

e. Advancing Into Latin America Encroaches on America's Backyard

Being geographically close to the United States, Latin America has historically been within America's sphere of influence. Although there were a number of socialist regimes that appeared in Latin America when the tide of communism swept over the world during the mid-twentieth century, external influences never posed a threat to America.

After the collapse of the Soviet Union, the CCP began to target Latin America. Under the banner of "South to South cooperation," it started engaging in an all-of-society infiltration of the region, penetrating into areas like economy, trade, military, diplomacy, culture, and the like. The governments of many Latin American countries, like Venezuela, Cuba, Ecuador, and Bolivia, were already hostile toward America, and the CCP made full use of this when it extended its tentacles across the ocean, further aggravating the tensions these nations had with America and heightening their anti-American stance.

On one hand, this would weaken the advantage the United States had in the region. On the other hand, the CCP could freely operate in America's backyard, support the socialist regimes in Latin America, and thus lay the groundwork for long-term confrontation with the United States. It is no exaggeration to say that the CCP's infiltration and influence in Latin America have far exceeded what the Soviet Union had achieved in the past.

First, the CCP used foreign trade and investment to expand its influence in Latin America. According to a report from the Brookings

Institution, a U.S.-based think tank, in 2000, China's trade with Latin America was only US\$12 billion, but by 2013, it had ballooned to US\$260 billion, an increase of more than twenty times. Prior to 2008, China's loan commitments didn't exceed US\$1 billion, but in 2010, it had increased to US\$37 billion. [86] From 2005 to 2016, China pledged to loan US\$141 billion to Latin American countries. Today, the loans from China have exceeded those from the World Bank and the Inter-American Development Bank combined. The CCP has also promised that it would provide Latin America with US\$250 billion of direct investment by 2025 and that bilateral trade between China and Latin America would reach US\$500 billion. Latin America is currently China's second-largest investment target, directly after Asia.

For many South American countries, China has dominated foreign trade. The three biggest economies in Latin America — Brazil, Chile, and Peru — have China as their top trading partner. China is the second-largest for Argentina, Costa Rica, and Cuba. With highway construction in Ecuador, port projects in Panama, and a planned fiber-optic cable running from Chile to China, China's influence throughout Latin America is evident. [87]

All the while, the CCP has deployed its state companies to turn Latin America into its resource base, with examples being Baosteel's vast investment in Brazil, and the control Shougang has over the iron mines in Peru. The CCP has also shown great interest in Ecuador's oil and Venezuela's fuel oil and gold mines.

The CCP also invests heavily in Latin American infrastructure. In Argentina, the CCP has promised to invest US\$25 million in ports

that transport food, and to invest US\$250 million in highways linking Argentina to Chile. [88]

In the military domain, the CCP has been stepping up its infiltration of Latin America in both scope and depth. A researcher from the U.S.-China Economic and Security Review Commission, Jordan Wilson, found that the CCP has progressed from low-level military sales before 2000 to high-end military sales, reaching US\$100 million in exports by 2010. Especially after 2004, military exports from the CCP to Latin America have been increasing substantially. The recipients of these arms sales were all anti-U.S. regimes, such as Venezuela. At the same time, there has also been an increase in military engagement such as education and training exchanges and joint military exercises. [89]

At the China-Argentina bilateral summit held in Beijing in 2015, if the agreements between both countries were finalized, they would mark a new phase of military cooperation between the two countries. This included the joint production of advanced, high-end products, including the establishment of the CCP's first space-tracking and control station in the southern hemisphere within the borders of Argentina. It also included the sale of Chinese-made fighter aircraft to Argentina, with the total value amounting to between US\$500 million and US\$1 billion, exceeding the CCP's total arms exports of US\$130 million in 2014 across the Latin American region.

The CCP is rapidly developing ties with Latin America across diplomatic, economic, cultural, and military dimensions. In 2015, new requirements outlined in a defense white paper by the CCP

“specifically assign the PLA [the People’s Liberation Army, the CCP’s military] to ‘actively participate in both regional and international security cooperation and effectively secure China’s overseas interests.’” [90]

On the diplomatic front, due to the CCP’s incentives and threats, Panama, Dominica, and El Salvador have chosen to sever diplomatic ties with the Republic of China (Taiwan) and instead embrace the communist People’s Republic of China. In June 2017, Panama announced that it had established relations with the PRC and ceased diplomatic relations with Taiwan, which had lasted over a century. Three years ago, the CCP started actively planning to invest in Panama’s infrastructure, such as ports, railways, and highways, with the total amount of investment reaching TWD\$760 billion (about US\$24 billion). [91] China has already acquired control over both ends of the Panama Canal, which is of great international strategic importance.

The CCP has also invested close to US\$30 billion in El Salvador’s La Union port. In July 2018, the U.S. Ambassador to El Salvador, Jean Manes, warned in El Salvador’s El Diario De Hoy (Newspaper of Today) that Chinese investment in La Union had a military objective and deserved close attention. [92]

On the cultural front, the CCP has established thirty-nine Confucius Institutes and eleven Confucius Classrooms in Latin America and the Caribbean, with total enrollment exceeding 50,000. [93] Confucius Institutes have been identified as institutions used by the CCP for spying, as well as transmitting Party culture and the ideology of the CCP under the guise of traditional Chinese culture.

The expansion and infiltration of the CCP regime in Latin America is a serious threat to the United States. By using access to the Chinese market, dependence on economic investment and military aid to sway the policies of Latin American governments, China is able to pull them into its own sphere of influence and pit them against the United States. The canals, ports, railways, and communications facilities the CCP builds are all important tools that will be used in the future for expanding and establishing its global hegemony.