant on the associated Chinese logistics, maintenance, and training infrastructures that support those products.”

Put it all together, and the southern flank of the United States is exposed to a range of new security challenges.

To be sure, much of this is a function of China’s desire to secure oil markets. But there’s more at work here than China’s thirst for oil. Like a global chess match, China is probing Latin America and sending a message that just as Washington has trade and military ties in China’s neighborhood, China is developing trade and military ties in America’s neighborhood.

This is a direct challenge to U.S. primacy in the region—a challenge that must be answered.

First, Washington needs to relearn an obvious truth—that China’s rulers do not share America’s values—and needs to shape and conduct its China policy in that context.

Beijing has no respect for human rights. Recall that in China, an estimated 3-5 million people are rotting away in laogai slave-labor camps, many of them “guilty” of political dissent or religious activity; democracy activists are rounded up and imprisoned; freedom of speech and religion and assembly do not exist; and internal security forces are given shoot-to-kill orders in dealing with unarmed citizens. Indeed, Beijing viewed the Arab Spring uprisings not as an impetus for political reform, but as reason “to launch its harshest crackdown on dissent in at least a decade,” according to Director of National Intelligence James Clapper.

In short, the ends always justify the means in Beijing. And that makes all the difference when it comes to foreign and defense policy. As Reagan counseled during the Cold War, “There is no true international security without respect for human rights.”

Second, the U.S. must stop taking the Western Hemisphere for granted, and instead must reengage in its own neighborhood economically, politically and militarily.

That means no more allowing trade deals—and the partners counting on them—to languish. Plans for a hemispheric free trade zone have faltered and foundered. The trade-expansion agreements with Panama and Colombia were left in limbo for years, before President Obama finally signed them into law in 2011.

Reengagement means reviving U.S. diplomacy. The Wall Street Journal reports that due to political wrangling in Washington, the State Department position focused on the Western Hemisphere has been staffed by an interim for nearly a year, while six Western Hemisphere ambassadorial posts (Uruguay, Venezuela, Ecuador, El Salvador, Nicaragua and Barbados) remain empty.

Reengagement means reversing plans to slash defense spending. The Joint Forces Command noted in 2008 that China has “a deep respect for U.S. military power.” We cannot overstate how important this has been to keeping the peace. But with **t**he United States in the midst of massive military retrenchment, one wonders how long that reservoir of respect will last.

Reengagement also means revitalizing security ties. A good model to follow might be what’s happening in China’s backyard. To deter China and prevent an accidental war, the U.S. is reviving its security partnerships all across the Asia-Pacific region. Perhaps it’s time to do the same in Latin America. We should remember that many Latin American countries—from Mexico and Panama to Colombia and Chile—border the Pacific. Given Beijing’s actions, it makes sense to bring these Latin American partners on the Pacific Rim into the alliance of alliances that is already stabilizing the Asia-Pacific region.

Finally, all of this needs to be part of a revived Monroe Doctrine.

Focusing on Chinese encroachment in the Americas, this “Monroe Doctrine 2.0” would make it clear to Beijing that the United States welcomes China’s efforts to conduct trade in the Americas but discourages any claims of control—implied or explicit—by China over territories, properties or facilities in the Americas. In addition, Washington should make it clear to Beijing that the American people would look unfavorably upon the sale of Chinese arms or the basing of Chinese advisors or military assets in the Western Hemisphere.

In short, what it was true in the 19th and 20th centuries must remain true in the 21st: There is room for only one great power in the Western Hemisphere.

#### US influence in Latin America threatened by China

**Martinez 13** (Guillermo, “America losing influence throughout Latin America”, SunSentinel, May 23 2013, <http://articles.sun-sentinel.com/2013-05-23/news/fl-gmcol-oped0523-20130523_1_drug-cartels-latin-america-pri)//CB>

Once upon a time, as many fairy tales start, the United States was the prevailing force in Latin America. It had a coherent policy for its southern neighbors, and its opinions mattered to those who governed in the region. Despite President Barack Obama's recent trip to Mexico and Costa Rica, and Vice President Joe Biden's upcoming trip to the region, that is no more. The days when John F. Kennedy created the Alliance for Progress and was a hero to the young throughout the western hemisphere have been gone for more than half a century. The time when Jimmy Carter pledged to back only those governments that respected human rights and encouraged that caudillos be ousted is also a historical footnote.¶ True, the world has changed. The attacks of September 11, 2001 made everyone look to the East; to Iraq, to Afghanistan, to Iran, Syria and other countries in the Middle East. Israel is still crucial to American foreign policy, more so now that militants are willing to die to kill Americans and Israelis.¶ Latin America also changed when the late Venezuelan president Hugo Chávez was elected. The rising price of oil gave Chávez riches beyond belief and he began sharing it with similar-minded leaders in Cuba, Nicaragua, Bolivia, Ecuador, Uruguay and Argentina; just to name a few. Colombia once depended greatly on the Plan Colombia assistance from the United States to fight the FARC guerrillas and the drug lords that governed much of the country. The emphasis on the Plan Colombia since Juan Manuel Santos took office has decreased. Santos also believes in negotiations with the FARC and closer ties to those who govern in Venezuela. Mexico counted on American intelligence assistance and money to fight the drug cartels until Obama's visit to Enrique Peña Nieto, recently elected president. The communique at the end of the meeting talked about new economic cooperation between the two nations and how together they would fight the drug cartels. Not highlighted was the Mexican-imposed position that the United States agents would no longer be welcome in their country and that the cooperation would be respectful of their sovereign rights. Peña Nieto, the candidate of the PRI (Institutional Revolutionary Party) wanted a different approach to the war on drugs; one that would mitigate the violence that had killed thousands of Mexicans in the last decade. Finally, China has helped change the equation. After the fall of the Soviet Union and the Berlin Wall, for several years the United States was the only super power. When American presidents spoke, the world listened. Now China offers both a challenge to the United States, as a second super power, and has become an alternative economic trading partner for countries throughout the world. Still, it is inconceivable that American media and officials pay so little attention to the region. Maybe those around President Obama have not told him that Iran has close ties with Argentina, Cuba and Venezuela. Certainly the administration must know Cuba and Venezuela are so close that many critics of President Nicolás Maduro are now saying Cubans are helping to keep him in power. They talk, only part in jest, that there is a new country in the region called Cubazuela – the alliance between Cuba's Raúl Castro and Maduro's supporters is so close. It is true all have heard the main culprit of the drug trade in the world is American and European consumption. Yet the United States has waged war on the producers and importers, and not on the consumers at home. Seldom has Latin America been further from American influence. Many of the leftists' presidents in the region consider the United States their enemy. Others maintain cordial, or even friendly relations with Washington, but are quick to negotiate economic deals with China. The task is not easy, granted. Yet it would help if the United States and the Obama Administration articulated a policy for its neighbors in Latin America. They should not be a second thought in America foreign policy. The region deserves better. So does the United States. This country needs to improve those ties or continue to lose status as a premier world power. This is no fairy tale.

#### Chinese investment lower US investment in Latin America

**Funaro 6-4-13** - Kaitlin Funaro is a GlobalPost breaking news writer. (“Xi flies to Mexico as China battles US for influence in Latin America”, GlobalPost, June 4 2013, <http://www.globalpost.com/dispatch/news/regions/asia-pacific/china/130604/xi-flies-mexico-china-battles-us-influence-latin-ame)//CB>

When it comes to economic influence, China may be gaining the upper hand in Latin America. China is increasing its funding to the region just as the US has been coming under pressure to cut aid and investment. "If I’m a Latin American leader, I’m very happy because I now have more chips to play with," Kevin Gallagher, author of the 2010 book "The Dragon in the Room," about China’s inroads in Latin America, told Bloomberg. "The onus is on the US to come up with a more flexible, attractive offer but that’s not so easy because it doesn’t have the deep pockets like it used to." Latin America's growing economy makes for an attractive investment. The International Monetary Fund forecasts the region’s economies will expand 3.4 percent this year, almost three times the pace of growth in the developed world. Xi's tour of Trinidad, Costa Rica and Mexico are setting the stage for his visit to California later this week, which will be his first face-to-face talks with Obama since taking office. That Xi's Latin America trip came so early into his presidency is a confident approach that shows little concern for American reaction, Evan Ellis, a professor at the National Defense University in Washington told Bloomberg. "In the past Chinese presidents were very deferential to the US., always making reference to Washington’s backyard," Ellis said. "You don’t hear any of that from Xi’s team, though you don’t find any threatening rhetoric either."

#### China investment in Latin Amercia reduces US leverage in the area.

Brandt et al December 2013 ( Jon, AMERICAN UNIVERSITY

SCHOOL OF INTERNATIONAL SERVICE, “Chinese Engagement in Latin America

and the Caribbean: Implications for US Foreign Policy”, <http://www.american.edu/sis/usfp/upload/Chinese-Engagement-in-LAC-AU_US-Congress-FINAL.pdf>.)

Essentially, Latin American countries, which have long been big buyers of US goods, are increasingly making a larger proportion of their purchases from China.5 Assuming this trend continues, there are huge implications for US exporters and jobs. Although US exports do not necessarily compete with China’s (the United States primarily sells high technology goods such as aircraft, and medical equipment to the region, while China sells mostly apparel and consumer electronics), US exporters face the challenge of competition not only from China’s undervalued currency but also from China’s manufacturing sector.6

For example, Chinese automakers are making valuable gains in emerging auto markets by focusing less on quality and design and more on ruthless cost-cutting. These measures significantly challenge companies like General Motors that are looking to emerging markets for growth but have considerably higher sticker prices on their cars. 7 A trade agenda is one of the best tools that the US has not only to increase exports to Latin America and create jobs for American workers but also to promote a trade and investment regime that will enhance the Western Hemisphere’s economic competitiveness. While the negotiation of a Free Trade Area of the Americas (FTAA) has struggled to advance over the past decade,8 the United States could take the initiative to organize the existing 12 US Free Trade Agreements (FTAs) in the Western Hemisphere into a more coherent (and integrated) regional group. An example would be to lessen the impact of restrictive rules of origin, which can distort trade and can increase transaction costs, thus facilitating the movement of goods between countries with similar agreements. Another benefit of a regional group is an increase in scale economies, which lowers the average cost of production.9

A trade agenda also has important foreign policy implications. China’s growing economic presence in the Americas provides Latin American and Caribbean nations with additional trade and investment options that reduce US leverage to promote open market, democratic values. US efforts to promote labor and environmental reforms through trade agreements are undermined when other nations have the ability to sign similar agreements with China that do not include similar provisions.10 For example, China’s FTAs with Chile and Peru liberalize agriculture and markets for lower value-added manufactured goods but do not include deregulation and liberalization of services and investment and stronger protection of intellectual property rights.11 US FTAs seek to raise the economic competitiveness of both signatories through the harmonization and modernization of services and investment.12

It is worth noting that the US and Brazil have shared challenges with respect to China and can develop a common agenda on several issues.13 For example, both Brazil and the US face the challenge of competition not only from China’s undervalued currency but also from China’s manufacturing sector. In Brazil, for example, textiles, clothing, footwear, industrial machinery and equipment, and office machines have been hard hit in the domestic market. This explains the rise of anti-dumping investigations by Brazil against Chinese imports.14 In the last two months, Brazil has initiated anti-dumping investigations on Chinese carbon steel pipes, tires for motorcycles, basic refractories, and nylon yarn.15 This may provide an opportunity for the US and Brazil to pursue a common diplomatic cause to press the Chinese to allow the renminbi to appreciate against the US dollar and the Brazilian real.

#### China signing agreements with Latin America now – straining U.S. influence

Singh 6/17/13 (Teshu, “China And Latin America: Quest For Energy Security – Analysis”, Eurasia Review, June 17 2013, <http://www.eurasiareview.com/17062013-china-and-latin-america-quest-for-energy-security-analysis/>)//CB

Energy Security remains the prime agenda of its foreign policy; the new leadership is trying to project China’s ‘peaceful development’ to every possible place on the globe. The visit reveals regardless of the size and geographical distances China is keen on developing relations with these countries to boost its economic ties to secure its energy resources. Being in the developing stages, the LAC needs Chinese investments in its infrastructure and construction which has not come till now by the US.

The agreements signed are an indication to the LAC countries that China has been taking them seriously and has responded to their gesture. Perhaps the strengthening of the China-LAC relations will help the international community better cope with global challenges and promote a multi polar world and democracy in the international relations.

President Obama and Vice President Joe Biden had already taken trip to exactly these three countries earlier this year. Thus it can decipher that the choice of these countries are no coincidence. However the burgeoning ties between China and LAC may cause discomfort to the US as it has brought China close to its doorstep.

### Distrust

#### Distrust likely – US & China believe they are at odds

Cossa 2010 (Ralph A. Cossa, president of the Pacific Forum CSIS, 2010, The Sino–U.S. Relationship: Respecting Each Other’s Core Interests, PDF)

U.S. President Barrack Obama and Chinese President Hu Jintao during their summit meeting in Beijing in November 2009 ‘‘reiterated that they are committed to building a positive, cooperative, and comprehensive U.S.-China relationship for the 21st century.’’ They further pledged to ‘‘take concrete actions to steadily build a partnership to address common challenges’’ and to ‘‘take concrete steps to advance sustained and reliable military-to-military relations in the future.’’ Since that time, military-to-military relations have floundered—most recently highlighted by Beijing’s snub of U.S. Defense Secretary Robert Gates when he proposed a June 2010 visit to China—and the partnership has become less positive and at times basically uncooperative; more important, the prospects for further deterioration seem high. From a Chinese perspective, continuing U.S. arms sales to Taiwan are at the heart of the problem and the direct cause of the breakdown in military-to-military (mil–mil) relations. But Beijing’s inclination to protect its ‘‘close as lips to teeth’’ neighbor, North Korea, despite its open flaunting of United Nations Security Council resolutions and, most recently, its violation of the 1953 Armistice Agreement, could have a deeper and more lasting impact on bilateral strategic trust.

This is not to suggest that the two sides are about to come to blows or that a genuinely hostile relationship is about to be formed. The two sides seem intent on managing their disagreements and continue to seek common ground on important strategic issues. To this end, Presidents Hu and Obama agreed during Hu’s April 2009 visit to the White House to establish a U.S.-China Strategic and Economic Dialogue (S&ED) with Secretary of State Hillary Clinton and Chinese State Councilor Dai Bingguo chairing the ‘‘strategic track’’ and Treasury Secretary Timothy Geithner and Chinese Vice Premier Wang Qishan chairing the ‘‘economic track.’’ During the Bush administration there was a ‘‘Strategic Economic Dialogue,’’ but the focus was almost exclusively on the ‘‘economic,’’ and the foreign ministries were not directly involved.

With the establishment of the S&ED, the relationship, it was assumed, would become truly strategic. Thus far, however, this has not been the case. At the most recent S&ED, in China in late May 2010, almost all of the 26 ‘‘specific outcomes’’ generated by the meeting dealt with economic issues; truly sensitive strategic issues such as Iran’s nuclear ambitions or the North Korean attack on the Republic of Korea (ROK) naval corvette Cheonan were not referenced at all. Interactions at the S&ED between the Commander of the U.S. Pacific Command Admiral Robert Willard and People’s

Liberation Army (PLA) Deputy Chief of Staff Lt. Gen. Ma Xiaotian were initially seen as a signal that mil–mil relations were finally back on track, but Beijing’s rejection of Gates’s visit request a week later showed that ‘‘sustained and reliable military-to-military relations’’ were still somewhere in the future.

If, as both presidents stated last November, ‘‘the two countries believe that to nurture and deepen bilateral strategic trust is essential to U.S.-China relations in the new era,’’1 then it is clear that more must be done to overcome current distrust and suspicions. Otherwise, today’s ‘‘marriage of convenience’’ between Washington and Beijing—my description, not theirs—will never be transformed into the true strategic partnership both sides profess to seek.

### China wants to Control

#### China beginning expansion toward foreign countries – not trying to work with, they want to dominate.

Steinbock 10 - Dr. Dan Steinbock is research director of international business at India, China and America Institute (USA) and visiting fellow in Shanghai Institutes for International Studies (China). (Dan, “China’s Next Stage of Growth: Reassessing U.S. Policy toward China”, NCAFP, 2010)//CB

A sustained global recovery requires the rejuvenation of international trade, which, in turn, will be critically shaped by U.S.–China bilateral relations. In the West, China is often portrayed as the primary cause for global imbalances. Yet, as we have seen, the realities are more complicated. The U.S. trade deficit can be attributed to China only partially. Further, the United States enjoys a trade surplus in service exports, while Chinese FDI remains only a fraction of U.S. FDI in China. Overall the volume of U.S. FDI in China remains relatively low in light of the prospects of the marketplace.

As China moves to its next stage of growth, simple catch-up or even convergence will no longer suffice. Instead China will seek higher productivity and indigenous innovation. For years it served as the ‘‘factory of the world’’; now those days are fading at least in the more prosperous provinces. Recently Washington expressed concern over what it called China’s extensive use of industrial policies and discriminatory government procurement policies to promote domestic Chinese firms over foreign companies. In a longer term than usually observed, it is important to take a more or less multilateral approach toward improving cooperation with China on innovation policies. 35 After all, few nations have exercised the principles of free trade in the early stages of their development (which, were characterized in the United States by a relatively closed marketplace, high tariffs, and protectionism).

Setting aside the issue of parallel industrial policies in the United States, one must understand that China is simply following in the footprints of the advanced economies, moving away from cost advantage and toward more innovation-driven forms of competition. In postwar Europe the leading Western European economies also sought higher productivity and, eventually, indigenous innovation. Just like the French and the Germans in that era, the Chinese seek their version of the ‘‘American Dream’’ today. That this quest differs in details from its precursors in the West is natural rather than surprising. After all, China’s stage of economic development, its leading sectors, the role of the state as a creator of institutions, and historical legacy differ substantially from those of the United States. Consequently it is hardly surprising that China’s approach to indigenous innovation is also very different from that of the United States—or Western Europe, and even Japan.36

## Zero Sum

### A2 Say they’ll cooperate

#### Ignore claims of cooperation, it’s zero sum - realpolitik

Arnson et al. ‘9 (Cynthia Anderson, Mark Mohr, Riordan Roett, writers for Woodrow Wilson International Center for Scholars, “Enter the Dragon? China’s Presence in Latin America”, <http://www.wilsoncenter.org/sites/default/files/EnterDragonFinal.pdf>) (JN)

The United States and China claim that each is serious about adopting the economic philosophy that undergirds capitalism: economic growth is a net beneﬁt for all, not a zero sum game. If true, China, Latin America, and the United States beneﬁt from the greater Chinese engagement in this region because it creates competition. Pure economic theory, however, always runs up against political philosophies, leading to trade conﬂicts, protectionism, and all-too-often a zero sum view based on the international relations theory of realpolitik: what’s good for my adversary must be bad for me.

The risks of arousing realpolitik in the United States, particularly as the nation faces increased frustration with the reality of the Middle East, is signiﬁcant, probably more than the PRC bargained for when it began engaging more with Latin America over the past decade.

### A2 Room for both

#### claims that the relationship is not ZERO-SUM are just lies – china is treating it like a competition.

**Chang ’11** (Gordon G. Chang, lived and worked in China and Hong Kong for almost two decades as a lawyer. His writings have appeared in the New York Times, Wall Street Journal, International Herald Tribune, Commentary, the Weekly Standard, National Review, and Barron’s. He is a columnist at Forbes.com and the Daily. He has given briefings at the National Intelligence Council, the Central Intelligence Agency, the State Department, and the Pentagon, “China Takes on America in a ‘Zero-Sum Game’”, <http://www.worldaffairsjournal.org/users/gordon-g-chang>) (JN)

Zero-sum competition? That’s not the way Washington’s foreign policy specialists see the international system. Since the end of the Second World War, they have believed that every nation can better its lot with free markets, free trade, and free politics. Chinese leaders have eschewed all three of these “Western” concepts, but they have appropriated that awful phrase, “win-win,” and assure us they believe in it. With a win-win mind-set, governments around the world have sought to “engage” China, nurture it, and ease its entry into the international community.

Naturally, the Chinese state has prospered in such a benign environment. But instead of accepting the international system as it was—the fond hope of the engagers—Beijing has sought to upend and replace it with something more friendly to its brand of authoritarianism. In short, liberal institutions are seen as a threat to China’s one-party state, and so it should come as no surprise that its leaders view geopolitics as an I-win, you-lose proposition.

Should the United States change its conception of geopolitics in response to Beijing’s world view? No. Yet one thing is clear: the global community needs to understand that engagement with China has not changed the darkish perspectives of its leaders—who continue to believe that it is in their interests to undermine America and its many friends.

### Influence Specific

#### U.S. and China in zero sum game – Chinese involvement in Latin America growing

**Kreps and Flores-Macias 13** - Sarah E. Kreps is Assistant Professor of Government at Cornell University. Gustavo A. Flores-Macías is Assistant Professor of Government at Cornell University. They are the authors of "The Foreign Policy Consequences of Aid: China’s Commercial Relations with Africa and Latin America, 1992–2006," which appears in the most recent issue of the Journal of Politics. (Sarah and Gustavo, “No Strings Attached? Evaluating China’s Trade Relations Abroad”, The Diplomat, May 17 2013, <http://thediplomat.com/china-power/no-strings-attached-evaluating-chinas-trade-relations-abroad/>)//CB

Whether by design or not, the convergence with China’s foreign policy goals is important on at least two levels. First, developing countries in Africa and Latin America may be lulled by the prospect of partnering with a country such as China that does not have an explicit political agenda, as did the United States and Soviet Union during the Cold War, but this appears to be an illusion. Whether this reaches the level of “new colonialism” as former Secretary of State Hillary Clinton referred to it remains to be seen, but the economic asymmetries that undergird the relationship make that prospect more likely.

A second set of implications deals with the United States. During the same period in which China’s trade with Africa and Latin America and foreign policy convergence have increased, the United States and China have actually diverged in their overall UNGA voting behavior. This suggests something of a zero sum dynamic in which China’s growing trade relations make it easier to attract allies in international forums while US influence is diminishing.

Taken together, these trends call for greater engagement on behalf of the United States in the developing world. Since the September 2001 attacks, Washington has dealt with Africa and Latin America through benign neglect and shifted its attention elsewhere. If foreign policy alignment does follow from tighter commercial relations, the US ought to reinvigorate its trade and diplomatic agenda as an important means of projecting influence abroad.

#### U.S. involvement decreases Chinese influence in Latin America

**Regenstreif 6/12** (Gary, “The looming U.S.-China rivalry over Latin America”, Reuters, June 12 2013, <http://blogs.reuters.com/great-debate/2013/06/12/the-looming-u-s-china-rivalry-over-latin-america/)//CB>

Other data is telling: In 1995, for example, the United States accounted for 37 percent of Brazil’s foreign direct investment. That dropped to 10 percent in 2011, according to the Council of the Americas, which seeks to foster hemispheric ties.

Washington’s renewed ardor is at least partly because of the fear that China will repeat in Latin America the economic success it has built in Africa. China has been able to present itself as a benevolent partner there, which has played well against the West’s history of meddling in domestic affairs.

“It’s about influence and leverage,” said Eric Farnsworth, vice president of the Council of the Americas, “…The region matured and expects to be treated in real partnership rather than [in the] patronizing way it happened in the past.”

The challenges facing Beijing and Washington lie in how each approaches the region. Washington confronts lingering resentment about its historic regional interference, stretching back to the 1823 Monroe Doctrine, and its continuing desire to mix business with policy — which muddies its approach to trade and investment. Washington’s domestic problems, its pivot to Asia and a host of global crises, also serve as distractions that could keep its actions in Latin America from matching its words — as has happened before.

#### Chinese competition will happen – see their role in Latin America as anti-american.

Hsiang 9- Department of International Trade, PhD in Poli Sci, Research member of Society for Strategic Studies. relations across the Taiwan Strait; Latin American area studies. (Antonio C. Hsiang, November 2009, Volume #1 (Issue #1),” China Rising in Latin America: More Opportunities than Challenges”, http://digitalcommons.kennesaw.edu/cgi/viewcontent.cgi?article=1003&context=jekem)

Based on evidence of the events taking place between China and Latin America, “Beijing’s goals in Latin America are: counterbalancing American hegemony by enhancing multilateral relations; diversifying external relations to diversify their export strength; and maintaining good relations with major producers of oil (Venezuela), food (Argentina and Brazil) and other raw materials (copper in Chile, nickel and cobalt in Cuba, and pulp in Brazil).”

It is no accident that in March 2007, during the Inter-American Development Bank’s annual meeting in Guatemala, the Bank’s President Luis Alberto Moreno signed an agreement of understanding with Zhou Xiaochuan, the head of the People’s Bank of China, to formalize talks over Beijing’s request to become a member. In November 2008, China became the third Asian nation to join the bank, after South Korea and Japan. Even former U.S. Treasury Secretary Henry Paulson asserts, “China obviously is a big player, a global economic player, and that’s obviously a good thing for Latin America.

### Threatens Chinese Influence

#### China feels threatened by U.S. foreign policy involvement

Ying Ma 7 - NRI Fellow at the American Enterprise Institute (“China's stubborn anti-democracy”, Policy Review 141, Feb-March 2007)//CB

THOUGH THE CHINESE people may be pressing for their rights and better lives in their own ways, they have simultaneously exhibited unmistakable signs of anti-Americanism and nationalism that make them less receptive to the virtues of democratization. In an era when the Chinese communist ideology has become defunct through the pursuit of market capitalism, China has aggressively maligned Western-style democracy as chaos-inducing and unsuitable for the country's current economic conditions. Chinese citizens, argues Beijing, have the duty to pursue Chinese greatness that would result in a strong China, a powerful China, deserving of influence and glory. Economic modernization is key, with social stability as a mandatory accessory. Through its media, textbooks, and propaganda machinery, Beijing emphasizes that democratization, political liberalization, a free press, and anti-government protests will only bring about the collapse of the current regime and hence are dangerous and destabilizing for Chinese society. When the United States criticizes China's human rights abuses or advocates democratization, it is therefore acting as an overbearing and domineering hegemon and is only seeking to undermine China's rise. Ideological indoctrination has its consequences. Numerous Chinese citizens, particularly those in the emerging middle class, agree with their government that China is not ready for democratization. They see post-Soviet Russia's social instability, weakened economic growth, declining national power and overall chaos as most unappealing for China. In addition, they are deeply skeptical of U.S. motives. According to an opinion poll conducted by the Chinese newspaper Global Times (Huan Qiu Shi Bao) in 2006, some 59 percent of the Chinese people who live in urban metropolises believe that the United States is seeking to contain China, with 56.3 percent seeing the United States as China's competitor. (15) In addition, Chinese citizens recoil at U.S. criticisms of their government's human rights abuses. A similar Global Times survey in 2005 reports that almost 79 percent of the respondents have negative views toward U.S. criticism of China's human rights abuses: 49.3 percent believe that the United States is attempting to destroy stability in China; 10.4 percent believe that the United States is trying to make China look bad, and 19.1 percent believe that America simply does not understand China's internal situation. (16)

## Economy Impact

### Econ IL – Latin America Key

#### Chinese influence in Latin America is key to sustained growth – US presence threatens it

**Ellis ’11** (R. Evan Ellis, Dr. R. Evan Ellis is a professor of national security studies, modeling, gaming, and simulation with the Center for Hemispheric Defense Studies, with a research focus on Latin America’s relationships with external actors, including China, “Chinese Soft Power in Latin America: A Case Study”, <http://www.ndu.edu/press/lib/images/jfq-60/JFQ60_85-91_Ellis.pdf>) (JN)

Access to Latin American Markets. Latin American markets are becoming increasingly valuable for Chinese companies because they allow the PRC to expand and diversify its export base at a time when economic growth is slowing in traditional markets such as the United States and Europe. The region has also proven an effective market for Chinese efforts to sell more sophisticated, higher value added products in sectors seen as strategic, such as automobiles, appliances, computers and telecommunication equipment, and aircraft. In expanding access for its products through free trade accords with countries such as Chile, Peru, and Costa Rica, and penetrating markets in Latin American countries with existing manufacturing sectors such as Mexico, Brazil, and Argentina, the PRC has often had to overcome resistance by organized and often politically well-connected established interests in those nations. In doing so, the hopes of access to Chinese markets and investments among key groups of businesspeople and government officials in those nations have played a key role in the political will to overcome the resistance.

In Venezuela, it was said that the prior Chinese ambassador to Venezuela, Zheng Tuo, was one of the few people in the country who could call President Chávez on the telephone and get an instant response if an issue arose regarding a Chinese company. Protection of Chinese Investments in and Trade Flows from the Region. At times, China has applied more explicit pressures to induce Latin America to keep its markets open to Chinese goods. It has specifically protested measures by the Argentine and Mexican governments that it has seen as protectionist: and, in the case of Argentina, as informal retaliation, China began enforcing a longstanding phytosanitary regulation, causing almost $2 billion in lost soy exports and other damages for Argentina.14 China has also used its economic weight to help secure major projects on preferential ndupress.ndu.edu issue 60, 1st quarter 2011 / JFQ 89 Ellis90 JFQ / issue 60, 1st quarter 2011 ndupress.ndu.edu FEATURES | Chinese Soft Power in Latin America terms. In the course of negotiating a $1.7 billion loan deal for the Coco Coda Sinclair Hydroelectric plant in Ecuador, the ability of the Chinese bidder SinoHidro to self-finance 85 percent of the projects through Chinese banks helped it to work around the traditional Ecuadorian requirement that the project have a local partner. Later, the Ecuadorian government publicly and bitterly broke off negotiations with the Chinese, only to return to the bargaining table 2 months later after failing to find satisfactory alternatives. In Venezuela, the Chávez government agreed, for example, to accept half of the $20 billion loaned to it by the PRC in Chinese currency, and to use part of that currency to buy 229,000 consumer appliances from the Chinese manufacturer Haier for resale to the Venezuelan people. In another deal, the PRC loaned Venezuela $300 million to start a regional airline, but as part of the deal, required Venezuela to purchase the planes from a Chinese company.15 Protection of Chinese Nationals.

As with the United States and other Western countries, as China becomes more involved in business and other operations in Latin America, an increasing number of its nationals will be vulnerable to hazards common to the region, such as kidnapping, crime, protests, and related problems. The heightened presence of Chinese petroleum companies in the northern jungle region of Ecuador, for example, has been associated with a series of problems, including the takeover of an oilfield operated by the Andes petroleum consortium in Tarapoa in November 2006, and protests in Orellana related to a labor dispute with the Chinese company Petroriental in 2007 that resulted in the death of more than 35 police officers and forced the declaration of a national state of emergency. In 2004, ethnic Chinese shopkeepers in Valencia and Maracay, Venezuela, became the focus of violent protests associated with the Venezuelan recall referendum. As such incidents increase, the PRC will need to rely increasingly on a combination of goodwill and fear to deter action against its personnel, as well as its influence with governments of the region, to resolve such problems when they occur. Blocking the Consolidation of U.S. Influence in the Region and Its Institutions. The rise of China is intimately tied to the global economy through trade, financial, and information flows, each of which is highly dependent on global institutions and cooperation. Because of this, some within the PRC leadership see the country’s sustained growth and development, and thus the stability of the regime, threatened if an actor such as the United States is able to limit that cooperation or block global institutions from supporting Chinese interests. In Latin America, China’s attainment of observer status in the OAS in 2004 and its acceptance into the IADB in 2009 were efforts to obtain a seat at the table in key regional institutions, and to keep them from being used “against” Chinese interests. In addition, the PRC has leveraged hopes of access to Chinese markets by Chile, Peru, and Costa Rica to secure bilateral free trade agreements, whose practical effect is to move Latin America away from a U.S.-dominated trading block (the Free Trade Area of the Americas) in which the PRC would have been disadvantaged.

#### Latin America key to Chinese economy

**Li ‘7** ( Professor of Political Science, joined Merrimack College in 1994 after having taught at Texas A&M - Kingsville and Weber State University, “China’s growing interest in Latin America and its implications", *Journal of Strategic Studies*) (Nanda)

Among the consequences of Deng Xiaoping’s modernization strategy has been an explosive growth of China’s trade with the world.19 With its share in the world trade expected to more than triple by 2020, China will most likely become the second largest trading nation, after the United States.20 It has already become the third largest exporter behind the United States and Germany and an emerging exporter of capital. Its total foreign exchange reserves topped $1 trillion and its gross national income reached $2.3 trillion in 2006.21 As its economic clout increases, China has three major goals: (a) to gain recognition of full market status;22 (b) to secure the raw materials it needs and to diversify the sources in order to reduce the country’s vulnerability; (c) to maintain a high level of access to the market in order to assure the exports of its dynamic manufactured products. Latin America plays a role in satisfying each of these goals. Though China’s relations with that continent have important political and security aspects, at present the most prominent dimension is economic. The region exhibits many features that complement the Chinese needs and strategy: Latin America has an abundance of raw materials and agricultural products and the region is in a good position to supply China with services such as tourism. It has potential to consume Chinese exports and thereby to encourage their diversiﬁcation.

#### Latin America key to Chinese economy – dependent on export growth

Jenkins 6-11-13 - professor of development economics over thirty years’ experience of research in developing countries with a particular interest in Latin America (Rhys Jenkins, “Latin America and China- A New Dependency?”, <http://www.tandfonline.com/doi/abs/10.1080/01436597.2012.691834#.UbphhvlQFsk>)

Nevertheless, the trend over the past decade has been for the USA’s share in both Latin American imports and exports to decline while that of the EU has remained roughly constant and China’s has increased signiﬁcantly. The Economic Commission for Latin America has projected, based on data for 16 Latin American countries, that, by 2020, China will have overtaken the EU as both an export destination and as a source of imports for the region, and will have narrowed the gap with the USA. In 2020 it is projected that China will account for almost a ﬁfth of Latin American exports and a sixth of imports.

In terms of FDI China’s role in the region continues to be marginal. Despite the signiﬁcant recent growth of Chinese investment, in 2010 China accounted for less than 0.3% of the total stock of foreign capital in the region and its share of FDI inﬂows in that year was only 0.8%.47 Even though the oﬃcial ﬁgures may underestimate the true extent of Chinese FDI and a number of major new investments were made in 2010, the role of Chinese ﬁrms in the region remains very limited. As they continue to expand globally, their presence in Latin America is likely to become more signiﬁcant in the future. Nevertheless Chinese FDI is starting from such a low base that it will be some time before it achieves levels comparable to that of US or EU FDI in the region.

The global ﬁnancial crisis provides a good test of the extent to which China has emerged as a key driver of economic growth in Latin America, making the region less vulnerable to ﬂuctuations in the US economy. The crisis had a major impact on Latin American exports in 2009, with a decline in value of 23% compared to 2008.48 Exports to the USA fell by 26% and to the European Union by 28%. In stark contrast Latin American exports to China continued to increase in 2009, by 7.5%, reﬂecting the continued growth of the Chinese economy through the crisis (see Table 10). This has led ECLAC to claim that ‘China’s economic dynamism has come to the rescue of Latin America and the Caribbean’s exports’.

### Econ IL – Export Growth

#### Chinese exports key to their economy- high-tech and skill-intensive products

Prasad 08- Tolani Senior Professor of Trade Policy, Cornell University, United States (Eswar S. PRASAD, May 28th 2008, Is the Chinese growth miracle built to last?, http://www.sciencedirect.com/science/article/pii/S1043951X08000321#)

Since the early 1990s, China has integrated into world trade at an astounding pace. Chinese exports more than quintupled between 1992 and 2007, growing faster than the national economy. The functioning of China's economy has been radically transformed, moving from an isolated position with exports of less than 10% of GDP in 1980 to a highly-integrated economy, with an export ratio of more than 37% in 2007. This process has been accompanied by a no less impressive diversiﬁcation of China's trade, as its manufactured exports pervaded all sectors of world trade, from low-technology textiles to high-tech electronics and computers.

A number of aspects of this trade integration have however puzzled economists. One is the rapid upgrading of China's exports: economists (and world consumers) have noticed the impressively broad range of China's export products since the mid-nineties, and in particular, the ability of Chinese producers to export capital- and skill-intensive products, high-technology products, and in general products that are usually considered as belonging to the area of specialization of more developed countries. Rodrik (2006) notes that China is an outlier regarding the overall sophistication of its exports: according to the sophistication index of Hausmann et al. (2007), which estimates the average “income level of a country's exports”, China's export bundle is similar to that of a country with a level of income per-capita three times larger than China. Using an alternative indicator, Schott (2008) also ﬁnds that China's export bundle is increasingly overlapping with that of the world's most-developed economies, and that this overlap cannot be entirely explained by factor endowments.

### Econ IL - Dependence

#### Latin America key to reduce Chinese economic dependence and fuel markets

**Arnson et al. ‘9** (Cynthia Anderson, Mark Mohr, Riordan Roett, writers for Woodrow Wilson International Center for Scholars, “Enter the Dragon? China’s Presence in Latin America”, <http://www.wilsoncenter.org/sites/default/files/EnterDragonFinal.pdf>) (JN)

Chinese achievements in the realm of reform and opening to the outside world have been impressive. But there are problems. First of all, China is facing increasing friction with the developed countries, which have frequently used anti-dumping practices and other means to restrict Chinese exports. From time to time, the United States uses economic leverage to exert political pressure on China. Therefore, it is imperative for China to reduce economic dependence upon the United States and other developed countries. To realize this goal, China needs to diversify its trade partners. In this regard, Latin America, a continent with a population of more than 500 million people and an economic size of more than US$2 trillion, is certainly a big market for Chinese products.

### Good for LA economies

China key to export growth in latin america

Hsiang 9- Department of International Trade, PhD in Poli Sci, Research member of Society for Strategic Studies. relations across the Taiwan Strait; Latin American area studies. (Antonio C. Hsiang, November 2009, Volume #1 (Issue #1),” China Rising in Latin America: More Opportunities than Challenges”, http://digitalcommons.kennesaw.edu/cgi/viewcontent.cgi?article=1003&context=jekem)

Facing China’s new role in the Western Hemisphere, Latin American government[s] need to boost general competitiveness by lowering country-cost factors and emphasizing policies that promote innovation that favor the companies of tomorrow. Investment in infrastructure that maximizes export comparative advantages and facilitates deeper and faster regional trade and business integration should be a priority, together with funding and support of education and research institutions assimilating the needs and demands of the markets.

For most of Latin America, with the main exceptions of Mexico and Central America, China has been an engine for export growth, allowing exporters to diversify away from traditional markets in the north. Beyond the fact that the region’s exports to China are concentrated on commodity products, the issue remains that China’s economic and political rise should be a wake-up call for more reforms in the region.

### Econ key to CCP

#### CCP staked its future on economic growth – decline causes collapse

**Abebe and Masur 10** [Daniel Abebe and Jonathan S. Masur, Assistant Professors of Law, University of Chicago Law School, Article: International Agreements, Internal Heterogeneity, and Climate Change: The "Two Chinas" Problem, Winter, 50 Va. J. Int'l L. 325]

First, since the collapse of the Marxist-Leninist ideology that served as the basis for the party's authority, the CCP has adopted economic growth as the central justification for its one-party rule. The **CCP has pegged its political future to a type of "performance legitimacy" n12 - it governs because it can provide faster growth** and higher standards of living than any alternative form of central authority. In Eastern China, the CCP's approach has been a nearly unqualified success. Special coastal economic zones, favorable banking policies, and massive decentralization of government have combined to spur blistering economic growth. Western China, however, has been left starkly behind: per capita gross domestic product (GDP) in Western China is less than half of what it is in Eastern China. The result has been rising income inequality, social instability, and dramatic divisions between East and West, rural and city, and peasants and urban residents, along with the creation of a roaming underclass of Western Chinese seeking work in the coastal cities. n13 Worse still, these social schisms coincide with ethnic and religious fault lines: Western China is home to many ethnic minority groups that harbor substantial animosity toward CCP rule. Poorer conditions in the West have created the political environment for the emergence of separatist movements**. Brisk economic growth in Western China has thus become a political imperative for the CCP**, and the CCP has [\*330] prioritized it accordingly. China is likely to balk at any international agreement that might imperil this growth. Second, as a result of its growth-driven delegation of power, the CCP suffers from a surprising (for such a centralized government) erosion of state capacity: the provinces often ignore the central government's directives, frequently without meaningful consequences. n14 The political structure of the CCP and the institutional structure of China's government are sometimes overlapping or redundant and, in many places, lack effective vertical or horizontal accountability. The environmental regulatory agencies are often subordinate to the very agencies they are intended to regulate. Province-level CCP officials are often evaluated (both locally and in Beijing) by their ability to produce high levels of economic growth, not their commitment to environmental protection. Although the CCP has recently tried to recentralize power and rationalize the governance structure, n15 the center's capacity to enforce environmental regulations on the provinces is much weaker than in a typical industrialized state. The existing structural relationship between the provinces and Beijing often results in a chronic inability on the part of the CCP to provide public goods like environmental protection, an inability it will not be able to reverse without incurring substantial costs. Finally, there is reason to believe that the vast majority of economic and scientific projections have substantially underestimated China's future carbon emissions by failing to account for heterogeneity among provinces. Eastern China is already highly industrialized and reasonably wealthy; there is every reason to expect that it will begin to move towards cleaner technologies and shift economic production away from industry and towards services (which are generally less energy and carbon-intensive). n16 Western China, by contrast, is poorer and more agrarian, and the typical development pattern for such an area involves a shift towards greater industrialization and higher per capita energy consumption (and carbon production). Indeed, this is precisely the direction in which Western China is moving. n17 Every quantitative forecast of Chinese emissions - save for two important exceptions - uses only national-level data, a methodological weakness that can wash out distinctions between East and West. Of the [\*331] two studies that employ sub-national data, one projects higher emissions than any of the national-level studies; the other projects much higher emissions than any other study. n18 We read this as suggesting that Chinese carbon emissions over the forthcoming several decades may be significantly greater than the standard models have anticipated, with correspondingly higher costs to China from any agreement to curb carbon emissions. In light of the importance of economic growth to the CCP, the internal structure of Chinese governance, and the need to develop Western China, the prospects for China choosing to join such an agreement in the immediate future seem slim. This Article proceeds in four parts. Part I focuses on the general importance of economic growth to the CCP, the distribution of growth within China, and the social and economic difficulties generated by the CCP's hyper-growth policies. Part II analyzes the CCP's internal environmental enforcement capacity and argues that China would encounter substantial domestic challenges in implementing a climate accord, even if it chooses to sign one. Part III critiques the assumptions underlying quantitative forecasts of Chinese carbon emissions and suggests that future emissions may exceed conventional projections by substantial margins. Part IV canvasses extant potential frameworks for an international climate change agreement and argues that they are likely to be unsuitable to one or more of the relevant parties. Our conclusion is a pessimistic one: it will be difficult to convince China to join a meaningful international climate agreement in the near future under the best of circumstances. The Two Chinas, coupled with China's internal political dynamics, present circumstances that are hardly ideal. I. The Chinese Growth Imperative Modern China has reinvented itself on a foundation of kudzu-like economic growth. Where Marxism once served as the unifying national ideology, the CCP has substituted wealth generation and prosperity as the touchstones of the regime and suggested that the Chinese people judge the legitimacy of CCP rule by the increases in their own standards of living. Economic growth in China has been spectacular, but it has also been highly uneven. Eastern, coastal provinces have become wealthy, while central and western provinces have lagged far behind. In effect, there is no longer simply "China." There is now Eastern China, which is urban, industrialized, and relatively prosperous, and Western China, [\*332] which is rural, agrarian, and relatively poor. This divergence in economic outcomes - a divergence that in places coincides with pre-existing ethnic and religious fault lines - poses a serious threat to social stability within China. n19 In response, the CCP has begun an aptly named "Western Development Program" in an attempt to prioritize economic growth, encourage national integration, and curb nationalist unrest in Western provinces. Accordingly, the governing regime will be reluctant to join a climate agreement that might contribute to greater instability by stunting crucial economic development in Western China. A. Foundations of CCP Rule: Economic Growth Since 1949, China has been governed by the autocratic CCP, dominated by Chairman Mao's conception of Marxism and designed to bring "socialist glory" to China while preserving party rule. After the Cultural Revolution and Mao's death in 1976, however, the CCP, led by Deng Xiaoping, began to move away from the Marxist ideological foundation that served as the legitimating discursive force for CCP authority. n20 Concerned with increasing levels of apathy toward communism and questions about its efficacy as the governing regime, n21 the CCP turned to two new sources of authority and legitimacy to galvanize support among the populace and strengthen its hold on power. The first of these was a new Chinese nationalism. The second was an emphasis on continued economic growth - a type of "performance legitimacy" n22 - as a benchmark and measure of the regime's success. From the late 1970s until the suppression of student-led democratic protests in Tiananmen Square in 1989, Deng and the CCP moved slowly toward a reform of China's centralized economic policies and internal governance structure. Deng and some of the reformers began to argue that the Chinese people wanted a higher standard of living, technological dynamism, and economic efficiency, not more ideology and excessive bureaucracy. To be economically successful, they argued, China needed the CCP's one-party rule to ensure stability and regain international prestige. In the words of one scholar, "in the most fundamental sense ... China's economic reform strategy has been guided by a strategic [\*333] vision at the top of the political system. This vision links China's security, global influence, and domestic stability to the state of its economy." n23 **Sustained economic growth is paramount for the continuation of the CCP,** the maintenance of China's territorial integrity, and the pursuit of China's national interests in international politics. n24 The CCP's reform strategy has been marked by incremental opening of the domestic economy, beginning with agriculture in the late 1970s and continuing through China's accession to the World Trade Organization (WTO) in 2001. n25 During the 1980s, the CCP delegated a significant amount of authority from the central government to the provinces and cities, freeing local actors - province and city-level officials - to develop policies that encouraged economic growth independent of the center. n26 After a temporary delay in reforms after Tiananmen Square, the 1990s saw the CCP commit to the creation of a market system, the privatization of some state-owned enterprises, and the development of the private sector. At the turn of the century, the CCP began to embrace private entrepreneurs and "retreat from economic administration to economic regulation as the core economic function of government." n27 From a national perspective, the CCP's economic reforms are an unqualified success. Fueled by these reforms, the Chinese economy has produced tremendous economic growth and a rapidly improving standard of living for many of China's citizens (in addition to severe consequences for the environment). Between 1978 and 2000, "overall per capita gross domestic product (GDP) in constant yuan roughly quadrupled." n28 Today, China has the world's second largest economy by purchasing power parity, surpassing Japan, India, and Germany. n29 It has the world's largest foreign capital reserves. n30 It enjoys a trade surplus of [\*334] $ 163.3 billion with the United States. n31 It is a leading destination for foreign direct investment, n32 and has become more integrated into the world economy through its membership in the WTO. By almost every economic measure, the CCP's economic policies and drive for modernization have produced tremendous aggregate gains for China and its citizens. The CCP's policies have also created a consumer society in the formerly Marxist China. From telephones to televisions, newspapers to the internet, and automobiles to overseas travel, the CCP has brought to the Chinese people access to information, goods, and technology that were unimaginable during the Maoist era. n33 The CCP's economic policies have reduced the role of the state in the affairs of daily life, leaving ordinary citizens more free to engage in social and economic activities. In so doing, the CCP has reinforced the norm that prioritizing hyper-growth polices and ensuring economic development are the party's overriding responsibilities. China is hardly unique in favoring continued economic growth; there are few nations on earth that are not attempting to grow their economies and produce wealth for their citizens. In China, however, economic growth is not merely a matter of policy. Growth, particularly in certain geographic regions, is viewed by the CCP as a political imperative, integral to the regime's survival. As subsequent discussion will demonstrate, this focus on economic growth significantly impacts the CCP's incentives to curb environmental degradation and reduce greenhouse gas emissions.

### CCP Instability 🡪 War

#### CCP instability causes WMD war

**Renxing 05** (San Renxing, Epoch Times. 8-5-05. “The CCP’s Last-ditch Gamble: Biological and Nuclear War” <http://www.theepochtimes.com/news/5-8-5/30931.html>)

Since the Party’s life is “above all else,” **it would not be surprising if the CCP resorts to the use of biological, chemical, and nuclear weapons in its attempt to extend its life**. The CCP, which disregards human life, would not hesitate to kill two hundred million Americans, along with seven or eight hundred million Chinese, to achieve its ends. These speeches let the public see the CCP for what it really is. With evil filling its every cell the **CCP intends to wage a war against humankind in its desperate attempt to cling to life**. That is the main theme of the speeches. This theme is murderous and utterly evil. In China we have seen beggars who coerced people to give them money by threatening to stab themselves with knives or pierce their throats with long nails. But we have never, until now, seen such a gangster who would use biological, chemical, and nuclear weapons to threaten the world, that all will die together with him. This bloody confession has confirmed the CCP’s nature: that of a monstrous murderer who has killed 80 million Chinese people and who now plans to hold one billion people hostage and gamble with their lives.

### CCP - Nuclear War

#### it causes a nuclear civil war

**Yee and Storey 02** [Professor of Politics and International Relations at the Hong Kong Baptist University and Storey, Lecturer in Defence Studies at Deakin University, Herbert Yee, Professor of Politics and International Relations at the Hong Kong Baptist University and Ian Storey, Lecturer in Defence Studies at Deakin University, 2002, “The China Threat: Perceptions, Myths and Reality,” p5]

The fourth factor contributing to the perception of a China threat is the fear of political and economic collapse in the PRC, resulting in territorial fragmentation, civil war and waves of refugees pouring into neighbouring countries. Naturally, any or all of these scenarios would have a profoundly negative impact on regional stability. Today the Chinese leadership faces a raft of internal problems, including the increasing political demands of its citizens, a growing population, a shortage of natural resources and a deterioration in the natural environment caused by rapid industrialisation and pollution. These problems are putting a strain on the central government's ability to govern effectively. Political disintegration or a Chinese civil war might result in millions of Chinese refugees seeking asylum in neighbouring countries. Such an unprecedented exodus of refugees from a collapsed PRC would no doubt put a severe strain on the limited resources of China's neighbours. A fragmented China could also result in another nightmare scenario - nuclear weapons falling into the hands of irresponsible local provincial leaders or warlords.2 From this perspective, a disintegrating China would also pose a threat to its neighbours and the world.

### Key to Global Growth

#### China’s growth is key to the growth of countries around the world – 5 reasons

Vamvakidis and Arora 2010 (Vivek B. Arora, Athanasios Vamvakidis - Managing Director and Head of European G10 Foreign Exchange Strategy for BofA Merrill Lynch Global Research, “China’s Economic Growth: International Spillovers” International Monetary Fund, Jul 1, 2010 - 23 pages)

China’s growth could influence other countries’ growth through a number of channels. First, China’s imports of commodities, processing inputs, and, increasingly, final products has a direct positive impact on partner countries’ exports and GDP. In turn, China’s exports of goods to other countries have a negative direct effect on those countries’ net exports. The indirect effects on welfare and GDP could, however, be positive as the availability of relatively low-cost products from China raises consumption and production possibilities in partner countries. Second, China’s demand for key inputs, such as commodities, can affect the world prices for these inputs and thus influence the terms of trade for other countries. Third, China’s role in processing trade has implications for other Asian countries that constitute the “Asian supply chain,” where final goods are exported from China but use for their production substantial inputs from the rest of Asia. As Deichmann and Gill (2008) point out, this supply chain allows other Asian countries, particularly smaller countries, more access to global markets than they would have otherwise had. Fourth, capital flows to China, in the form of FDI and portfolio flows, and from China, in the form of Chinese purchases of foreign Treasury and private securities, can have an impact on the global demand and supply of capital. Fifth, developments in China seem to have spillover effects on market confidence in other countries. And the list can go on.

### Growth Good – Solves Problems

#### Chinese growth good- key to solving climate change and terrorism

Nye 6-16-13 - American political scientist and former Dean of the John F. Kennedy School of Government at Harvard University. (Joseph S. Nye Jr, June 16th 2013, A smarter way for U.S. to deal with China, http://www.appeal-democrat.com/articles/china-125847-united-states.html)

When nations worry too much about power transitions, their leaders may overreact or follow strategies that are dangerous. As Thucydides described it, the Peloponnesian War — in which the Greek city-state system tore itself apart — was caused by the rise in the power of Athens and the fear that created in Sparta. Similarly, World War I, which destroyed the centrality of the European state system in the world, is often said to have been caused by the rise in power of Germany and the fear that created in Britain. (Though the causes of both wars were also much more complex.)

Some analysts predict that a similar scenario will be the story of power in the 21st century: The rise of China will create fear in the United States, which will lead to a great conflict. But that is bad history. By 1900, Germany had already passed Britain in industrial strength. In other words, the United States has more time to deal with China's growing power than Britain had to deal with Germany's, and the United States does not have to be as fearful. If it were to be too fearful, both sides might overreact. The Chinese, thinking America was in decline, would push too hard, and Americans, worrying about the rise of China, would go too far.

The best way to avoid that is by having a very clear-eyed view of all dimensions of power and how they are changing. The recent Sunnylands summit between President Obama and Chinese President Xi Jinping was a step in this direction.

Another reason it is important not to be too fearful is the diffusion of power. China and the United States — as well as Europe, Japan and other nations — will be facing new transnational challenges on issues such as climate change, terrorism, cyber security and pandemics. These issues, which will only become more urgent, will require cooperation, including help in many cases from nongovernmental agencies.

Obama's 2010 National Security Strategy referred to the fact that the United States has to think of power as positive-sum, not just zero-sum. In other words, there may be times when it is good for the United States (and the world) if Chinese power increases.

Take, for example, China's power to control and reduce its greenhouse gas emissions, the one area where China is undoubtedly a superpower. We should be eager to see China increase its capacities here, including the development of its shale gas reserves. This is a win-win.

In meeting many of the new transnational challenges, the United States has to get away from thinking just about power over others and think about power with others. We do not want to become so fearful that we are not able to find ways to cooperate with China.

World politics today is different from that of the last two centuries. It is now like a three-dimensional chess game in which interstate military power is highly concentrated in the United States but interstate economic power is distributed in a multipolar manner and power over transnational issues such as climate change, terrorism and pandemics is highly diffused. The structure of power is not unipolar, multipolar or chaotic; it is all three at the same time. Thus, a smart strategy must handle different distributions of power in different domains and understand the trade-offs among them.

## Soft Power Impact

### Soft Power Increasing Now

#### China soft power increasing now- based on economic growth in Latin America

Brandt et al 2012 (Jon Brandt, Derek Hottle, Nicole Adams, Nav Aujla, Christina Dinh, Kirsten Kaufman, Devin Kleinfield-Hayes, Wanlin Ren, Andrew Tuck, December 2012, American university school of international service, Chinese Engagement in Latin America and the Caribbean: Implications for US Foreign Policy https://www.american.edu/sis/usfp/upload/Chinese-Engagement-in-LAC-AU\_US-Congress-FINAL.pdf)

IV. Soft Power Analysis

A. Overview

Chinese soft power differs from that of the United States, leading analysts to underestimate the potential of Chinese influence. The core of Chinese soft power in Latin America (as in the rest of the world) is the widespread perception that the PRC, because of its sustained high rates of economic growth and technology development, will present tremendous business opportunities in the future and will be a power to be reckoned with globally. In each of these cases, the soft power of the PRC is reflected through high-level visits by Chinese officials, Confucius Institutes and educational exchanges, LAC perceptions of the Chinese business community, and China’s growing involvement in LAC regional organizations.

B. Chinese Media

Chinese media has been paying more attention to Latin America. There are five major Chinese-language media outlets in China that are directly guided by the Publicity Department of the Communist Party of China (Chinese government). They are CCTV, China Radio International, the People’s Daily, Xinhua News Agency, and China News Service.

For the above five outlets, there are a total of 80 Chinese media employees working in most Latin America countries, particularly Brazil, Mexico, and Argentina. Xinhua News Agency has the greatest network with 42 Chinese employees in 18 regional offices across Latin America. CCTV has five offices with 24 Chinese employees in the region. For the remaining three state-guided outlets, most of their offices are located in Brazil or Mexico and they have a small number of Chinese media. Meanwhile, all media hire local staff to support their work, but data on their numbers is unavailable as compared to their Chinese staff.

Meanwhile, US foreign correspondents are experiencing a “retreating from the world” as described by the American Journalism Review (AJR)68 in recent years.

C. High-level Visits

Since 2004, Chinese President Hu Jintao has traveled to Latin America four times to sign commercial and investment agreements for railways, oil exploration, and mining and construction projects. Other high level officials that have traveled to the region and signed similar agreements include Chinese vice-president Zeng Quinghong, Chinese Vice Premier Hui Liangyu, NPC Chairman Wu Bangguo, and Xi Jinping, who will be the next president of China, among others.

D. Confucius Institutes

In a global effort to attain "soft power" matching its growing economic and military prowess, China spends huge sums operating Confucius Institutes at hundreds of foreign universities and internationalizing its media outlets. China provides almost $200 million annually to operate the centers, with funding matched by the host institutions. The goal is to promote respect for its civilization, enhancing the government's political influence and image.

The soft power influence of these Confucius Institutes has yet been realized and has only recently increased in size in Latin America and worldwide. The number of Confucius Institutes in the LAC region has grown 400 percent to 25 institutes in 12 countries in the last 5 years, reflecting the growth of Confucius Institutes worldwide.69

### Perception Key

#### Chinese soft power high – its about perception – latin countries think its their best economic hope.

Ellis 11 [R. Evan, 1st Quarter; “Chinese Soft Power in Latin America A Case Study”; http://www.ndu.edu/press/chinese-soft-power-latin-america.html] RahulNambiar

In general, the bases of Chinese soft power differ from those of the United States, leading analysts to underestimate that power when they compare the PRC to the United States on those factors that are the sources of U.S. influence, such as the affinity of the world’s youth for American music, media, and lifestyle, the widespread use of the English language in business and technology, or the number of elites who have learned their pro- fessions in U.S. institutions.

It is also important to clarify that soft power is based on perceptions and emotion (that is, inferences), and not necessarily on objective reality. Although China’s current trade with and investment position in Latin America are still limited compared to those of the United States,3 its influence in the region is based not so much on the current size of those activities, but rather on hopes or fears in the region of what it could be in the future.

Because perception drives soft power, the nature of the PRC impact on each country in Latin America is shaped by its particular situation, hopes, fears, and prevailing ideol- ogy. The “Bolivarian socialist” regime of Hugo Chávez in Venezuela sees China as a powerful ally in its crusade against Western “imperialism,” while countries such as Peru, Chile, and Colombia view the PRC in more traditional terms as an important investor and trading partner within the context of global free market capitalism.

The core of Chinese soft power in Latin America, as in the rest of the world, is the widespread perception that the PRC, because of its sustained high rates of economic growth and technology development, will present tre- mendous business opportunities in the future, and will be a power to be reckoned with glob- ally. In general, this perception can be divided into seven areas:

hopes for future access to Chinese markets

hopes for future Chinese investment

influence of Chinese entities and infra- structure in Latin America

hopes for the PRC to serve as a coun- terweight to the United States and Western institutions

China as a development model

affinity for Chinese culture and work ethic

China as “the wave of the future.” In each of these cases, the soft power of the PRC can be identified as operating through distinct sets of actors: the political leadership of countries, the business com- munity, students and youth, and the general population.

Hopes for Future Access to Chinese Markets. Despite China’s impressive rates of sustained growth, only a small fraction of its population of 1.3 billion is part of the “modern” economy with the resources that allow them to purchase Western goods. Esti- mates of the size of the Chinese middle class range from 100 million to 150 million people, depending on the income threshold used, although the number continues to expand rapidly.4 While selling to Chinese markets is a difficult and expensive proposition, the sheer number of potential consumers inspires great aspirations among Latin American business- people, students, and government officials. The Ecuadorian banana magnate Segundo Wong, for example, reportedly stated that if each Chinese would eat just one Ecuadorian banana per week, Ecuador would be a wealthy country. Similar expressions can be found in many other Latin American countries as well.

### Latin America key to Chinese Soft Power

#### Latin America key to Chinese soft power- key to development needs

Hsiang 9- Department of International Trade, PhD in Poli Sci, Research member of Society for Strategic Studies. relations across the Taiwan Strait; Latin American area studies. (Antonio C. Hsiang, November 2009, Volume #1 (Issue #1),” China Rising in Latin America: More Opportunities than Challenges”, http://digitalcommons.kennesaw.edu/cgi/viewcontent.cgi?article=1003&context=jekem)

At a signature ceremony in Washington for China’s accession into the Inter- American Development Bank (IDB), Zhou Wenzhong, China’s Ambassador to the United States, pointed out that “China is the largest developing country, and Latin America is the most important developing region in the world. Bringing these two together for high-level, broadbased and high-quality cooperation is in alignment with the trend of the times and the development needs of the two sides.”26 Joining the IDB, China will have additional incentive to fulfill its obligations, strengthen policy coordination with member countries both in and outside the region, engage in IDB’s activities, and promote bilateral cooperation in trade financing and infrastructure construction and other areas of mutual concern so as to carry forward poverty reduction and socioeconomic development in Latin America and the Caribbean. And of course, it paves the way for Chinese companies to take part in infrastructure projects in Latin America.

On Nov. 16, 2008, Beijing released China’s Policy Paper on Latin America and the Caribbean. It reads, “under new circumstances, the development of relations between China and Latin American and Caribbean countries is faced with new opportunities.” China's policy goals on the region include: promoting mutual respect and mutual trust and expanding common ground; deepening cooperation and achieving win-win results; drawing on each other’s strengths to boost common progress and intensify exchanges; and confirming that the one China principle is the political basis for the establishment and development of relations between two sides. For Jiang Shixue, expert on Latin American Studies at Chinese Academy of Social Sciences, “cooperation in some fields mentioned in the policy paper is still in its infancy, while opportunities for cooperation in other fields remain unexplored.”

#### China requires Latin America

McGiffert 2009 (Carola McGiffert, senior fellow and editor of CSIS, CSIS, “Chinese Soft Power and Its implications for the United States Competition and Cooperation in the Developing World” 2009, PDF)

The focus of Chinese initiatives in many states is ensuring access in viable energy sources, and soft power plays a significant role in solidifying energy relationships in the Middle Ease. Africa, and elsewhere. In Latin America, China has actively leveraged soft power and economic power to maintain access to energy resources and markets as well as to gain support for its one-China policy.

In China extensive debate is ongoing regarding the source of the country’s soft power and its reasons for utilizing it. China currently lacks a coordinated national soft-power strategy and views its soft power as defensive and largely reactive, a point of view intended to allay fears in other states of a China threat.

Engaging China on critical global issues such as climate change, energy, and security requires an accurate assessment of Chinese policy, exigencies, and progress in these issue areas. Thus, in the United States, also, debate is taking place about whether China's soft-power projection represents healthy competition or a strategic threat.

Viewing Chinese successes or failures in the developing world through a zero-sum framework is not an effective way for the United States to shape its policy, and such a point of view will only contribute to an adversarial relationship.

China has not sought to replace or supplant the United States in its role of security provider In the Middle East, Southeast Asia, or Latin America. Thus, U.S. policymakers must recognize China’s objectives of maintaining its own internal stability and economic growth as they craft policies to ensure that the United States promotes its own policies effectively.

### SP good – Peace over Taiwan

#### Chinese soft power good- key to solve a “diplomatic truce” between China and Taiwan

Hsiang 9- Department of International Trade, PhD in Poli Sci, Research member of Society for Strategic Studies. relations across the Taiwan Strait; Latin American area studies. (Antonio C. Hsiang, November 2009, Volume #1 (Issue #1),” China Rising in Latin America: More Opportunities than Challenges”, http://digitalcommons.kennesaw.edu/cgi/viewcontent.cgi?article=1003&context=jekem)

Latin America is now a key region for Chinese foreign policy. However, China has maintained a low profile and avoided antagonizing the United States in the region. It is exaggerated to accuse Beijing of challenging Washington’s “Monroe Doctrine” for three main reasons. First, both sides find the trade relationship to be largely beneficial. Thus, the relation between China and Latin America is characterized far more by expanding trade flows and business connections than by establishing traditional military or political ties. Such an approach would further allow China to side-step Washington’s Monroe Doctrine by pro-actively diffusing any allegations of a Chinese challenge to Washington’s traditional sphere of influence. China supports its trade-oriented goals by behaving as a “responsible stake-holder” in Latin America. Compare with Russia’s “security and military-technical cooperation” with Latin American countries, China’s engagements, from sending peacekeeping force to Haiti to donating aid to Cuba, have been far more constructive. China’s purchase of regional commodities has also been the main factor for Latin America’s economic growth in the last decade. In sum, “the expansion of China … seems to be pulling and crowding in growth in the Latin American region.” Second, China stands to gain tremendous international prestige by offering an attractive alternative model for Latin American economic development. Beijing’s emergence means that the Washington Consensus is possibly on the wane. As China formally became a member of Inter-American Development Bank in 2009, Beijing now can contribute more to Latin America’s development and thus aid global recovery. Third, Latin American is now the proving ground for a “diplomatic truce” between China and Taiwan. Responding to President Ma Ying-jeou’s diplomacy of “modus vivendi,” Beijing allowed Lien Chan, Taiwan’s former vice-President, to attend the APEC 2008 in Peru. So long as the “one China” principle remains the political basis for Beijing’s relations with Latin American and Caribbean countries. China is content to share some of the spotlight with Taiwan, while reaping the multitudinous benefits of improved relationships. The benefits extend beyond China and Taiwan, as the more stable the political relation between Beijing and Taipei, the more economic opportunity will be afforded Latin America and the United States.

### SP good – LA economies

#### Chinese soft power good- key to improve underdeveloped Latin American countries

Hsiang 9- Department of International Trade, PhD in Poli Sci, Research member of Society for Strategic Studies. relations across the Taiwan Strait; Latin American area studies. (Antonio C. Hsiang, November 2009, Volume #1 (Issue #1),” China Rising in Latin America: More Opportunities than Challenges”, http://digitalcommons.kennesaw.edu/cgi/viewcontent.cgi?article=1003&context=jekem)

Because “many Latin American countries no longer look to Washington leadership,” the so called Washington Consensus “has lost traction”.28 As a global rising power, China offers an alternative model for Latin America’s development. Even though China has been hurt by the 2008 financial crisis, “its economic and financial powers have been strengthened relative to those of the West. China’s global influence will thus increase, and Beijing will be able to undertake political and economic initiatives to increase it further.”29 In fact, “Washington seemed to adopt a Chinese-style solution to its escalating financial problems: greater state intervention to restrict the movement of capital.”

Thus, Beijing’s emergence as a global economic power is seen throughout Latin America as offering an alternative from the Washington Consensus model for economic development. The “Beijing Consensus” is the brainchild of Joshua Cooper Ramo, a former senior editor and foreign editor of Time magazine and later a partner at Kissinger Associates, the consulting firm of former Secretary of State Henry Kissinger. According to Ramo, the Beijing Consensus has three features. The first is a commitment to innovation and constant experimentation in reforms. The second, a rejection of per capita GDP as the only measure of progress, as sustainability and equality also count. And the third, a commitment to self-determination. Less developed countries should therefore ensure their own financial integrity and keep great powers in check.

The Beijing Consensus has evolved to describe a plethora of alternative plans for economic development in the underdeveloped world. Ramo argues that China and India, who “most pointedly” ignored the World Bank and the IMF-championed Washington Consensus, “now have records that speak for themselves.”32 Consequently, the so-called the “Beijing Consensus” has been attracting attention in Latin America because of “China’s distinctive development model, . . . [which] posits far more state intervention in the economy and a greater concern with political stability and strong government to guide the development process.”

## Taiwan Impact

### Latin America key to check Taiwan

#### Chinese influence in Latin America key to check Taiwanese Independence – top priority

**Arnson et al. ‘9** (Cynthia Anderson, Mark Mohr, Riordan Roett, writers for Woodrow Wilson International Center for Scholars, “Enter the Dragon? China’s Presence in Latin America”, <http://www.wilsoncenter.org/sites/default/files/EnterDragonFinal.pdf>) (JN)

Latin America has been a major battleground of the “foreign policy war” between China and

Taiwan over international legitimacy, recognition, and status. China’s quest to recover what it calls “the province of Taiwan’’ is one of the top issues on its foreign policy agenda. Its strategy against Taiwan has been both bilateral and global. Bilaterally, China has used a mix of economic diplomacy and military and political moves to keep Taiwan from claiming independence. Globally, China’s strategy has focused on developing an international united front designed to marginalize Taiwan. Fearing Taiwan’s push for international recognition will lead to its declaration of independence, Beijing is determined to contain Taiwan in every corner of the world, especially in Central America and the Caribbean, the stronghold of Taiwan.

Taiwan has 23 million people and well protected territory. Yet, of the United Nations’ 193

member states, only 23 recognize Taiwan as a sovereign state. Of the 23 countries that recognize Taiwan, 12 are in Latin America and the Caribbean. Taiwan has been devoting enormous efforts to retain diplomatic recognition. If these states were to switch recognition from Taipei to Beijing, the damage to Taiwan’s political conﬁ dence and its claims of legitimacy as a state would be seriously undermined. According to then-prime minister of Taiwan Yu Shyi-kun in 2002, Taiwan’s allies in Latin America and the Caribbean “have helped us a lot and therefore we consider this an area of maximum diplomatic importance.”2 Under such circumstances, the strategic competition between China and Taiwan has been intensiﬁ ed in a region far away from Asia.

#### Latin America critical to china counterbalancing Taiwan

**Arnson ‘9** (writer for Woodrow Wilson International Center for Scholars, “Enter the Dragon? China’s Presence in Latin America”, <https://mail-attachment.googleusercontent.com/attachment/u/0/?ui=2&ik=7eed61efe3&view=att&th=13f35a4b091fc71f&attid=0.1&disp=inline&realattid=f_hhtqprsb0&safe=1&zw&saduie=AG9B_P_u1Ls0WHVGkfbjg6SgM16L&sadet=1370994615232&sads=1l8p_RO_bf--caGgbz-vjZ9nP-A>) (Nanda)

Different factors have inﬂuenced the China-Latin America relationship. First, although Latin

America does not represent a foreign policy priority for China, the region is an important

player in a complex global game of strategic balancing with the United States. Of course, more

important for China is how to manage its relationship with the Association of South East Asian

Nations (ASEAN) countries, secure raw materials and oil supplies, and prevent conﬂicts on their

own borders that could arise from either an emerging India or because of a changing political

scenario in Japan. LAC’s afﬁnity toward China provides political support and gives China a sense of playing as a “big power” in the international arena.

Second, Latin America is a diplomatic battleﬁeld where China ﬁghts against Taiwan. Almost

half of the states which recognize Taipei are Central American countries, in addition to Paraguay in

the Southern Cone. Even so, Latin America remains one of China’s main instruments for eroding Taiwan’s international status and forcing the island to negotiate a reuniﬁcation timetable.

#### Latin America key to Chinese-Taiwanese relations- Latin America is their battlefield

Hsiang 09- Department of International Trade, PhD in Poli Sci, Research member of Society for Strategic Studies. relations across the Taiwan Strait; Latin American area studies. (Antonio C. Hsiang, November 2009, Volume #1 (Issue #1),” China Rising in Latin America: More Opportunities than Challenges”, http://digitalcommons.kennesaw.edu/cgi/viewcontent.cgi?article=1003&context=jekem)

From 2000 to 2008, Latin America had been a diplomatic battlefield between China and Taiwan. During the eight years of his tenure, Taiwan’s president Chen Shui-bian pursu[ed] identity politics—at the heavy cost of international isolation, inflamed cross-Strait tensions and economic stagnation. His tactics were often unnecessarily provocative, ranging from calling for independence to renaming public buildings to emphasize Taiwanese identity. Taiwan-U.S. relations are, as a result, at their lowest ebb in decades.

In his final gambit, Chen insisted on holding a national referendum on whether the island should seek to join the United Nations under the name of Taiwan instead of its legal name, the Republic of China. Of course the Security Council, where China has a veto, would never have accepted Taiwan’s application.

In March 2008, Taiwan’s voters rejected the referendum by a substantial margin and produced a government more favorable to the security across the Taiwan Strait. The mandate of president Ma Ying-jeou is founded on his promise to deliver tangible benefits from better relations with Beijing, including direct airline flights, an economic accord protecting investments, more tourist visits by mainlanders to Taiwan and a peace accord under which China would withdraw the thousands of missiles it aims across the strait.

### Plan Hurts US protection of Taiwan

#### Chinese influence in Latin America decreases US Asian leverage to protect allies

Garcia 2011 (Edwin M. Hernandez Garcia, J.D. Candidate at Quinnipiac University School of Law in Connecticut, China in Latin America: A Contemporary Story, Winter 2011, <http://www.wics-usa.org/journal/Papers/2011_Winter/2011Winter-05-ChinainLatinAmerica.pdf>)

But why is Latin America so important to the U.S.? Why is it that losing Latin America to another superpower could be a detriment to the U.S. and its interests? Why should Americans care about the region? Of course, they should care. It is the where the U.S. should be focusing its efforts— in winning the hearts and minds of Latin Americans, the pre-eminent region of influence.

First of all, unlike in previous decades, when the region experienced long periods of hyperinflation, Latin America is no longer a region in economic crisis. In fact, it is a region in constant economic progress. In 2009, for instance, at least four Latin American countries ranked among the top 30 economies in the world in terms of gross domestic product (the amount of goods and services produced by a country during a year), according to the World Bank. Brazil, for instance, ranks as the 8 th largest economy of the world, while Mexico and Argentina rank as the top 14th and 30th economies respectively (World Bank, 2010). In addition to these indicators, the region has experienced continuous GDP growth in the recent years of turmoil the world economy has undergone. From 2004 to 2010, the Latin American region’s economies as a whole grew at an average pace of 4 percent, and it is predicted that it will continue to grow at below 3 percent (Froymovich, 2010). As Gabriel Torres, an economist for Moody’s, the credit rating agency, “Latin America did very well in this [economic] crisis, better than we would have expected.” (Froymovich, 2010).

The Cuban Missile Crisis sheds light to the continuing strategic importance of Latin America for the U.S. In 1962, the U.S. imposed a blockaded to all shipments to Cuba because the Soviets had placed nuclear weapons less than 100 miles from the U.S. The issue is what would happen if the Chinese decide to negotiate with Latin American countries, many of which are governed by regimes with political ideologies that may be inconsistent with U.S. style democracy, and place some of their nuclear weapons within close reach to the U.S. Mainland? What would happen in such a case? No geopolitical strategist in his right mind can argue that allowing another superpower to exercise military and economic influence in the western hemisphere would neither have policy implications, nor constitute a threat to the U.S. Geography has not changed (and may never do during our lifetime) and what happened fifty years ago can occur today and with greater implications. Does this suggest the end of the old Monroe doctrine. The Monroe Doctrine issued by President James Monroe in 1823 held that America was off limits to any European power. As Antonio C. Hsiang, an Associate Professor at the Chihlee Institute of Technology in Taiwan, states, “The geo-strategic implications of this development are broad: China’s presence in the region not only has serious impacts on the U.S.’s role in its ‘backyard,’ it has consequences for the security situation in the Taiwan Strait” (Hsiang, 2009).

But what about U.S. influence in other regions of the world? Would anything change because of PRC’s involvement in Latin America? Would PRC’s involvement in Latin America eventually force the U.S. to retreat from Asia in terms of its military presence and reduce its protection of Taiwan? That might be is a good question for geopolitical strategists. Denis C. Blair, the former U.S. Director of National Intelligence, quoted in an article by A. C. Hsiang that the U.S. goal in the dispute between Taiwan and PRC is to “make sure that military adventures are unattractive [to both sides]” (Hsiang, 2009). The recognition of the American role as a mediator in such conflict is important because, if it comes down to negotiations as to the limits of PRC’s presence in the sphere of influence of the U.S., PRC could bargain for limits on the U.S. presence in PRC’s sphere of influence in Asia—and ultimately force the U.S. to retreat protecting Taiwan against PRC aggression (no matter the prevalent treaties—this is about two world powers competing against each other for influence around the world). In other words, if PRC’s presence in Latin America becomes so extensive militarily in the future 20 years that it can protect some countries like Cuba and Venezuela from aggression from the U.S., then PRC can try to put more pressure on the U.S. to limit its presence in Asia and stop protecting Republic of China (ROC) in exchange for the same in return in Latin America.

## Relations Impact

### Relationship is about Economics

#### China-US relations are about economics & fighting for new markets

**Wickham 6-11** (DeWayne, “Wickham: U.S.-China cyber spying not a big surprise”, USA Today, June 11 2013, <http://www.usatoday.com/story/opinion/2013/06/10/obama-china-cyberspying-dewayne-wickham/2405713/)//CB>

With a shooting war largely out of the question for two nuclear powers with sane leadership, the struggle for global hegemony between the U.S. and China has been reduced to an economic struggle. While the two countries have engaged in some military muscle flexing, most of it has happened along the Pacific Rim and the South China Sea. That chest-beating by the U.S. and China is aimed largely at building strategic alliances and securing economic advantage among countries in those regions. In this competition, the military and economic interests of China and the U.S. are conjoined -- which makes the use of cyberattacks as much a strategy for victory as a well-executed flanking movement was for Gen. George Patton's tank corps during the Battle of the Bulge. In explaining his administration's decision to engage in a limited surveillance of the telephone and Internet activities of Americans, Obama said domestic cybersnooping is necessary to keep Americans safe from attack. While the president's defense of this program of "modest encroachments" of personal privacy has surprised many Americans, the global cyberspace war being waged between the U.S. and China should not.

### Latin America key

#### US-Sino direct competition in Latin America undermines relations.

Cerna 11( Michael, a graduate student in International Policy Management, “China’s Growing Presence in Latin America: Implications for U.S. and Chinese Presence in the Region” <http://www.chinacenter.net/chinas-growing-presence-in-latin-america-implications-for-u-s-and-chinese-presence-in-the-region/>, April 15, 2011)

As it stands, the Chinese are not broadening their relations with the region in a way that directly competes with the United States. China is strictly concerned with commodities, including oil. U.S. President Barack Obama recently signed an agreement with Brazil’s Petrobras that will allow the oil company to drill in the Gulf of Mexico. This symbolic move could cause tensions to increase as the world’s two largest oil consumers battle over rights to Brazilian oil. In that regard, the competition may go beyond a race to Latin commodities and move into the realm of fighting for political influence. It is odd to t2hink that the United States would need to compete for hemispheric dominance with a country on the other side of the globe, but China’s actions and increasing integration into the region tell us that such a scenario may one day arise. Given the proximity and importance of Latin America to the United States, this region could be the symbolic battle that best measures the continued hegemony of the U.S. versus China.

With both the U.S. and China jockeying for influence in a world where political power relations are changing, Latin America has the most to gain. The primary concern for the region is that it does not become a battle ground for a neo-Cold War between China and the U.S. Brazil already has clearly stated its concerns regarding Chinese influence. Yet, despite this tension, Brazil is now too reliant on China to turn away from the path on which Lula set the country. Agricultural exports to China are crucial to Brazil’s economy. Lula’s Brazil supported China politically and made clear moves away from the United States. Now Rouseff’s administration has welcomed Barack Obama with open arms. With all three major actors going through stages that could influence the global economic and political landscape – China implementing its 12th five-year plan, Brazil cementing itself as a prominent world player and the U.S. still recovering from a terrible financial crisis – this dynamic relationship is one that deserves close attention from all those concerned with the future of China-U.S. relations. Where Brazil and the rest of Latin America were once looking for an alternative to U.S. influence and found China, the region may now be looking to the U.S. to strike a balance with growing Chinese influence. With the global ambitions of Latin America, namely Brazil, it is essential to maintain close ties with both the United States and China. The world will be watching.

### Relations Good

#### US-China relations key to combat warming and improve the global economy

**Chen and Hachigian ’09** (Winny Chen and Nina Hachigian, “The Importance of US-China Relations”, <http://www.americanprogress.org/issues/china/news/2009/01/28/5497/the-importance-of-u-s-china-relations/>) (JN)

China could show even more leadership along these lines, offering funds to more countries, earning more credibility for being a “responsible stakeholder,” and garnering good will from developing and developed countries alike. A partnership with China on addressing the global economic crisis is critical, and ongoing disagreements on issues such as currency should not preclude cooperation and collaboration toward that ultimate goal wherever possible.

In the long run, President Barack Obama will be judged on the whole bilateral relationship, but especially on his ability to bring China into a regime to address global warming. [This is the issue that has the potential to define and animate our bilateral relationship](http://www.americanprogress.org/issues/china/report/2008/08/13/4817/a-global-imperative/). Together, the United States and China account for 40 percent of global emissions. Breaking this inadvertent “[suicide pact](http://climateprogress.org/2008/01/21/chapter-nine-excerpt-the-us-china-suic%20ide-pact-on-climate-2/)” is the epic challenge of our era.

## Blocks

### A2 US top economic partner now

#### US economic dominance doesn’t answer the link – perceptions of Chinese soft power and dominance high now.

Ellis 11 [R. Evan, 1st Quarter; “Chinese Soft Power in Latin America A Case Study”; http://www.ndu.edu/press/chinese-soft-power-latin-america.html] RahulNambiar

In general, the bases of Chinese soft power differ from those of the United States, leading analysts to underestimate that power when they compare the PRC to the United States on those factors that are the sources of U.S. influence, such as the affinity of the world’s youth for American music, media, and lifestyle, the widespread use of the English language in business and technology, or the number of elites who have learned their pro- fessions in U.S. institutions. It is also important to clarify that soft power is based on perceptions and emotion (that is, inferences), and not necessarily on objective reality. Although China’s current trade with and investment position in Latin America are still limited compared to those of the United States,3 its influence in the region is based not so much on the current size of those activities, but rather on hopes or fears in the region of what it could be in the future. Because perception drives soft power, the nature of the PRC impact on each country in Latin America is shaped by its particular situation, hopes, fears, and prevailing ideol- ogy. The “Bolivarian socialist” regime of Hugo Chávez in Venezuela sees China as a powerful ally in its crusade against Western “imperialism,” while countries such as Peru, Chile, and Colombia view the PRC in more traditional terms as an important investor and trading partner within the context of global free market capitalism. The core of Chinese soft power in Latin America, as in the rest of the world, is the widespread perception that the PRC, because of its sustained high rates of economic growth and technology development, will present tre- mendous business opportunities in the future, and will be a power to be reckoned with glob- ally. In general, this perception can be divided into seven areas: hopes for future access to Chinese markets hopes for future Chinese investment influence of Chinese entities and infra- structure in Latin America hopes for the PRC to serve as a coun- terweight to the United States and Western institutions China as a development model affinity for Chinese culture and work ethicChina as “the wave of the future.” In each of these cases, the soft power of the PRC can be identified as operating through distinct sets of actors: the political leadership of countries, the business com- munity, students and youth, and the general population. ***Hopes for Future Access to Chinese Markets.*** Despite China’s impressive rates of sustained growth, only a small fraction of its population of 1.3 billion is part of the “modern” economy with the resources that allow them to purchase Western goods. Esti- mates of the size of the Chinese middle class range from 100 million to 150 million people, depending on the income threshold used, although the number continues to expand rapidly.4 While selling to Chinese markets is a difficult and expensive proposition, the sheer number of potential consumers inspires great aspirations among Latin American business- people, students, and government officials. The Ecuadorian banana magnate Segundo Wong, for example, reportedly stated that if each Chinese would eat just one Ecuadorian banana per week, Ecuador would be a wealthy country. Similar expressions can be found in many other Latin American countries as well.6

# AFF

## Uniqueness

### US-Cuba ties improving now

#### U.S.-Cuba relations improving – migration and mail talks

**Whitefield and Tamayo 6/18/13** (Mimi and Juan, “Deep freeze in US-Cuba relations could be thawing”, The Bellingham Herald, June 18 2013, <http://www.bellinghamherald.com/2013/06/18/3058438/deep-freeze-in-us-cuba-relations.html>)//CB

There have been signs on two fronts this week that the Obama administration is willing to work toward warmer relations with Cuba that have been all but frozen since Havana jailed a U.S. government subcontractor in 2009.

Two days of talks between U.S. and Cuban officials on resuming direct mail to Cuba - a service that has been cut off for five decades - began Tuesday in Washington, and, perhaps more significantly, sources said that U.S. and Cuban officials plan to resume migration talks in July.

Migration between the long-hostile countries has come under closer scrutiny since Havana eased its restrictions on travel abroad on Jan. 14, raising the prospects that many more Cubans will leave the island and head to the United States, legally or illegally. Cubans are no longer required to obtain an exit visa or a mandatory invitation letter from a foreign host to leave the island.

But because Cubans still need an entry visa to visit the United States, some analysts say migratory patterns could change as Cubans travel to countries that don't require visas and then use them as a hopping-off point to enter the United States.

The migration talks will start July 17 in Washington between State Department and Cuban Foreign Ministry officials, knowledgeable sources told El Nuevo Herald on Tuesday.

Although the resumption of the migration and mail talks are not especially significant by themselves, they signal an effort by the Obama administration to improve its relations with Havana and provide a setting for quiet discussions on other issues.

### Mexico – tied to US now

#### Mexico not an option for China, close ties to U.S. proves.

Painter 11/21/11 (James, Author at BBC, “China deepens Latin America ties”, <http://news.bbc.co.uk/2/hi/americas/7737554.stm>)

However, for Mexico, Latin America's third Apec member, the relative importance of Asia-Pacific remains low (about 3% of its exports) because of Mexico's close ties with the US economy. And the trade that does exist is very much in China's favour.

In 2007 Mexico ran a $28bn trade deficit with China.

"For every $30 of Chinese goods that Mexico imports, Mexico only exports $1 of Mexican goods to China," says Mr Erikson.

Infrastructure

Some Latin American governments complain privately about the low level of Chinese direct foreign investment in the region, which is far less than that of the US or the EU. The official figure is more than $20bn, but critics say much of this goes into offshore tax havens.

According to figures from the Chinese embassy in Washington in early 2008 only about $2bn is direct investment in extractive industries like oil and minerals.

"Investment in infrastructure for example," says Mr Erikson, "has been very disappointing."

Osvaldo Rosales, from the UN's Economic Commission for Latin America and the Caribbean (ECLAC) , told the BBC there was a "huge asymmetry between the increasing level of trade between China and Latin America and the low level of Chinese investment".

But he blames Latin American governments for the lack of properly evaluated investment projects for China to invest in.

### U overwhelms

#### Latin involvement with China inevitable – prestige & economic benefits

**Johnson ‘5** (Stephen Johnson, writer for the Heritage Foundation, “Balancing China’s Growing Influence in Latin America”, <http://www.heritage.org/research/reports/2005/10/balancing-chinas-growing-influence-in-latin-america>) (JN)

From Latin America's perspective, expanding relations with China might seem like a good idea. It offers the following advantages:

Prestige. Dealing with China, a major world power, elevates a small country into the big leagues of global actors. It supplies respect for those living in the shadow of the prosperous U.S. colossus. The novelty of frequent high-level Chi­nese visits suggests that American leaders, who visit less often, have ignored the region.

Deals with few requirements. China can bar­gain on the spot without a lot of caveats. Its transactions are based on simple exchanges. Their leaders have broad authority to negotiate foreign deals without worrying about legislative oversight, the rule of law, or altruistic objec­tives. Unlike Western leaders, Chinese leaders represent state monopolies-which mesh well with Latin American government ownership or management of telecommunications, mining, and energy industries. They do not need to build up Latin American trade capacity to deal with diverse businesses.

Leverage against Uncle Sam. China's expand­ing industries are a temporary boon to resource-rich Latin America. Exports (mostly commodities) to China have grown by more than 600 percent in five years.[[7]](http://www.heritage.org/research/reports/2005/10/balancing-chinas-growing-influence-in-latin-america" \l "_ftn7" \o ") Compared with U.S.-Latin America trade ($410 billion in 2004), China's $40 billion trade with the region might seem inconsequential.[[8]](http://www.heritage.org/research/reports/2005/10/balancing-chinas-growing-influence-in-latin-america" \l "_ftn8" \o ") However, Chi­nese trade and investment gives Latin politi­cians and business elites, who largely control commodities, a bargaining chip when dealing with the United States.

## Link

### 2ac Cooperation Card

#### No risk of the link – cooperation will happen – 5 reasons

**Li ‘7** ( Professor of Political Science, joined Merrimack College in 1994 after having taught at Texas A&M - Kingsville and Weber State University, “China’s growing interest in Latin America and its implications", *Journal of Strategic Studies*) (Nanda)

In a sense, the emergence of a new great power in an important region could intrinsically harm the US interests, since relative American power and inﬂuence in that region might proportionately decline unless the United States expends more efforts and resources to counteract the new player.62 After a period of fundamental reassessment in the late 1990s, China decided to avoid directly challenging the US in spite its perception of US support for Taiwan as a continued affront to the Chinese sense of national sovereignty. Beijing is taking a less confrontational, more sophisticated, more conﬁdent, and, at times, more constructive approach toward regional and global affairs. In contrast to a decade ago, the world’s most populous country now largely works within the international system. Chinese foreign policy has shown dramatic changes that underscore the priority that Beijing assigns to economic growth and its interest in assuming a larger role in regional and global affairs. Beijing has tried to ﬁt into the US dominant international system as a ‘responsible stakeholder’, as suggested by US Deputy Secretary Robert Zoellick in September 2005. It has embraced much of the current constellation of international institutions, rules, and norms as a means to promote its national interests. And it has even sought to shape the evolution of that system in limited ways.63 The degree to which increasing Chinese power might endanger the US interests could vary greatly, depending on how Beijing ultimately seeks to employ its power. President Hu Jintao and Premier Wen Jiabao have been sensitive to foreign reactions to China’s growing power. Their pursuit of cooperative security, win-win economic cooperation, and an increasingly multilateral approach to foreign policy in general have so far met with greater success than any of their predecessors.64 Presently, China has carefully crafted a Latin American policy that is trying to avoid antagonizing the United States in the region. This is dueto at least ﬁve factors.

First, China is well aware that the United States has traditionally regarded Latin America as within its sphere of inﬂuence and as a consequence, that Washington is very sensitive about Beijing’s involvement in Central America and the Caribbean.65

Second, from the standpoint of the Chinese military and others in Beijing, their country was (and is) weak, and likely to remain so for many years, especially in comparison to the US.66

Third, Beijing considers that China should contribute to thedevelopment of the Third World, but should try to avoid unilateral ‘contribution’ in the security area, since the US is very sensitive in this area, too, and it could easily lead to misunderstandings.67

Fourth, Beijing also has realized that a more prosperous, developed China will continue to need American capital and advanced technology. The vast American market remains vital for the success of China’s

modernization.

In addition, from Beijing’s perspective, Washington could play a helpful role to maintain status quo across the Taiwan Strait. Given Beijing’s paramount near-and mid-term priority to attending to its internal challenges and maintaining a peaceful international environment, China places enormous value on maintaining a positive relationship with United States.68 Thus the Chinese would rather to uphold the status quo of supporting a liberal international trade regime and preparing themselves to be efﬁcient competitors. Meanwhile, Beijing no longer lambastes American imperialism since it is not in Beijing’s long-term interests to overthrow the present world order. Beijing has become less and less willing to support Latin American countries’ direct confrontation with Washington. Though Beijing continues to attack the US on various Latin American issues such as the embargo against Cuba, its support for populist governments such as Venezuela under Hugo Cha´vez seems less salient. The Chinese must tread carefully in encouraging Latin American countries to distance themselves from the United States and in promoting their economic interests in Latin America, where the US has long been the region’s growth engine.

### US & China cooperate

#### Concerns are hype; it’s not zero sum – five reasons

**Shixue ’11** (Jiang Shixue,  Professor and Deputy Director of the Institute of European Studies at the Chinese Academy of Social Sciences (CASS), “The U.S Factor in Sino-Latin America Relations”, <http://www.chinausfocus.com/foreign-policy/the-u-s-worry-factor-in-sino-latin-american-relations/>) (JN)

The U.S. concerns are unnecessary and unfounded.

First, both China and Latin America have been opening to the outside world. In the age of globalization, both should cooperate to promote South-South collaboration. As a matter of fact, further cooperation between China and Latin America will benefit regional peace and development in the Asia-Pacific and Latin America. This outcome would certainly be welcomed by the United States.

Second, it is well-known that Latin America has been implementing reforms and opening to the outside world for almost two decades. It endeavors to attract more foreign investment and liberalize the market to stimulate growth. As a result, China is only one of the economic partners Latin America has been trying to cooperate with.

Third, China’s relations with Latin America are for economic purposes, not for political outcomes to be used against the U.S. China well understands that Latin America is the backyard of the United States, so there is no need for it to challenge American influence.   
Fourth, China’s cooperation with Latin America in military and security fields is not targeting any third party and it is hardly a secret issue. China’s first policy paper on Latin America, published in November 2008, openly set aside one section to deal with the issue. It said: “The Chinese side will actively carry out military exchanges and defense dialogue and cooperation with Latin American and Caribbean countries. Mutual visits by defense and military officials of the two sides, as well as personnel exchanges, will be enhanced.” Moreover, China’s military relations with Latin America are undertaken according to the following principles: 1) to gain better understanding of the Latin American military; 2) to improve professional expertise by learning from each other; 3) never target any third party; and 4) never harm regional and hemispheric stability. These principles are not counter to U.S. national interest and dominance in the western hemisphere.

Finally, China does not wish to be used as a “card” against the United States. It has no enthusiasm for getting entangled in the problems of U.S.-Latin American relations.

### Not Zero Sum - politics

#### No Chinese sphere of influence – power is not zero-sum – seeking cooperation now

**GT 5/31/13** (Global Times Agencies, “China, US not competing over Latin America: expert”, <http://www.globaltimes.cn/content/785721.shtml#.UbpOG_nqlsk>) (JN)

Chinese President Xi Jinping heads to Latin America and the Caribbean on Friday, in a state visit aiming at promoting China's cooperation with the region.  
Xi's visit to Trinidad and Tobago, Costa Rica and Mexico follows his first foreign trip to Russia and three countries in Africa, Tanzania, South Africa and Republic of Congo, shortly after taking office in March.  
While Xi kicks off his visit, US Vice President Joe Biden is concluding his Latin America visit on the same day, as he leaves Brazil Friday. Some media reports described "dueling visits" by Chinese and US leaders, and said that the "competition between the world's two biggest economies for influence in Latin America is on display."  
Both the US and China deny they are competing with each other. Chinese foreign ministry spokesperson Hong Lei said last week that the two countries can "carry out cooperation in Latin America by giving play to their respective advantages."   
Tao Wenzhao, a fellow of the Institute of American Studies at the Chinese Academy of Social Sciences, told the Global Times that it is a coincidence that the two leaders chose to visit Latin America at a similar time, and that China has no intention to challenge US influence in the area.  
"It's not like in the 19th century when countries divided their sphere of influence in a certain area. China and the US' involvement in Latin America is not a zero-sum game," Tao said, explaining that it is a good thing for Latin America.  
Chinese and US leaders visit Latin America out of their respective strategic needs, Tao said. All countries need to interact and cooperate with other countries, and visits of such high-level are usually arranged long time before they starts, Tao said.   
China has embarked on a diplomatic drive since completing its once-in-a-decade leadership transition with Chinese Premier Li Keqiang also visiting India, Pakistan, Switzerland and Germany, and several high-level visitors to Beijing. After visiting Mexico, Xi travels to the US for his first summit with President Barack Obama on June 7 to 8 in California.

#### Not zero-sum – China isn’t challenging US dominance

**Xiaoxia 5/06/13** (writer for Economic Observer and Worldcrunch, “In America’s Backyard: China’s Rising Influence in Latin America”, <http://worldcrunch.com/china-2.0/in-america-039-s-backyard-china-039-s-rising-influence-in-latin-america/foreign-policy-trade-economy-investments-energy/c9s11647/>) (Nanda)

So what does China want exactly in entering Latin American? Is it to obtain a stable supply of energy and resources, and thus inadvertently acquire political influence? Or the other way round?

Presumably most U.S. foreign policy-makers are well aware of the answer.

China's involvement in the Latin American continent doesn’t constitute a threat to the United States, but brings benefits. It is precisely because China has reached "loans-for-oil" swap agreements with Venezuela, Brazil, Ecuador and other countries that it brings much-needed funds to these [oil-producing countries in South America](http://worldcrunch.com/business-finance/security-threats-and-labor-woes-undermine-colombia-s-oil-dreams/c2s4244/#.UYOz6qJhiSo). Not only have these funds been used in the field of oil production, but they have also safeguarded the energy supply of the United States, as well as stabilized these countries' livelihood -- and to a certain extent reduced the impact of illegal immigration and the drug trade on the U.S.

For South America, China and the United States, this is not a zero-sum game, but a multiple choice of mutual benefits and synergies. Even if China has become the Latin American economy’s new upstart, it is still not in a position to challenge the strong and diverse influence that the United States has accumulated over two centuries in the region.

### Not Zero Sum – trade & economics

#### Not zero sum

Cerna 11( Michael, a graduate student in International Policy Management, “China’s Growing Presence in Latin America: Implications for U.S. and Chinese Presence in the Region” <http://www.chinacenter.net/chinas-growing-presence-in-latin-america-implications-for-u-s-and-chinese-presence-in-the-region/>, April 15, 2011)

With both the U.S. and China making gains in the region in different sectors, there is seemingly room for each side to grow; which implies that, in fact, trade with Latin America is not a zero-sum game. China presents an alternative to the United States, but that is not necessarily a bad thing. The U.S. is much more diversified than China at the moment and therefore does not need to enter into direct competition. However, as China responds to calls from Brazil and diversifies its investments, there is increasing worry that China is going to outmatch U.S. trade in the region. These fears may be economically based, but there are potentially harmful political consequences – primarily, providing Latin America with a quasi-world power as an alternative to the U.S. Since the Monroe Doctrine, Latin America has been considered a secure sphere of influence for the U.S. The fact that China presents a less democratic.alternative to U.S. influence presents a major problem.

#### Latin America isn’t zero sum- China and US can both make gains

Feinberg 2011 (Richard Feinberg, professor of international political economy, “China, Latin America, and the United States:Congruent Interests or Tectonic Turbulence?” 2011, Latin American Research Review volume 46 number 2 http://muse.jhu.edu/journals/latin\_american\_research\_review/v046/46.2.feinberg.html)

In China's and India's Challenge to Latin America: Opportunity or Threat?, the various contributors—World Bank economists and consultants, including renowned specialists in international trade—come down solidly on the side of opportunity. This is not surprising: in the neoclassical (or neoliberal) paradigm dating back to Adam Smith and David Ricardo, and widely accepted among trained economists, market-generated economic exchanges typically produce mutually beneficial gains, and any losers can be compensated from the resulting surplus. In contrast to the security games realists imagine, in which there are triumphant winners and vanquished losers, economics is not a zero-sum game! In the arena of trade, the expanding Chinese economy is creating both direct and indirect gains for Latin America: direct gains as China sucks in massive quantities of raw materials (e.g., iron ore, copper, petroleum, soybeans and other grains) and indirect gains from the rising price of natural resources (commodities in which Latin America and especially South America have a comparative advantage) and from spillovers in third markets (e.g., demand from China bolsters the U.S. economy, which in turn can purchase more Latin American products at higher prices).

## Impact

### Exports not key to Chinese Econ

#### Domestic commerce key to Chinese economy – not exports

**Weihua 3/14/13** (Chen Weihua, writer for ChinaDaily citing IMF official, “Domestic Demand Holds Key to Chinese Growth”, <http://www.chinadaily.com.cn/bizchina/2013-03/14/content_16307121.htm>) (JN)

A top International Monetary Fund official warned on Tuesday of the need for China to followthrough on plans to shift its economy from an investment-driven model to one that relies on [domestic consumption](http://www.chinadaily.com.cn/bizchina/domestic-consumption.htm).

Zhu Min, one of the IMF's three deputy man[aging](http://www.chinadaily.com.cn/bizchina/ageing-population.htm) dire[cto](http://www.chinadaily.com.cn/bizchina/2006-09/27/content_698091.htm)rs, said the key to this transition is economic reform and the quality, rather than the rate, of growth.

Chinese [GDP](http://www.chinadaily.com.cn/bizchina/2006-09/27/content_697807.htm) grew 7.8 percent in 2012, higher than the government's adjusted forecast of 7.5percent. Although it was China's slowest rate of economic expansion since 1999, theperformance was among the strongest in the world. This year, GDP is expected to grow 8 to8.25 percent.

Zhu pointed out that China's economy has been moving from a long-established focus on exports to investment. However, the 48 percent of Chinese GDP that investment accounted forlast year was far too high, he told a seminar at Johns Hopkins University's Paul H. Nitze Schoolof Advanced International Studies in Washington.

Overcapacity is a major challenge in China, where utilization of manufacturing resources hasdropped to 60 percent, a level Zhu described as risky.

"Over-investment is a big concern and the quality of growth is a big concern," he said.

Zhu, who assumed his current post in July 2011, blamed over-investment for constraining thewages of Chinese workers. Household income remains a very small share of the country'seconomy, he said.

To maintain growth at or near current levels, China needs to keep moving toward consumption as its key economic driver, the IMF official said.

This goal is stre[sse](http://www.chinadaily.com.cn/bizchina/2006-10/17/content_710141.htm)d in the 12th [Five-Year Plan](http://www.chinadaily.com.cn/bizchina/2006-09/27/content_697057.htm) (2011-15), as well as the Government WorkReport delivered last week by Premier Wen Jiabao at the National People's Congress.

The transition has sparked heated debate in China, and Zhu said on Tuesday that how peopletalk about it is important.

### China will Cooperate

#### China is looking to reduce tensions with the US, respects its interests

**Arnson et al. ‘9** (Cynthia Anderson, Mark Mohr, Riordan Roett, writers for Woodrow Wilson International Center for Scholars, “Enter the Dragon? China’s Presence in Latin America”, <http://www.wilsoncenter.org/sites/default/files/EnterDragonFinal.pdf>) (JN)

Chinese policymakers used to support leaders like Venezuela’s Hugo Chávez and Bolivia’s Evo Morales; the Chinese would be very happy to have a relationship with them, but now are reluctant to do so precisely because the distinctive anti-Americanism represented by these left-wing leaders poses a dilemma from which Chinese leaders can not escape. Thus, because China needed to drastically reduce its existing geopolitical tensions with the United States, deepening relations with anti–U.S. regimes in Latin America poses too great a risk. At the same time, China cannot ignore the native, popular roots of these emerging movements. Although China has always been sympathetic to such movements to counterbalance U.S. power, today it is more mindful of the triangular nature of China’s relations with countries of the Western hemisphere and increasingly cautious about Washington’s stance.

#### No impact – China will cooperate, not challenge the US

**Arnson ‘9** (writer for Woodrow Wilson International Center for Scholars, “Enter the Dragon? China’s Presence in Latin America”, <https://mail-attachment.googleusercontent.com/attachment/u/0/?ui=2&ik=7eed61efe3&view=att&th=13f35a4b091fc71f&attid=0.1&disp=inline&realattid=f_hhtqprsb0&safe=1&zw&saduie=AG9B_P_u1Ls0WHVGkfbjg6SgM16L&sadet=1370994615232&sads=1l8p_RO_bf--caGgbz-vjZ9nP-A>) (Nanda)

CONCLUSION

The news media in the United Sates have been portraying a wrong perception of the development of Chinese relations with Latin America. One editorial in the Wall Street Journal, for instance, says, “The rise of China in the region could complicate U.S. efforts to control illegal immigration, weapons shipments, the drug trade and money laundering because China is cooperating with

Latin countries that are not especially friendly toward those efforts. Some of these nations may try

to use the Chinese alternative to challenge U.S. hegemony.”5

The United States’ concern over the closer relationship between China and Latin America is

misplaced and unnecessary. It is well-known that Latin America has been on the path of reform

and opening to the outside world for almost two decades. It endeavors to attract more foreign

investment and liberalize the market so as to stimulate growth. As a result, China is only one of the economic partners with whom Latin America has been trying to cooperate.

China understands well that Latin America is the backyard of the United States, so China has

no intention whatsoever to challenge the American hegemony in Latin America. Both China and

Latin America have been opening to the outside world. In the age of globalization both of them

should cooperate to push forward South-South cooperation. As a matter of fact, further cooperation between China and Latin America will beneﬁt regional peace and development in the Asia-Paciﬁc region and in Latin America. Such an outcome would also certainly favor of the United States.

#### China committed to cooperation with the US

Brandt et al 12- head of the Department of Agricultural and Resource Economics (Jon Brandt, December 2012, “Chinese Engagement in Latin America and the Caribbean: Implications for US Foreign Policy”, http://www.american.edu/sis/usfp/upload/Chinese-Engagement-in-LAC-AU\_US-Congress-FINAL.pdf)

While some argue that a globally-ascending China is a revisionist power seeking important changes in the international system, most agree that China seeks the desired change in a patient, prudent, and peaceful fashion.Americans who deal in foreign affairs especially appreciate the fact that Chinese strategic thinking has moved away from notions of a global class conflict and violent revolution. Instead, today's China emphasizes a “peaceful rising” in global influence while seeking a “harmonious world.” Former Secretary of State Zbigniew Brzezinski asserts that the Chinese emphasis on “harmony” can serve as a useful point of departure for U.S.-Chinese relations during the Obama presidency. Thus, “it is a task that President-elect Barack Obama – who is a conciliator at heart – should find congenial, and which President Hu Jintao – who devised the concept of ‘a harmonious world’– should welcome. It is a mission worthy of the two countries with the most extraordinary potential for shaping our collective future.”

In Latin America, China’s engagements have been mostly politically neutral. “Despite its disagreements with the United States about many issues, Beijing has adopted a low-key approach and managed to avoid any public confrontation with the United States in the Western Hemisphere.” Nevertheless, China's growing clout is hard to miss. At the APEC summit in 2008, all eyes were on Hu Jintao as he declared that “China now wants to show it is a responsible stakeholder in the region,” according to Dan Erikson, a specialist in China Latin American relations from the Inter-American Dialogue.

Compared with Russia’s involvement in Latin America, which includes holding joint military exercises with Venezuela and selling arms to the region, China’s engagement has been decidedly dovish. Although the neo-conservatives loudly worry about China’s close relations with Venezuela, “[the] oil interest actually plays a rather limited role in SinoVenezuelan ties in the foreseeable future.”22 This is because while China is obviously keen to enter into oil agreements with Venezuela, Beijing has shown no intention to be drawn into any tensions between Hugo Chavez and the U.S. government.

### A2 Chinese Econ key to Global Econ

#### Chinese hard landing has minimal impact on the US and Global economy– feedbacks create a bounce back effect that quickly reverses the downturn

**Davis 04** (Joseph, Analyst @ Vanguard China's slowing economy, September, <https://institutional5.vanguard.com/iip/pdf/chinaslowdown.pdf>)

Overall, our simulations indicate that a Chinese hard landing would have a minimal impact on the U.S. economy. There would be the usual temporary effects of dramatic economic news-a few days or weeks of market swings, together with much dire prophesizing in the media. But, as stated above, the true result of a sharp drop in China's GDP should be much like that of past emerging-market hard landings, which have not significantly detracted from U.S.-and hence, global-economic growth. Despite the initial drop-off in local demand, global deflationary pressures would quickly act to stimulate demand worldwide. Indeed, the VAR model demonstrates that the second-round feedback effects of lower commodity and import prices would reduce input costs world-wide sufficiently to create a bounce-back effect: The lower costs eventually would counteract the first-round fall-off in Chinese demand. Conclusion. While recent Chinese policy responses suggest that a soft landing is the most likely outcome for the nation's economy, the risks to this assessment lie overwhelmingly on the downside. Regardless of the path that China's economy takes over the next year, our analysis shows that the potential ramifications for long-term investors are more modest and short-lived than commonly feared. Using quantitative techniques, we find that the implications of a soft landing in China are relatively benign for the global economy. A potential hard landing would have more harmful effects on the Asian economy and emerging markets generally, but relatively minor impact on the U.S. economy.

### A2 CCP Collapse Impact

#### The transition will be stable

**Giley 07** [Bruce Gilley, January 2007. Assistant professor of political studies at Queen's University in Canada, and former contributing editor at the Far Eastern Economic Review. “Is China Stuck?” Journal of Democracy, 18.1, Project Muse.]

Yet what if the CCP is actually quite responsive? What if it is in tune with popular demands, and finds ways to move and adapt as those demands change? In other words, what if the party stays or goes because of [End Page 173] popular pressures? Pei himself recognizes this possibility. He cites "rising public dissatisfaction" (p.14) as one thing that would prod the regime to change. "A democratic opening may emerge in the end, but not as a regime-initiated strategy undertaken at its own choosing, but more likely as the result of a sudden crisis" (p. 44). Perhaps the word crisis is being used in two different senses here. One crisis and another can, after all, vary in urgency: There are crises and there are crises. The crisis of which Pei speaks seems to be of the more benign sort, a mere shift in public preferences that prods the regime to change. Such a crisis will not require democracy to rise upon the ashes of a razed public square, but rather will stir the regime to recognize that its time has come, and to do the right thing by going fairly gentle into that good night. If so, then **the prospects for a relatively smooth democratic transition in China are bright and no collapse is likely**.

#### CCP collapse will be stable --- Chinese pro-democracy forces are ready to take power and the government is willing to give it up peacefully.

Xin Ping, 10/23/2007. “Chinese Pro-democracy Forces Ready for CCP's Collapse,” The Epoch Times, <http://en.epochtimes.com/news/7-10-23/61127.html>.

Recently I found that Chinese pro-democracy activists and many other forces are making active preparations for running the government after the Chinese Communist Party (CCP) collapses. I used to be acquainted with many pro-democracy activists in the past, and, was considered one of them. But since I started to practice Falun Dafa, I was no longer on a political path, so I gradually lost touch with them. Our acquaintance resumed only recently when I ran into some of them, with whom I had a long talk. I was impressed with their changes. What shocked me most is that they have no more fear of the CCP. Instead they are confident, and have no doubt in the victory over the CCP. As they said, since they have seen every trick of the CCP, nothing can scare them away now. I told them about Falun Dafa practitioners' peaceful and rational anti-persecution experiences, which inspired them a lot. Indeed, Falun Dafa practitioners have set a great example for all Chinese people and have encouraged the world to stand up against persecution and tyranny. My pro-democracy friends told me that the CCP's secret police, who used to be ferocious, are now treating them with courtesy, as if treating future political leaders. This is not as weird as it seems, my friends say, because the secret police, who have kept top secrets of the country, know better than anyone else that the CCP will collapse soon. Trying to leave a way out for themselves, the secret police take care not to offend those who may become future leaders of China. The pro-democracy activists share the belief that the CCP is on the brink of its demise. This belief is in part built on the information they acquired from high-level Party officials. Some high officials are quite open-minded, and have a clear understanding of the evil nature of the CCP and its demise, so they have long been sympathizers and supporters of democratic movements. Other officials **also have sensed the imminent collapse of the CCP, so they waste no time in connecting with democrats** through various channels so as **to leave a chance for their own future**. The activists are concerned with the harms that the CCP has done, and will continue doing, to China. As one of the activists said, if the CCP doesn't die out within 10 years, the Chinese nation will perish. Another activist described Chinese economy as an empty shell, pointing out that with a 50 percent non-performing assets rate of the national banks, a serious stock market bubble that has raised stock prices far past their value, and an astronomical deficit, China is now running mainly on foreign investments, and will collapse immediately if such investments are no longer available. They also mentioned that according to a high-ranking army officer, if China goes into war with Taiwan in the next ten years, China will not be able to survive for a single week due to oil shortage. Therefore, the activists fear that the CCP will drag China into abyss along with it. I was also impressed by their active preparation for the coming new China free of the CCP. What a friend said may be typical of their attitude, "The CCP has millions of troops, but so what? They have no chance to win." According to the democrats, various forces in China are planning how to maintain social stability and keep the country running smoothly after the CCP's disintegration.

### US-China Relations low

#### US-China relations low now – ideologies, political differences, and discussions prove – tensions exist

**Lieberthal ’12** (Kenneth Liberthal, “special to CNN”, “US China must overcome mutual distrust”, <http://www.cnn.com/2012/04/10/opinion/lieberthal-china-us-relations>) (JN)

A key problem is that neither government is confident that it understands how the other sees the future of their relationship. Although each side senses distrust in the other, the real reasons for that attitude are unclear. So, how do they separate propaganda efforts designed to manipulate from sincere concerns?

Because this is such a tough and consequential problem, I teamed up with one of China's leading America specialists to write a report that lays out the underlying worries that each side has about the other and, especially, why they have these deep concerns. [Our report was published](http://www.brookings.edu/~/media/Files/rc/papers/2012/0330_china_lieberthal/0330_china_lieberthal.pdf)simultaneously last week in English and Chinese.

My colleague wrote, in unvarnished fashion, about the analysis that leads many policymakers in China to believe the ultimate goal of the United States is to constrain or disrupt China's rise and to undermine its political system. I wrote about U.S. hopes for a normal major power relationship with China over the long run and the reasons why many American policymakers are increasingly concerned that this may prove impossible.

The reasons are complicated. In part, they include the inevitable tensions that arise when a global balance of power is changing. My colleague and I expect that America will retain its leading role for many years to come, but the gap between U.S. and Chinese power and position is narrowing. Because of that, many in China fear the United States might resort to anti-Chinese measures to maintain its lead. American officials worry not so much that China will rise, but that Beijing will believe it can only do so at direct cost to the United States.

Our enormously different political systems exacerbate this distrust. Neither side understands very well the political and institutional constraints in the other's system, and both are inclined to assume the other is more strategic, centralized and internally disciplined than it is. Neither is certain that it knows when the other is being honest about its domestic political constraints, and both tend to take random events as reflections of strategic intent.

Beijing views America's pro-democracy foreign policy as aimed, in part, at changing China's system, while Washington inherently distrusts the motives and actions of authoritarian governments. And unsurprisingly, both sides have partially institutionalized distrust in their militaries, intelligence agencies, and offices focused on cybersecurity.

Distrust about long-term intentions is thus grounded in complicated narratives in both countries. Neither side wants an adversarial relationship, but both worry that it may become unavoidable. And extensive efforts to build mutual trust to date are not working.

### A2 Chinese Soft Power

#### Chinese soft power fails in Latin America - cultural & language barriers”

Ellis 11 [R. Evan, 1st Quarter; “Chinese Soft Power in Latin America A Case Study”; http://www.ndu.edu/press/chinese-soft-power-latin-america.html] RahulNambiar

The growth and exercise of soft power by the People’s Republic of China have limits that are important to recognize. As with the sources of Chinese soft power, those limits are not the same as the limits to U.S. soft power. Limits to Chinese soft power in Latin America principally arise from the significant gap between the two cultures, the associated difficulty in learning each other’s culture and language, a lack of understanding of each side by the other, and a pervasive sense of mistrust of the Chinese within Latin America generally. The cultural gap between China and Latin America touches upon many areas, from differing consumer preferences limiting the appeal of Latin American exports such as coffee and beef, to different attitudes toward authority in business and administrative deal- ings, which contribute to labor problems and other difficulties where the PRC has operated in Latin America. One of the most significant barri- ers between the PRC and Latin America is language. Whereas a relatively significant portion of Latin Americans have some ability in English, very few speak or read Chinese, and even fewer Chinese can communicate in Spanish, although the number is growing.16 Although Chinese-language programs are proliferating in Latin America, the difficulty of and time required for learning Mandarin and the Chinese character set are a powerful impediment to the growth of ties between the two cultures.Compounding the language barrier is a relative lack of Chinese knowledge regarding Latin America. Apart from major governmental institutes—such as the China Academy of Social Sciences, which currently has the world’s largest Latin America studies program—and truly multinational Chinese corporations—such as Hong Kong–based Hutchison Whampoa, China Shipping, China Overseas Shipping, Huawei, and ZTE—the general knowledge of the region among Chinese businesspeople and govern- ment functionaries is limited, restricting the ability of the PRC to develop broad and sophisticated programs to advance its objec- tives in the region.Perhaps most importantly, despite the best efforts of Chinese businesspeople and politicians to reach out to Latin America, they are too frequently perceived as “not one of us”—a reality reflected even in Chinese communities, which often remain only partly integrated, despite deep historical roots in many Latin American cities such as Lima and Guayaquil.Such distance often translates into a persistent mistrust, even where both sides perceive benefits from cooperation. Latin American businesspeople commonly express misgivings, suggesting that the Chinese are aggressive and manipulative in business dealings, or conceal hidden agendas behind their expressions of friendship and goodwill.

#### Chinese influence risks conflicts with the US over Latin America

**Arnson et al. ‘9** (Cynthia Anderson, Mark Mohr, Riordan Roett, writers for Woodrow Wilson International Center for Scholars, “Enter the Dragon? China’s Presence in Latin America”, <http://www.wilsoncenter.org/sites/default/files/EnterDragonFinal.pdf>) (JN)

The growing inﬂuence of the PRC could lead to tension with the United States, given that

Latin America is a region where many countries heavily depend on the United States for trade and

investment. At the same time, deep-rooted anti-U.S. feeling persists. China’s growing dependency

on imported oil and gas has put it at odds with U.S. foreign policy in countries such as Venezuela. As China turns into a growth engine, a growing number of countries are beneﬁting from its tremendous economic development, and are reluctant to antagonize Beijing. Latin Americans

themselves have no problem viewing investments by and trade with Asian powers such as China

and Taiwan in their countries as a counterbalance to the United States. With the Western powers

caring little about poor countries, some in Latin America have begun to see China and Taiwan as

potential trade allies and partners, as well as providers of economic opportunities. Latin America

has found the rivalry between China and Taiwan beneﬁ cial; it has been able to obtain loans, credits, trade concessions and investments from both the PRC and Taiwan as it has attempted to play one against the other.

#### Power struggle in Latin America declines US influence

**Hongbo 6/3/13** (Sun, “Latin America arena for global powers”, Global Times, June 3 2013, <http://www.globaltimes.cn/content/786399.shtml#.Ub91G_mTif5>)//CB

It is also unavoidable that Latin America has become an arena for another round of power struggles. The US is trying to regain its influence in Latin America, while Russia, India and Japan, no matter whether out of consideration of Latin America's resources and market or the need to readjust their foreign policy, are also looking to take a share. Both traditional powers and emerging economies are looking for leverage in the region. Every major power is speculating on the changes inside Latin America. The dominant US position in this region has started to decline. Brazil is a rising power, but it is uncertain whether it can establish leadership in this region. Meanwhile, left-wing governments in Latin America are being challenged over the sustainability of their policies. And most Latin American countries are readjusting their foreign policies for a diverse system of foreign relations. Major powers are reevaluating their interests and readjusting their policies in this region to compete for influence. But whether they can live up to their own expectations depends on their national strength and future growth, and more importantly, whether they can balance their interests with Latin America's. Both China and the US have denied any intention of rivalry in Latin America, but the thriving relationship between China and Latin America has already impacted the traditional US influence over this region.

## Impact Turns

### Chinese Econ Growth Bad - Environment

#### China economic engagement bad – speeds up deindustrialization and exploits environmentally sensitive areas

**Gallagher 5/10/13** (Kevin Gallagher, [professor of international relations](http://www.bu.edu/ir/faculty/gallagher.html) at Boston University and a research fellow at the [Global Development and Environment Institute](http://ase.tufts.edu/gdae/policy_research/globalization.html), “[Latin America playing a risky game by welcoming in the Chinese dragon](http://www.bu.edu/bucflp/2013/05/30/5464/)”, <http://www.bu.edu/bucflp/2013/05/30/5464/>) (JN)

 While the Chinese do not attach policy conditions to their loans, they have required that borrowers contract Chinese firms, buy Chinese equipment, and sometimes sign oil sale agreements that require nations to send oil to China in exchange for the loans instead of local currency.

Chinese investment accentuates the deindustrialisation of Latin America. Large scale, capital intensive commodities production is not very employment-intensive, nor does it link well with other sectors of an economy. Dependence on commodities can cause a "[resource curse](http://en.wikipedia.org/wiki/Dutch_disease)" where the exchange rate appreciates such that exporters of manufacturing and services industries can't compete in world markets – and thus contribute to deindustrialisation and economic vulnerability.

Producing natural resource-based commodities also brings major environmental risk. Many of China's iron, soy and copper projects are found in Latin America's most environmentally sensitive areas. In areas such as the Amazon and the Andean highlands, conflict over natural resources, property rights and sustainable livelihoods have been rife for decades.

In our report, we find that Chinese banks actually operate under a set of [environmental guidelines](http://www.wri.org/event/2011/06/book-launch-environmental-policies-chinas-investment-overseas) that surpass those of their western counterparts when at China's stage of development. Nevertheless, those guidelines are not on par with 21st century standards for development banking. Stronger standards should be in place at a time when environmental concerns are at an all-time high.

### Chinese Growth Bad - Inequality

#### Closer ties with Latin America are bad – trade deficits, promotes inequality, and leaves the US vulnerable

**Johnson ‘5** (Stephen Johnson, writer for the Heritage Foundation, “Balancing China’s Growing Influence in Latin America”, <http://www.heritage.org/research/reports/2005/10/balancing-chinas-growing-influence-in-latin-america>) (JN)

However, closer ties to China also have signifi­cant disadvantages for both Latin America and the United States:

Growing trade deficits. Latin American lead­ers who sign trade and investment deals with the PRC have noticed that China's exports are more affordable than their own goods, which contributes to trade deficits. Chinese goods are made by laborers who work for one-third of the wages of Latin American counterparts and who tolerate worse working conditions. Officials in Argentina, Brazil, and Mexico have signaled their unease about trade with such a hot com­petitor. In September 2005, Mexican President Vicente Fox made it clear to visiting President Hu Jintao that dumping electronics and cloth­ing was unacceptable. For every dollar that Mexico makes from exports to China, the PRC makes $31 from exports to Mexico.[[9]](http://www.heritage.org/research/reports/2005/10/balancing-chinas-growing-influence-in-latin-america" \l "_ftn9" \o ")

Disinterest in economic reform. Some ana­lysts believe that the commodities-based trade model used by China will undermine the progress that Latin America has made toward industrialization. While countries like Chile and Brazil have moved beyond raw materials exports, others with powerful presidents or rul­ing oligarchies may be tempted to fall back on plantation economics. Income gaps between the rich and poor may widen as a result. More­over, such narrowly focused economies are vul­nerable to downturns in commodity prices. Some 44 percent of Latin Americans already live below the poverty line. If these countries fail to adopt reforms, social inequality and political instability could depress U.S. exports to the region and increase migration problems.

Scramble for resources. To obtain commodi­ties, China offers tempting investments in infra­structure. In contrast, the United States cannot offer direct tie-ins to state industries and can only offer development aid, now in decreasing amounts. Chinese competition may make Mil­lennium Challenge Account (MCA) money a less effective incentive to democratize govern­ments and liberalize markets. The one-to-two year lead time from proposal to disbursement of MCA aid gives volatile governments a chance to back away from market-oriented perfor­mance requirements.

Evasion of American-style bottleneck diplo­macy. China's flexibility counters more rigid U.S. approaches. Obtaining any kind of assistance from the United States requires compliance on a battery of restrictions, including observing human rights, protecting the environment, prom­ising not to send U.S. military personnel to the International Criminal Court (ICC),[[10]](http://www.heritage.org/research/reports/2005/10/balancing-chinas-growing-influence-in-latin-america" \l "_ftn10" \o ") not assist­ing current or former terrorists, and not using U.S.-provided equipment for any other than its stated purpose. American commitments also depend on legislative approval and can be reversed if the mood in the U.S. Congress shifts.

Prying eyes on America. From electronic espi­onage facilities in Cuba to port facilities run by Hong Kong billionaire Li Ka-Shing's Hutchi­son-Whampoa conglomerate in Panama, China has an eye trained on the United States. U.S. intelligence agencies are aware of this, but Washington's penchant for focusing on one threat at a time, such as the war on terrorism, could leave America vulnerable to Chinese industrial and military espionage.

### Chinese Growth Bad – Hurts Regimes

#### Chinese demand in Latin America is bad – corrupts governments and unbalances economies

**Gallagher ’12** (Kevin P. Gallagher, professor at Boston University IR Department and an expert on: Economic Development, “Capitalizing on the China Cycle: Time is Running out for Latin America”, <http://ase.tufts.edu/gdae/Pubs/rp/GallagherCapitalizeChinaCycle.pdf>) (JN)

Even if commodities prices remain high, they may not lead to prosperity for the region. Chinese trade and investment have been concentrated in six Latin American countries and a handful of sectors, chiefly in primary commodities. Research shows that development has remained elusive

for commodity-dependent countries because they become subject to the resource curse. Demand tends to attract investment toward certain commodities at the expense of

others.

Such trade and investment can strengthen a nation’s currency as well, making it even harder for firms outside of the extractive sector to export their products. Demand also attracts speculative investment in commodities, associated currencies, and public debt. Such investment is highly volatile and can make a nation prone to crises. It is also said that natural resources development spurs corruption, making it hard for governments to be disciplined enough to channel the profits of commodity exports into productive development. The result can be de-industrialization, an erosion of noncommodity (and often employment-intensive) economic sectors, and costly environmental degradation.

These trends eventually can lead to increased imports and decreased exports, creating balance-of-payments problems, and leading to poor economic performance.