

Foreign Policy
at BROOKINGS



Dragon Training at Home

Exploring the Possibilities for Collaboration Between the U.S. and Chinese Navies in the Western Hemisphere

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EXECUTIVE SUMMARY

The end of World War II marked the beginning of a global system of commerce installed and protected by United States maritime forces. This model of free trade laid the foundation for the People's Republic of China's inexorable rise in global affairs. The U.S. supported China's industrialization by granting it near limitless access to American capital and consumer and financial markets, while it benefited equally from a vast and ever growing supply of consumer goods that have kept the cost of living in America nearly flat for a decade.

Now, however, both nations are expanding their economic interests and military commitments into each other's regional neighborhoods. To complicate matters, this is happening at a time when both nations are finding themselves stymied by political and territorial challenges within their own hemispheres.

China's Asian neighbors view its rise and regional ambitions with increasing suspicion. Unresolved territorial disputes are reemerging along its southern borders, and especially within the South China Sea. Similarly, the United States finds itself awash in a wave of Latin American populism that has manifested itself in the formation of the Community of Latin American and Caribbean States (CELAC), the goal of which is to diminish U.S. influence in the Americas. If the two powers unwittingly permit themselves to be used as leverage against each other by their extra-regional allies, dangerous regional rifts could develop in which competition evolves into confrontation.

For the moment, the U.S. and China are leapfrogging into each other's hemisphere without pausing first to establish an understanding or protocol for dealing with the issues that will inevitably arise. The U.S. and China must begin to explore new approaches for keeping their political and military interests aligned with the benefits that have accrued from their economic relationship. The management of complex international issues requires both a commitment to cooperation and a sturdy diplomatic platform.

Unfortunately, the conditions that are necessary for building solid military-to-military relationships are intangibles like trust, transparency, and confidence. These are the same imponderables that the military establishments of every nation are conditioned to dismiss as unreliable until proven otherwise. It may be time for both nations to begin exploring new and innovative approaches to their military-to-military relationship.

Previous attempts to begin a military relationship between the U.S. and China have been marred by precipitous suspensions of engagement for political reasons or have collapsed due to perceptions of a lack of reciprocity by one side or the other. But recently, political and diplomatic leaders from both nations have called for greater military cooperation between the two countries. They know that concepts like trust and transparency are built through experience that can only be achieved through interaction. This paper proposes that the waters of the Americas offer a venue in which the navies of China and the U.S. can choose to interact in a low risk environment.

An invitation to the People's Liberation Army Navy PLA(N) to participate in the security exercise PANAMAX, in conjunction with the navies of 20 other American nations, would be a bold measure to seize an opportunity for greater and more positive interaction between the two services. The exercise, designed to secure access to the Panama Canal, offers a positive setting for interaction in maritime domain awareness and other transferable skills that could be applied in the global commons, all needed in the relationship with the PLA(N), as well as US interests in Latin America. In turn, it offers a low risk means for the U.S. Navy to show it is serious in its outreach to the PLA(N), potentially building up to greater cooperation in other needed, but far more contentious areas like the South China Sea.

CHAPTER ONE

Introduction

China and the United States have come to rely on each other's strengths in ways that both nations are reluctant to admit.

China has been the direct beneficiary of the global system of commerce installed by American policies since the end of World War II. America's willingness and capacity to "deploy maritime forces to protect and sustain the peaceful global system comprised of interdependent networks of trade, finance, law, people, and governance"¹ has laid the very foundation for China's rise. China benefits from almost unlimited access to American market for its manufactured goods and listing its public companies on American exchanges, even as the U.S. depends upon China to fund its national debt. On the other hand, the U.S. has come to rely on China for a vast and ever-growing supply of consumer goods that have benefited every American household, helping to keep their cost of living nearly flat for a decade. Like congenital twins joined at the hip, but with very different personalities, these two nations must necessarily learn to cooperate with each other: they share too many vital organs.

However, a shift of tectonic proportions is underway in U.S.-China relations. It is a rebalancing that is exacerbated by regional complexities that have arisen within both the Asian Pacific Rim and the American Southern Hemisphere. The two powers have involved themselves in each other's territorial spheres of influence at a pace that will only accelerate as China deepens its reliance upon Latin America for resources and markets, and as the U.S. begins to implement its recently announced strategic military "pivot" toward the Asia-Pacific region. At the same time that the two powers have begun to project their influence into each other's neighborhoods, both the U.S. and China find themselves stymied by political challenges within their own hemispheres. China's Asian neighbors view its rise and regional ambitions with increasing suspicion. Similarly, the United States finds itself awash in a wave of Latin American populism that has manifested itself in the formation of the Community of Latin American and Caribbean States (CELAC), the goal of which is to diminish U.S. influence in the Americas.

The U.S. and China appear to be leapfrogging into each other's hemisphere without pausing first to establish an understanding or protocol for dealing with issues that will inevitably arise. It is time for the two powers to admit their interdependence and recognize that stable economic and political relationships must be accompanied by an equally robust interaction between their respective military establishments.

On February 23 of this year Chinese State Councilor and Defense Minister Liang Guanglie met with U.S. Ambassador Gary Locke to explore areas of closer military cooperation between the two nations. He said that the development of “smooth military ties between China and the U.S. is of great significance to improve strategic mutual trust, safeguard shared security interests, manage and control crisis and prevent risks between the two countries.”² Liang indicated that China was ready to renew efforts to advance bilateral military-to-military ties “by respecting each other’s core interests and major concerns and appropriately handle differences and sensitive issues.”³ In turn, Ambassador Locke recounted China and the U.S.’s long history of cooperation and emphasized that the world relies on their leadership in responding to natural disasters, terrorist activities, piracy and other challenges. He added that improved communications and exchanges would help to avoid misunderstandings and miscalculations. Even when discounted for their rhetorical value, these statements are remarkable for the intentions that they invoke.

This paper will suggest that Ambassador Locke and Minister Liang have correctly identified a significant path forward for the two powers. As tensions rise in both hemispheres, a bold, new initiative aimed at increasing military-to-military interaction between China and the U.S. would provide a venue in which to address the two most intractable impediments to improved relations between the two nations: trust and transparency. I propose that direct military collaboration in the form of joint exercises between the two nations would contribute to greater regional and global security by making available to policymakers a vital security tool to augment the political and economic ties that already exist. Interaction between military services not only reduces the possibility for egregious miscalculation that can lead to crises, but over time it can also build confidence by enhancing critical professional relationships, while demonstrating a commitment to cooperation to other regional security partners in both hemispheres.⁴

I suggest that a structured, collaborative engagement with the PLAN (People’s Liberation (Army) Navy) within the Western Hemisphere would open a new path for interaction that would help to ease the stresses that have developed in both hemispheres. In view of the complexities evolving in both South Asia and the Americas, the navies of the U.S. and China should choose the terms of their inevitable interaction while they still can. I will address: 1) China’s rise and influence in Latin America coincident with its recent challenges in East Asia; 2) America’s recent strategic pivot into Asia, coincident with its challenges in Latin America; and 3) How collaborative engagement with the PLAN in a maritime exercise such as PANAMAX offers policymakers military options that open paths for diplomatic initiatives in both hemispheres.

Notes

¹ United States Marine Corps, United States Navy, United States Coast Guard, *A Cooperative Strategy for the 21st Century*, [Washington DC : United States Marine Corps, United States Navy, United States Coast Guard, 2007] 6.

² “Chinese DM meets with U.S. ambassador, urging closer military cooperation,” *Xinhua*, February 23, 2012, http://news.xinhuanet.com/english/china/2012-02/23/c_131428132.htm (accessed March 1, 2012).

³ Ibid.

⁴ Executive Office of the President, “A National Security Strategy of Engagement and Enlargement,” February 1996, 17. www.fas.org/spp/military/docops/national/1996stra.htm#II.

CHAPTER TWO

China's "Going Out" Policy, Rise, and Influence in Latin America

Over the past two decades, China's industrialization has reordered the allocation of capital and resources across the globe. The better Americans are able to understand this phenomenon, the fewer reasons they may have to feel threatened by it. Perhaps Clem Sunter, the noted South African futurologist, described it best:

Britain put 30 million people through an industrial revolution in the mid-19th century, and had its colonies to draw its raw materials from. America put 150 million people through an industrial revolution at the turn of the 20th century and had its own raw materials. Today China is putting 1.3 billion people through an industrial revolution with neither colonies nor substantial indigenous resources besides coal.¹

With its abundant supply of cheap labor and urgent need to industrialize, China seemed almost destined to become the world's manufacturing hub, and subsequently, its engine for growth. Factoring in an urbanization rate that this year passed 50 percent, along with a burgeoning middle class, China's need for resources becomes obvious.² Accordingly, China is now the destination for a massive share of global raw materials.

The domestic political pressures within China are also well known. China needs reliable and continued economic growth to appease a growing middle class which is not yet politically vocal, but may turn out to be if the "...tacit bargain in which well-off city-dwellers have traded political choice for fast-growing prosperity"³ unravels. Chinese policymakers certainly want to avoid a jasmine revolution

In order to sell its mercantilist strategy to the rest of the world, China has elaborated and continually embellished an official narrative to describe its global policies. From its beginnings, Communist China has portrayed itself as a non-threatening "developing nation" that can best help the troubled world by first helping itself. Later, Chinese foreign policy developed a new lexicon to promote its global ambitions. It's "going out" policy, adopted in the early 1980's, reiterated China's self-ascribed "five principles of peaceful coexistence." First adopted in treaty form between China and India in 1954, the points include: 1) Mutual respect for territorial integrity and sovereignty; 2) Mutual nonaggression; 3) Mutual noninterference in internal affairs; 4) Equality and mutual benefit; and, 5) Peaceful coexistence.⁴ Today, China speaks officially of its "peaceful rise"⁵ and its "win-win"⁶ policy, and of "safeguarding the interests of sovereignty, security, and development."⁷ The verbalization of these policies

- agnostic to political philosophy and indifferent to economic structure - has enabled China to undertake a massive, global exploitation of existing markets and natural resources wherever they can be found.

Still, there is evidence that China may soon see the need to modify its go-it-alone, one-on-one policies in world commerce. Like its Western competitors, it has also become subject to localized charges of market monopolization, self-dealing, and exploitation,⁸ making it vulnerable to populist backlash, threats of nationalization, and even terrorism. As China finds common cause with other developed nations in the protection of its investments abroad, it will also become more disposed to mutual security cooperation with them. Latin America, home to growing markets and abundant natural resources, offers itself as a proving ground for such multilateral collaboration.

Today, it is almost impossible to overstate the rise of Chinese economic power and influence in Latin America. Travelers to any country in Latin America can see the hand of China wherever they look: computer manufacturing in Mexico; mining interests throughout the Andes from Colombia to Chile; petroleum exploration and production from Argentina to the Caribbean. Chinese Internet backbone, cell phones, and satellite telecommunications infrastructure have proliferated across the region. As China has developed into the world's number one exporter, Chinese vehicles, clothing, household goods and electronics have become ubiquitous in marketplaces throughout Latin America.⁹

The subtle impact of Chinese Foreign Direct Investments (FDI) in Latin America can be seen in its influence on governments, the business sector, and consumers in ways that have lasting and pervasive effects. Dr. R. Evan Ellis, in his article "Chinese Soft Power in Latin America," describes the effect as "...the willingness of governments and other actors in the international system to orient themselves and behave in ways that benefit the PRC because they believe doing so to be in their own interests."¹⁰

Throughout the 1980s, the Chinese government implemented internal reforms designed to "streamline procedures, relax capital controls for transnational companies, and decentralize issuing of permits for smaller investments ... [all] aimed at [making] the process of investing abroad more transparent."¹¹ As a result of these strategic changes, China is presently the third largest investor in the region behind the United States and the European Union. And, on its current growth trajectory, the Economic Commission for Latin America and the Caribbean (ECLAC) estimates that "by 2014 China will become the second largest market for the region's exports, and by 2015, the second largest source of imports ... second only to the United States."¹²

Notes

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² Ibid.

³ "Rising power, anxious state," *The Economist*, June 25, 2011, Vol. 399 (8739), <http://www.economist.com/node/18866989>, SS3-SS5, (accessed November 11, 2011).

⁴ Ministry of Foreign Affairs of the Peoples Republic of China, International Seminar on The Five Principles, "The Five Principles," accessed November 12, 2011, <http://www.fmprc.gov.cn/eng/topics/seminaronfiveprinciples/t140589.htm>.

⁵ Zheng Bijan, "China's "Peaceful Rise" to Great Power Status," *Foreign Affairs*, Vol 84 (5), New York, Council on Foreign Relations, 2005.

⁶ "China to pursue a win-win strategy of opening up, President Hu says," *Xinhua*, January, 17, 2011, http://news.xinhuanet.com/english2010/china/2011-01/17/c_13694317.htm (accessed February 11, 2011).

⁷ "Full text: China's National Defense in 2012," *Xinhua*, March 31, 2011, http://news.xinhuanet.com/english2010/china/2011-03/31/c_13806851_5.htm (accessed September, 20 2011).

⁸ In 2011 China inked a deal with Argentina for approximately 790K acres of farmland, some of which is virgin forestry, in an effort to grow soya for consumption much to the chagrin of local famers and environmentalists. Local activists are concerned Chinese companies will destroy the land with excessive use of agrochemicals and misuse of the land. China has also been accused of flouting safety regulations and labor laws at mining operations in Zambia and Peru in 2010.

⁹ Eric Bethel, "Why is China going to Latin America," *Seeking Alpha* [blog], July 23, 2010, <http://seekingalpha.com/article/216247-why-is-china-going-to-latin-america> (accessed September 20, 2011).

¹⁰ Dr. R. Evan Ellis, "Chinese soft power in Latin America: A Case Study," *Joint Forces Quarterly*, 60, 1st Quarter, January (2011): 85.

¹¹ ECLAC, "Foreign Direct Investment in the Caribbean and Latin America, 2010," Report. United Nations. www.eclac.cl.com. May 2011.

¹² Ryan Berger, "The Fast Ramp Up," *Americas Quarterly*, Winter 2012, Vol. 6 (1): 70.

CHAPTER THREE

“Soft Power” in Latin America- The Colombian Example

In February 2001, Eduardo Pizano, chief of staff for then-president of Colombia Andres Pastrana, spoke at a packed luncheon during a two day conference in Miami. Sponsored by the University of Miami, the conference focused on efforts to provide aid to Colombia under a program known as PLAN Colombia. The plan had been developed to save the country from possible disintegration at the hands of the Marxist narcoterrorist guerilla movement Fuerzas Armadas Revolucionarias de Colombia (FARC).

Leaving his American hosts nearly choking on their chilled salmon, Pizano revealed that he had recently traveled to China to ask Beijing for its help in solving what he called his country’s “horrible drama.” After his speech, as he ate his own lunch, Pizano became testy with reporters who peppered him with questions. Didn’t Bogota think to consult with Washington before initiating contact with the Chinese?

“No,” Pizano answered. “We are an independent, autonomous country. I don’t know what the big noise is about!”¹ He later cited a speech at the same conference by retired General Barry McCaffrey, in which the former U.S. drug czar said that the U.S. was sharing anti-drug intelligence with the Chinese. His meaning was clear: if the U.S. and China could have an independent relationship, why not Colombia and China?

After the lunch, members of the American delegation responsible for \$1.3 billion in U.S. aid to the PLAN Colombia initiative asserted that they had no clue that the Colombians had turned to the Chinese for help. In fact, the official New China News Agency had reported Pizano’s “good will” visit with Wang Zhongyu, Secretary-General of the PRC State Council on January 8. But if anyone in Washington had read Wang Zhongyu’s remarks, they had not passed them along to the American delegation dealing directly with the Colombians. “In the new century,” Wang had said, “the Chinese government is willing to work with the Colombian government to further develop the friendly cooperative relationship between the two countries.”²

This vignette underscores an important point: like it or not, Chinese power is growing in South America. A review of the process through which China established its economic and political beachhead in the U.S.’s strongest regional ally, Colombia, provides an example of the growing power and influence of Chinese foreign direct investment throughout South America.

Colombia is considered by many to be the U.S.'s most reliable ally in the region - birthplace of the Alliance for Progress, first nation to receive Peace Corps Volunteers, and America's primary partner in the War on Drugs. But in the last decade since that luncheon surprise, it has continued to grow its relationship with its new Chinese partner. By February of 2011 China had displaced Venezuela as Colombia's number two trading partner. All this had been achieved in the absence of a free trade agreement with China, and negotiations on just such an accord were set to begin later in 2011. How did this happen?

As early as 2002, joint Chinese-Colombian news releases began to tout the "intense dynamics" between the two countries, citing China's keen interest in investing not only in Colombia's mining and hydrocarbon sectors, but also in fomenting bilateral tourism and technology exchanges. Enrique Posada, director of the Asia-Pacific Virtual Observatory and vice president of the Colombia-China Friendship Association, stated that Colombia would contribute its knowledge in the fields of "urban management, biodiversity and administrative jurisdiction."³

Colombian and Chinese officials quickly recognized the linguistic and cultural barriers to entry to each other's markets and established a uniquely Western-style private, non-profit organization to address these deficiencies: a Colombian-Chinese Chamber of Commerce (CHICC). The CHICC promotes the "integration between Colombia and China, [by] developing activities such as: commerce, academy, tourism, science, technology, culture and sports, and creating an environment of friendship and fraternity between both nations."⁴ Its stated goals are international trade promotion, transfer of technology for industrial development, investment promotion, and exposition to promote bilateral trade.

Within five years the CHICC, with offices in Bogota and Shanghai, would count over 300 institutional members from China and Colombia. It engaged in a range of activities designed to promote specific products in trade between the countries. Colombia's National Coffee Growers Federation, for example, began hosting experts from China for "tasting" of their products. Together, they created logos to promote Colombian Coffee in the Asian nation where the preferred beverage had always been tea. The new logos include a phonetic spelling of the fictional Juan Valdez's name, followed by Chinese characters for "imperial," "Aroma," and "savor," as the Colombians targeted what they termed an "exponentially growing" market.

By the end of 2008 Colombia and China had signed deals to establish a juridical framework and to promote bilateral exchanges, and during February of 2009, Chinese Vice President Xi Jinping held direct talks with Colombian President Alvaro Uribe in Cartagena, Colombia. In January 2010, Colombian coal began to move to China.

The inauguration of Juan Manuel Santos to the presidency of Colombia on August 7, 2010 began a period of marked acceleration in China-Colombia relations. Former Colombian President Uribe had been ridiculed by Venezuela's Hugo Chavez for being "left at the altar"⁵ by his American friends who still refused to sign on to their own promised free trade agreement. Unsurprisingly, Santos began to seek out other economic partners, even offering to reconcile with his old nemesis Chavez.

A mere three days after his inauguration, Santos met with Chinese envoy Wu Aiying, in a session that appeared to open the floodgates to direct investment from China. The two leaders affirmed their intention to expand bilateral cooperation, with Santos declaring that, "the economies of Colombia and China are highly complementary and there is a huge potential for bilateral economic cooperation. More Chinese are welcomed to invest in Colombia and more Chinese tourists are welcomed to visit the country."⁶

China's Minister Wu responded, "China attaches great importance to developing its relations with Colombia. China is ready to work with Colombia to enhance mutual political trust, deepen economic cooperation and further promote exchanges and cooperation in such areas as justice, education, health, tourism and science and technology, so as to promote the sound and fast development of the friendly relations between the two countries."⁷ The meeting was a prelude to a coming torrent of activity during which the sheer magnitude of activity by the Chinese economic juggernaut in Colombia would become apparent.

Four weeks later, Colombia's Defense Minister Rodrigo Rivera and his Chinese counterpart General Liang Guanglie meet in Bogota to expand existing defense and security pacts. China agreed to give \$1 million worth of aid for the purchase of war material, and the two countries created a program for military officials from each nation to receive bilateral military training.⁸

On October 27, 2010, Colombia's Senate approved an agreement under which China and Colombia would promote and protect their investments in each other's countries, guaranteeing freedom to transfer profits. Colombian Exterior Commerce Minister Sergio Diaz-Granados asserted that, "Chinese investors will be treated like a national citizen, and the same will happen in China with Colombian investors."⁹

Colombians had already noticed an explosion of Chinese vehicles, both private and commercial on their roads. So they were not surprised in November 2010 when China's Foton Motor Group signed an agreement with Colombiana de Comercio SA to build an assembly plant in Colombia. Proexport President Maria Claudia Lacouture said the plant, with a capacity of 5,000 trucks per year, would be "the first, with more plants to follow."¹⁰

Before the end of the year, and a mere three months into his presidency, President Santos met with Chinese State Councilor Liu Yandong to discuss further development of relations between the two countries. Liu summed up their meeting saying that, “Both countries are now in an important period of development. China is willing to further deepen bilateral cooperation in politics, the economy and trade, science and technology, culture to push forward mutually beneficial ties.” Santos added that his government “attached great importance to the development of relations between the two countries and were willing to work together with China to develop cooperation in various fields in a wider and deeper way to further develop bilateral relations.”¹¹

On January 9, 2011 Hernana Andrade Serrano, president of Colombia’s Congress, visited Beijing and met with China’s top legislator, Wu Bangguo. In his remarks, Wu stated, “The National People’s Congress is ready to work with its Colombian counterpart to maintain the momentum of high-level contacts. We seek to intensify exchanges and cooperation between our special committees and administrative organizations, and draw from each other on governing countries as well as improving democracy and the legal system. China encourages and supports qualified Chinese enterprises to invest in Colombia, and also welcomes Colombian enterprises to explore markets in China.”¹² Andrade said that he was “surprised, and admired the achievement of China’s economic and social development,” adding “various Colombian political parties and leaders of the country’s parliament share the common aspiration of promoting their ties with China. Colombia welcomes Chinese companies to expand their investment in Colombia.”¹³

On February 16, 2011 the China Development Bank offered to fund a \$7.6 billion project to build new port city south of Cartagena, Colombia. Colombian President Juan Manuel Santos described the proposal to the *Financial Times*, “It is incredible how many Chinese delegations we have been receiving, week after week, with different proposals. This one (proposal) is quite advanced, to create a whole city... as a hub for production and assembly to export to the rest of South America and Central America and even to the United States.”¹⁴ Later known as the “dry canal,” the plan called for a railroad linking Colombia’s Atlantic and Pacific coasts – a ‘dry’ alternative to the Panama Canal – to be financed, built, owned, and managed by Chinese interests.¹⁵ It would establish an anchor for a much more ambitious economic tie with Colombia at a critical choke point for international trade. According to the *Financial Times*, it was expected that the new city would also be used to assemble imported Chinese products for distribution throughout the Americas.¹⁶

In June of 2011 Colombia’s largest television network, Caracol, signed an agreement with Chinese State broadcaster CCTV at a ceremony attended by Chinese Ambassador Gao Zhengyue. Caracol’s Alejandro Perez Davila stated that, “China is the second-largest trading partner of Colombia and it has huge perspectives in the media

communications field. We want to grow our relationship with CCTV into a mutually beneficial partnership that is reliable and long lasting.”¹⁷

The above example of China’s growing footprint in Colombia notwithstanding, Chinese investment in the nation is still moderate when compared to that of the United States. By 2012, “at the end of the first quarter, Colombia's key trading partners [were] the U.S accounting for 38% of all Colombian exports followed by China at 6.6%, Spain at 5.8%, the Netherlands at 4.5%, Chile at 3.8% and Venezuela at 3.5%. On first impressions this would indicate that Colombia should have seen exports decline as demand for oil and commodities falls due to the Chinese economic slowdown and the deepening of the European financial crisis. However, during the first quarter not only did Colombia's total exports rise but exports to China grew by a massive 227.9%, mainly because of higher sales of fuels and products from extractive industries.”¹⁸

Clearly, China’s targeted foreign direct investments in Colombia have begun to yield exponential commercial results – as they have across all of South America. These investments have begun to create an interdependency that guarantees China a constant and growing supply of resources to foster its global growth agenda. But perhaps even more importantly, China has come to be perceived in Latin America as a viable competitor to the U.S. for economic opportunities. In short, China’s entry into the Latin American marketplace has begun to alter the dynamics of the region’s economics as well as its politics, even among America’s closest allies.

Notes

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² Ibid.

³ Sylvia Zarate and Luisa Cuellar, “Colombia and China ready to begin FTA process, Colombian diplomat and economist says,” *Xinhua*, September, 16, 2011, http://news.xinhuanet.com/english2010/china/2011-09/16/c_131142363.htm (accessed January 29, 2012).

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⁷ Ibid.

⁸ Adriaan Alsema, “China gives Colombia \$1M military aid,” *Colombia Reports*, September 06, 2011, <http://colombiareports.com/colombia-news/news/11688-colombia-and-china-expand-military-cooperation.html> (accessed October 5, 2011).

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¹³ Ibid.

¹⁴ John Paul Rathbone and Naomi Mapstone, “China in talks over Panama Canal Rival,” *The Financial Times*, February 13, 2011, <http://www.ft.com/intl/cms/s/0/7e14756c-37a9-11e0-b91a-00144feabdc0.html#axzz1tXnXNrN6> (accessed November 5, 2011).

¹⁵ Ibid.

¹⁶ “Colombia and China discuss US\$7.6B Pacific-Atlantic railway line,” *The fresh fruit portal*, February 16, 2011, <http://www.freshfruitportal.com/2011/02/16/colombia-and-china-discuss-pacific-atlantic-railway-line/> (accessed October 7, 2011).

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CHAPTER FOUR

The Home Court DISadvantage

Part One: China's Asia Dilemma

China has been less successful at duplicating its Latin American foreign policy objectives in Southeast Asia. The home court advantages of proximity to resources and cultural affinity have, for many reasons, eluded China in its own backyard.

China has long obsessed about its territorial integrity. From its inception, the PRC has regarded all of its 19th century border agreements as “unequal treaties” forced upon China by Western Imperialism.¹ Its boundaries have been non-negotiable, as even the Soviets discovered in a running battle on the Ussuri River in 1969, which ended up fracturing the Cold War-era communist bloc. China's control of Tibet and its claim to Taiwan have been serious impediments to its regional diplomacy. China's assertion to dominion over the Yellow Sea as an “exclusive military operations zone” has contradicted international agreements that guarantee freedom of navigation of the seas for all nations.

China's territorial assertiveness has recently created a backlash and a vacuum that draws the U.S. back into the region at the invitation of nearly every Southeast Asian nation. This backlash ranges from mining disputes with Vietnam (Chinese gunboats currently patrol the Mekong River in the Golden Triangle) to China's long-time ally, Myanmar reaching out to the U.S. after moving in September 2011 to stop China from constructing a series of dams along the Irrawaddy River. But these kinds of disputes are trivial when compared to the volcano waiting to erupt in the South China Sea.

At issue is a region of enormous economic and strategic value. The South China Sea accounts for an estimated one-tenth of global fishing production. Almost one-half of global shipping tonnage passes through the disputed area. But the real prize is a suspected mother lode of hydrocarbons; gas and oil that China desperately needs to continue its pattern of industrialization.²

In 2010, China again flexed its military muscle by asserting ownership of the South China Sea. It referred to the territory as a “core national interest,” a term that it uses routinely to describe its sovereign territory. Other claimants to the region - Vietnam, Taiwan, Malaysia, and the Philippines - were warned away from the Sea at a meeting of the Association of Southeast Asian Nations (ASEAN) in Hanoi. Chinese

Foreign Minister Yang Hiechi is reported to have said, “China is a big country and other countries are small countries, and that is just a fact.”³

Soon after, China found itself in disputes with Japan when a Chinese fishing boat rammed a Japanese Coast Guard vessel in the East China Sea. The incident culminated in China’s suspension of Japan’s access to Chinese rare earth mineral supplies. As tensions escalated in the region, a Chinese military vessel cut the cables to a Vietnamese survey ship in May 2011, provoking other nations to strengthen their mutual military relationships, including Japan, India, Australia, and the Philippines. When this group met in Indonesia in July 2011, the Foreign Affairs Secretary of the Philippines called the Chinese claim to the entire South China Sea “baseless, and a potential threat.”⁴

In recent years, serious doubts were expressed in Asia about the U.S.’s ability to retain its influence in the region if Southeast Asian nations became drawn into the orbit of the new Chinese regional hegemon. Instead, the nations of Southeast Asia actively began to seek an American presence in the region as a countervailing power to China’s regional ambitions. Suddenly, the Japanese were less anxious for U.S. Marines to vacate their base in Okinawa. The Philippines began calling for more naval exercises with the U.S. Navy in what it calls the “West Philippine Sea” in order to “maximize” its defense treaty with the U.S. The issue gained momentum as Vietnam looks to begin extracting oil from the portion of the South China Sea that it claims, setting a precedent that China is loath to allow.

The Chinese state-run media responded to its neighbors’ stiffening resolve with an editorial in the *Global Times*: “Countries such as the Philippines and Vietnam believe China has been under various pressures. They think it is a good time for them to take advantage of this and force China to give away its interests [...] If these countries don’t want to change their ways with China, they will need to prepare for the sounds of cannons. We need to be ready for that, as it may be the only way for the disputes in the sea to be resolved.”⁵ These kinds of incidents and statements almost certainly figured into the U.S. decision to focus more of its military resources on the Pacific.

In response to the elevated tension, the U.S. has called for a multilateral negotiated settlement of claims and entitlements in the area among all claimant nations. China immediately rejected that notion as “American intervention” and instead has settled on a strategy of bilateral negotiations with each individual (weaker) ASEAN nation. China condemned the U.S.’s intervention as an attempt to encircle China with an alliance of “small” countries. So far, the joint diplomatic efforts in the area resemble the interminable talks of the Korean Armistice- it has produced little more than a “declaration” for “guidelines” on a “code of conduct” that was agreed upon in 2002 to reduce tensions in the area⁶.

The U.S. “Pivots” to Asia

These tensions tracked with a new emphasis in American grand strategy. In its new “Defense Strategic Guidance” issued in January 2012, the U.S. affirmed that “U.S. economic and security interests are inextricably linked to developments in the arc extending from the Western Pacific and East Asia into the Indian Ocean region and South Asia.” In addition to the open invitations from individual Southeast Asian nations back into the theater, the chairman of the U.S. Joint Chiefs of Staff, General Martin Dempsey elaborated that, “All of the trends... demographic trends, geopolitical trends, economic trends and military trends are shifting toward the Pacific. So our strategic challenges in the future will largely emanate out of the Pacific region...”

Indeed, China may well wonder exactly what a “strategic pivot” could add to the asymmetric strength of the U.S.’s defense posture in the Asia-Pacific region. About a third of the entire U.S. fleet is currently focused on the region. The U.S. had already augmented its regional presence by expanding its forward base in Guam to accommodate nuclear attack submarines and stationed a wing of F-22 Raptors in Alaska. China is ringed by a network of U.S. allies from Korea to Australia, some of which are equipped with AEGIS capable ships. The Obama administration is looking to facilitate sales of the F-35 Joint Strike Fighter to Korea, Japan, Australia, and in the future, even India. The biggest changes in the new strategy involve the basing of four Littoral Combat Ships (LCS) in Singapore and the deployment of a relatively small number of U.S. Marines to Australia.

Chinese reaction to the “pivot” was predictably cool. Commentary in the English-language *Global Times* of China stated that the new Strategic Guidance singled out China as “a firm strategic target of the U.S.” It complained that Beijing’s “efforts to improve Sino-U.S. relations have proved incapable of offsetting U.S. worries over its rise.”⁷

Part Two: Rise of Populism in Latin America and Challenges to U.S. Influence

But any glow the United States may have felt from its invitation back into the Asian Pacific region is not matched in Latin America. After a decade of distractions in the Middle East, and in the absence of any free trade extensions and agreements on the scale of NAFTA elsewhere in Latin America, the magnitude of the U.S.’s challenges in the region were becoming obvious.

The emergence of China as a competitive bidder for natural resources, alternative supplier of manufactured goods, and active investor in Latin American economies, further complicated the US status. China’s rise and growing presence in the region has provided South American nations with a new and refreshing path to self-actualization.

Importantly, China suffers from none of the antipathy that saturates the pages of Latin American history, literature, and media with regards to their North American neighbor.

Emboldened by their first taste of true globalization, South American nations over the last decade have begun to leverage their access to new markets by creating their own regional alignments. In 2008, the regional customs unions, Mercosul and the Andean Community, merged into the much more ambitious UNASUR, which proposed to establish, in South America, a market modeled after the European Union within a decade.

A new leftist, populist coalition emerged in the region under the leadership of Venezuela's Hugo Chavez that seemed determined to undermine American influence. Throughout 2011, Chavez and his allies in Ecuador, Bolivia, Nicaragua, and Cuba had gained traction in their efforts to put Latin America onto a different path. To these new leftists, reconciliation of differences with the U.S. through greater regional integration and political cooperation within the Organization of American States (OAS) was no longer an acceptable course of action. Instead, they promoted a new regional political alliance of Latin American and Caribbean Countries, CELAC, which excluded the United States and Canada from its membership.

On February 23, 2010, at the organizing summit of CELAC in Cancun, Evo Morales of Bolivia expressed the organization's purpose this way: "A union of Latin American countries is the weapon against imperialism. It is necessary to create a regional body that excludes the U.S. and Canada. Where there are U.S. bases that do not respect democracy, where there is a political empire with its blackmailers... there is no development for that country, and especially there is no social peace, and therefore this is the best time for the prime ministers of Latin America and the Caribbean to gestate this new organization without the U.S. to free our peoples in Latin America and the Caribbean."⁸

After a scheduling delay of six months, during which Venezuela's Hugo Chavez underwent cancer treatments in Cuba, the inaugural meeting of CELAC was held in Caracas, Venezuela on December 2 and 3, 2011. At the meeting, leaders from the 34 participating Latin American and Caribbean nations each took turns to pledge support for closer economic, social, and security ties.

Although many moderate leaders confined their expectations to increased regional trade, economic development, and initiatives that would mitigate the effects of the global recession through regional collaboration, the populist left had its own way of defining the organization. Venezuelan President Hugo Chavez called the bloc "a tool for standing up to U.S. influence."⁹ He elaborated on the history of U.S. intervention in Latin America and pronounced CELAC the vehicle through which the region must "demand respect." In turn, Bolivia's Evo Morales condemned the existing inter-

American trade system saying, “It seems it’s a terminal, structural crisis of capitalism.” He pledged his allegiance to the “great unity of the countries of America, without the United States” as an alternative to the OAS.¹⁰ Ecuador’s president Rafael Correa added that CELAC opened up an opportunity to create “a new system to guarantee human rights,”¹¹ supposedly to replace the Washington-based Inter-American Commission on Human Rights (which has received complaints from Ecuadorean newspapers and television channels that accuse his government of trying to silence critics.). And finally, Nicaragua’s president Daniel Ortega called the birth of CELAC, “the death of the Monroe Doctrine.”¹²

Even if the stated goals of CELAC include social, economic and security matters to be addressed through greater Latin and Caribbean integration, it is clear that the organization also intends to reduce North American influence in the hemisphere. What is more, CELAC formally excluded not only the U.S. and Canada, but also the dependencies of France, UK, the Netherlands and Denmark (Greenland). Interestingly, as listed on the organization’s website, the official languages adopted by the organization are Spanish, Portuguese, and French, even though 12 of the member states are English speaking.

In the same way that the U.S. found welcoming and outstretched arms to it in Southeast Asia, China found a role for itself at CELAC. Chavez read aloud a letter from Chinese President Hu Jintao congratulating the leaders on forming the new 33-nation bloc. Hu pledged to deepen cooperation with the new group. Although left unstated in the missive, if China’s expectation for the new alignment involves any kind of symmetry to the American alignments in Southeast Asia, then it would expect its economic interests in the Americas to ultimately include a Chinese military presence in the region.

Notes

¹ National Archives, Record Group 59, Department of State Records, Subject-Numeric Files 1967-69 [hereinafter cited as SN 67-69, with file location], Pol 32-1 Chicom-U.S.S.R.

² According to a 2010 the U.S. Geological Survey, *Assessment of Undiscovered Oil and Gas resources of South East Asia*, potential conventional oil deposits range from 8.9 to 41.5 million barrels of oil, potential undiscovered conventional gas deposits range from 129, 908 to 557,051 billion cubic feet and between 3,828 to 17,219 million barrels of liquid natural gas potentially exist in the entire region of the South China Sea.

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¹² Ibid.

CHAPTER FIVE

Connecting the Dots

The Value of Military-to-Military Engagement

In international affairs even the smallest brushfires, when fanned by the winds of populism or nationalism, can rage quickly out of control into an inferno that can no longer be contained by diplomacy. Events in both hemispheres, if not addressed by proactive measures, could easily approach such a tipping point. Two pathways lie ahead. The U.S. and China can easily allow themselves to be unwittingly played against each other in their respective hemispheres, leading to results that cannot be predicted or controlled. Alternatively, the two nations can take the realist, longer view, and deepen their own dialogue with each other, exploring ways to cooperate within the complexities of each hemisphere.

The relationships between nations have been compared to a three-legged stool. The legs that support the structure are the economic, political, and military pillars of power. But for it to remain stable, each leg must be as long, and of similar strength to the others. In this sense, the U.S.-China stool is poorly crafted at present. Its economic leg has become long and sturdy. The political leg is shorter, but growing, as diplomatic ties and accords deepen between the two nations. It is the military leg of the stool that has most failed to keep pace with the others. This undermines the overall endeavor. As long as the military potentialities are opaque and unpredictable, both the political and economic legs of the U.S.-China relationship will also remain unstable.

Certainly, the challenges that both nations confront in their respective hemispheres would take on an entirely different character if their relationship with one another were sufficiently stable to resist being used as bargaining chips against each other. Within this context, military-to-military interaction between the two nations becomes ever more important. Such collaboration may offer the best path forward in a world where solving the problems of security must necessarily become as globalized and multilateral as its economic and commercial activity.

Still, agreements are meaningful only when they are executed between willing partners. Cooperation is beneficial only when it promotes the interests of all the collaborators. Does any kind of consensus exist among American and Chinese military constituencies to engage with each other?

A Global Strategy of Engagement

The International Seapower Symposium, sponsored by the U.S. Naval War College in Newport, Rhode Island, provides a global forum for American policymakers and naval leaders throughout the world. On a biennial basis, political and military leaders from over 100 nations gather to discuss issues of international maritime security. These leaders have a great appreciation for both the benefits and the risks associated with collaboration among international military services.

In October 2009, Secretary of State Hillary Clinton opened the Symposium for the 103 nations in attendance with this statement: “Trust and cooperation between navies and coast guards have always been key enablers of diplomacy. As President Obama made clear at the United Nations General Assembly last month, the need for cooperation among states has never been more urgent, and your efforts on the seas of our world more vital.”¹

The Secretary of Defense, Leon Panetta, and Chief of Naval Operations, Admiral Jonathan Greenert, echoed those thoughts on cooperation and trust at the 20th International Seapower Symposium (ISS) held in October of 2011. Admiral Greenert told the heads of 96 naval services, “Collectively what we need...[is] trust and confidence. It can’t be surged and you can’t just stand it up. We need understanding among ourselves and we need cooperation. We need to establish it and we need to nurture it over time.”² Secretary Panetta commented that, “Trust and cooperation between the world’s maritime services has long been a key enabler of global security, of global stability, and most importantly, of global prosperity...”³ Greenert ended his remarks at the symposium by emphasizing the need for global maritime partnerships that would enhance maritime domain awareness, communication, cooperative agreements, and interoperability.

Former Chief of Naval Operations, Admiral Gary Roughhead, elaborated on the same theme at the 19th annual Symposium entitled “Connecting Navies, Building Partnerships:” “The U.S. services’ interest in Global Maritime Partnership stems from our desire to seek out cooperative approaches to maritime security and promoting the rule of law. Trust, personal trust, is indispensable to partnerships of any kind. As I asserted here two years ago, trust cannot be surged. Our personal relationships are the first step in the trust I mentioned before. If we are to develop those habits of partnership that are so fundamental to our effective cooperation then our personal relationships are an investment in that future.”⁴

The ISS workgroup for the South American region reported a consensus on the goal of “increasing trust and cooperation by having neighboring navies operate jointly at the tactical and operational levels. Our personal equipment can be surged as conditions warrant; trust and cooperation cannot be surged and can only be developed over time.”⁵ As Rear Admiral Lopes de Moraes of Brazil put it, “There is a need to

establish procedures for the enrichment of mutual trust that will enable the enactment of specific bilateral agreements.”⁶

Again and again at the ISS, the sea was viewed as an ideal pathway to achieve these goals. One panel explored the question, “How can we achieve more cooperation?” Their answer: “We agreed that one of the paths towards greater cooperation and collaboration was the ramping up of joint exercises among nations. We need to increase the number of exercises in order to develop mutual trust in the first place and then in order to develop interoperability.”⁷ Or as, one delegate commented, “Dialogue makes things easier and easier and the funny thing is now it’s much easier to talk between navies than [to] talk between agencies on the national level.”⁸

The Benefits of Offering Hemispheric Access to the PLAN

It is inevitable that the U.S. and Chinese navies will meet in both hemispheres. The context in which they meet and the degree of awareness that they have of each other can be influenced and managed today. It can evolve into a wary and dangerous standoff. Or it could more accurately reflect the dynamics of their shared economic and political interdependency.

Perhaps the most persuasive reason for the U.S. to take the initiative in inviting China to participate within the hemispheric cooperative architecture is that it simply outweighs the risks of not doing so in a region where Chinese presence is already on the rise.

Like it or not, China has already adopted its own strategy for building sophisticated bilateral military relationships within the Western hemisphere. China, for example, has offered to train Brazilian naval officers in nuclear submarine operations.⁹ Brazil, has reciprocated by offering to train Chinese pilots on its *Clemenceau* class aircraft carrier.¹⁰ In November of 2011 China and Peru signed accords to deepen their military-to-military training and arms sales after Peru successfully hosted China during Operation PEACE ANGEL,¹¹ the first ever land-based humanitarian and disaster assistance exercise between China and a South American country. China’s hospital ship, the *Peace Ark*, offered free medical and dental care during its maiden voyage to the Caribbean last fall stopping in Cuba, Costa Rica, Jamaica, and Trinidad and Tobago.¹² Chinese warships have also conducted port visits to Chile, Peru and Ecuador within the past five years. China also rushed into Venezuela, eager to cement stronger military-to-military ties shortly after U.S. personnel were expelled. Today, both countries routinely exchange personnel among their military universities.

Because China will continue to grow as an economic actor in the Americas, its pattern will likely be to seek increased bilateral military relationships. China will continue to sign security agreements with its trading partners in Latin America, many

of which will include arms deals. And eventually there will be larger and more complex joint military training programs and then bilateral military exercises. If ignored, this model of Chinese-Latin bilateral agreements could ultimately fragment and undermine the existing hemispheric defense structures, creating an environment for regional dissonance similar to that in the South China Sea.

The bottom line question for US strategy is this: Would hemispheric security concerns be better served by a transparent and multilateral PLAN entry into the Latin American region, than the current trend of a multiplicity of bilateral agreements from which the US is excluded and about which very little is known?

Notes

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⁶ Ibid, 92.

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¹¹ David Chen, "2011 PLA Military Training: Toward Greater Interoperability," *China Brief*, January 28, 2011, VOL 11(2), 8.

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CHAPTER SIX

Why PANAMAX?

In the past, Pacific Command has issued a standing invitation to the PLAN to participate in exercises like RIM OF THE PACIFIC and COBRA GOLD. While these Pacific exercises offer a wide array of advanced planning, power projection, and sea control tactics, the PLAN has never elected to fully participate in them. The U.S.-sponsored maritime exercises in the Pacific all have the same thematic problem for the PRC: recognition of territorial sovereignty. China may fear that its participation, even in humanitarian and disaster relief exercises such as CARAT and BALIKATAN, would appear to signal acceptance of the territorial boundaries of each country participating in the exercise- something that China at present is diplomatically and economically unwilling to do on a multilateral basis. Nor is China willing to be lured into the diplomatically embarrassing corner of having to withdraw from an exercise prematurely or risk an international confrontation over access or denial to disputed waters. Furthermore, many of the Asian nations anxious to have the U.S. focus back on the region as a regional counterweight to China are very skeptical of allowing China greater access to their claimed territorial waters for fear that once the PLAN arrives it may not leave.

By contrast, such issues are avoided by making the very same offer, but in America's home turf. Overall, PANAMAX offers a softer environment for learning to operate together. PANAMAX fits neatly into the category of a security exercise, as opposed to a strategic partnership. It has never been designed to protect against any specific "state sponsored" adversary. Precisely because PANAMAX is designed for a greater global common good - defense of the approaches to the Panama Canal and unfettered access to the canal for all nations - it is the ideal engagement opportunity. And the link only reflects China's growing presence in and need for the security of the Panama Canal region. As early as 1994 Chinese commercial interests in Hong Kong took over concession services for both the Atlantic and Pacific port facilities. After expansion of the canal is completed in 2014, even more goods and resources travelling to and from China will pass through or begin their voyages at the Canal.

Within this context, an invitation for China to interact in hemispheric security activities would also appeal to Latin American sensibilities on many levels. South America is fast becoming a major player in global affairs. It is finding its collective voice in the wave of populism that gave birth to CELAC. It wants its views to be heard on issues ranging from drug interdiction to immigration and transnational criminal organizations. The addition of China into PANAMAX would elevate the importance of

the exercise and of the hemisphere, along with the credentials of each individual participant, in global affairs. But it would do so in a venue where the US is centrally involved, as opposed to institutions like CELAC or the various bilaterals that China has established in Latin America.

PANAMAX is a fairly young maritime exercise, but one of the premiere multilateral venues. Starting with just three nations nine years ago, the U.S., Chile and Panama, it now includes the participation of roughly 20 nations every year. Like all international military exercises, it requires detailed planning and tight coordination of diverse and specialized units. Each of the participating nations agrees to certain disclosure procedures. Thus, the inclusion of the PLA(N) into this Southern Hemisphere joint-maritime exercise would require no deviation from existing protocols. Each training objective would be evaluated against inadvertent disclosure of sensitive information or disclosure of unapproved training, tactics or procedures. An orderly, measured and phased approach would be necessary to address concerns of operational risk and capability enhancement. I propose the below steps.

Diplomatic Buy-In

Both China and the U.S. have erected barriers to military collaboration that must be resolved before any meaningful preparation can even be considered for an invitation to the PLAN to participate in PANAMAX. For its part, China has listed three “obstacles” to military cooperation with the U.S.: 1) the sale of U.S. arms to Taiwan; 2) U.S. reconnaissance of the Chinese mainland; and 3) legislated U.S. restrictions on technology transfer.¹

Clearly, there is much political, diplomatic and legislative heavy lifting to be done. It is beyond the scope of this paper to offer solutions to these complicated issues. My proposal is simply in recognition that both senior American and Chinese political and military leaders have urged the need for greater and more tangible cooperation building and that the PANAMAX option offers a positive step in that direction.

Phasing

Observer status. Once the above barriers are resolved to senior leader’s concerns, China should be invited to observer status to PANAMAX. Used successfully in several Southeast Asian exercises, observer status offers minimal participation in the core planning and evaluation aspects of the operation, but moves the agenda forward. As an observer nation, China would use that opportunity to incorporate the Pan-American practices and procedures into its doctrine in preparation for active participation in future exercises.

Participation. From the American perspective, interaction with the PLAN seeks to promote familiarity, which will ultimately lead to the larger goal of “smoothing the military ties” between the two nations. At PANAMAX the bar can be placed very low. Success can be measured by the sharing of rudimentary skills that are transferable to multi-geographic combatant commands. These are the skills that could later be relied upon in joint operations in the global commons. Examples of joint training exercises that might be undertaken include:

- Communication drills: semaphore and flashing light, bridge to bridge query, challenge, response and reporting narratives using Very High Frequency (VHF).
- Maritime domain awareness: patrolling and coordinating search patterns.
- Operational safety standards and adherence to collision regulations.

Would There Be Operational Risks to Collaboration with the PLAN?

The potential gains from Chinese involvement in the exercise should certainly be weighed against any potential losses. An invitation to China to participate in a hemispheric multinational exercise would afford the PLAN the opportunity to enhance interoperability with international navies. But many might be concerned that it also risks providing China the ability to identify trends in weaponry development and usage, gather information on operating procedures, and gain a better understanding of the changing nature of contemporary naval warfare.

This concern though is not new nor sufficient to undermine the gains. U.S. military-to-military engagement with the PLAN is not an entirely new concept. Over the past 15 years the U.S. has undertaken to interact with the PLAN in a multitude of selective engagements. US Navy ships have frequently visited Hong Kong as well as ports in mainland China, such as the 2009 visit by the destroyer U.S.S. Fitzgerald to Qingdao for the 60th anniversary of the founding of the Chinese People's Liberation Army (PLA) Navy. In turn, PLAN ships have come to the US in the past. 1997, Chinese warships visited Honolulu, Hawaii and San Diego, California. In 2000 PLAN warships again conducted port visits to Everett, Washington and Hawaii. There have also been some limited exercises. In 2000, the U.S. Navy and the PLAN participated in a search and rescue exercise near Hong Kong. In 2006, the U.S. and China conducted maritime exercises in Hawaii using tactical signals. That same year another exercise was held in San Diego emphasizing search and rescue techniques. These operations have shown that joint operation does not necessarily result in capability enhancement.

In addition to these joint exercises, the Congressional Research Service reported that China has allowed access to the Beijing Aerospace Control Center (2004), 2nd Artillery (missile corps) headquarters (2005), 39th Group Army (2006), FB-7 fighter and 28th Air Division (2006).² In 2007, U.S. officials were given access to the SU-27 fighter

and T-99 tank, the Song Class submarine and *Luzhou*-class destroyer. And in 2011 China permitted U.S. access to both the CSS-7 short-range ballistic missile and *Yuan* class submarine.

China also organizes and conducts bilateral and multilateral exercises with U.S. allies and partners, exposing the PLAN to the operating policies, principles and doctrine of the U.S. Navy. Between 2005 and 2010 China conducted exercises with India, Pakistan, Spain, France, Russia, Australia, South Korea, Singapore and Vietnam.³ The scope of these exercises ranged from counterterrorism and search and rescue, to humanitarian and disaster relief.

The bottom line here is that it is unimaginable that the PLAN would not have been exposed to U.S. military doctrine during the course of these exercises. Indeed, it is precisely because of the growing global presence of the PLAN that the U.S. must find a venue within which to gain exposure to the Chinese Navy or risk being relegated to the sidelines as China seeks its own path to multinational collaboration.

Sensitive Material: Doctrinal and Strategic Risk?

Even among allied forces, memoranda of understanding between the military services cover the exchange of sensitive material such as intelligence gathering, specialized training, tactics and procedures, and communications systems. Those who worry about the vulnerability of strategic intelligence and operational procedures being lost through a Chinese presence at PANAMAX must remember that models currently exist for contact and engagement with militaries such as Russia. These same models can be used to lay a foundation of policies and procedures for sharing information and tactics with China.

At the same time, it is important to remember that there are limits to technology transfer and strategic intelligence sharing even with our closest ally, the United Kingdom. The rules associated with foreign disclosure are well known by the members of every military service and would be strictly applied in any engagement with the PLAN.

Security Collaboration, Strategic Partnership, Regional Stakeholder?

An even more important consideration for policymakers is the distinction between security collaboration and strategic partnership. An agreement between navies to exercise jointly is not an invitation to participate in the regional strategic architecture. But where do these lines begin to blur?

To illuminate this distinction between security collaboration and strategic partnership, it is instructive to look at a similar situation in South Asia. For years India

refused to participate in multilateral exercises with China in the Indian Ocean because it saw “no strategic rationale” for such interaction.

India perceived that China’s intention was ultimately to make itself part of the Indian Ocean’s strategic maritime architecture. Bilateral deals struck between China and Indian neighbors Sri Lanka, Bangladesh, and Pakistan involving port infrastructure, energy pipelines, surveillance equipment, and military hardware all appeared to create the potential for permanent basing and sustained operations of a Chinese fleet in the Indian Ocean. Accordingly, India resisted any Chinese presence in its littorals even though it could not deny that the Indian Ocean sea-lanes had become China’s critical arteries for Middle East petroleum and trade with the EU.

But the 2004 tsunami may have prompted both nations to rethink their approach. Because of the PLAN’s lack of operability with multinational navies, China was ignominiously excluded from the core group of nations led by the U.S., India, and Australia that collaborated in the tsunami rescue efforts. Smarting from that experience, in 2005 India and China began to hold rudimentary bilateral exercises. China and India may not have solved their larger disagreements, but both appear willing to seek out avenues that reduce suspicion and diminish the risk of miscalculation in their area of joint operability.

Like India, the United States must begin to ask itself at what point will China consider itself a stakeholder in the South American security architecture. China has developed massive investments in the region, which it may at some point feel obligated to protect. It has created alliances and bilateral treaties with various nations in the region. And, as in the Indian Ocean, China has provided itself with several options for basing facilities in the hemisphere. In December of 2010 China and Suriname signed a memorandum of understanding in which two Chinese companies were awarded a contract worth \$6 billion dollars to build a deep-sea harbor, roadways and a railroad into Brazil.⁴ The development of this port has the potential to allow China access to a basing facility for sustained operations in the Americas, something that it could have achieved just as easily by expanding its \$500 million port development site at Puerto Cabello, Venezuela.

Leveraging the American Experiment into Asia

For American policymakers, a process of collaborative military engagement offers a path forward that is rich in fruitful possibilities. It replenishes each player’s bargaining chips in such a way that new options can be explored in both hemispheres without risking an “all in” bet. In the same way that China is asked to abide a U.S. presence in Southeast Asia, the U.S. will finally provide concrete recognition that the Monroe Doctrine is not as it is too often misinterpreted, a policy of absolute hegemony.

Inviting China to participate in an exercise as prestigious as PANAMAX along with more than 20 partner nations creates several opportunities beyond Latin America. For years, the Chinese have been a free-rider on the benefits of a global U.S. naval presence. Now is the appropriate time for an emerging China to begin to demonstrate a willingness to cooperate with other nations against non-traditional threats, and to make its forces available during times of multinational crises. It would seem that, done in an orderly manner, a planned and phased approach to initiate cooperative military engagement with China in this hemisphere could promote interoperability that will pay even larger dividends in other theaters where the U.S. shares vital interests with China.

The global implications of any obstruction to transit in the Straits of Hormuz, or Suez Canal, would necessitate an immediate and cooperative effort on economic, political, and likely military action between China, Europe and the U.S. Keeping the sea-lanes of the Gulf of Aden and the Horn of Africa open to international commerce will require a longstanding commitment by international partners. But even more importantly, could it be possible that a collaborative experience in the Americas, and the lessons learned from it, could be transferable to Southeast Asia? Ultimately, the issues in the South China Sea must be resolved to the satisfaction of all claimants. There is no path forward in Asia until the parties learn to collaborate and make a commitment to trust each other by building a sturdy, balanced, three-legged negotiating table.

Notes

¹ Shirley, Kan, "U.S.-China Military Contacts: Issues for Congress," [Washington DC: Congressional Research Service] 2011.

² Ibid.

³ Office of the Secretary of Defense, *Annual Report to Congress, Military and Security Developments Involving the People's Republic of China 2011*, [Washington DC: Department of Defense], 2011.

⁴ Stabroek News, "Suriname Clinches US\$6B deals with Chinese Company," *Guyanese Online*, January 2011, <http://guyaneseonline.files.wordpress.com/2011/01/january-2011-newsletter-final.pdf> , (accessed April 30, 2012).

CHAPTER SEVEN

Conclusions

In a world where the overarching geostrategic issues range from nuclear proliferation to cyberwarfare and defense of intellectual property, it is important to explore every possibility for peaceful interaction, even with major competitors. It is, of course, legitimate to ask how the U.S. can expect to benefit by offering to interact with a potential enemy in our own strategic space. The answer is that the U.S. cannot hope to address any of the geostrategic issues without increasing trust and transparency, which will require the full cooperation of the military establishments on both sides.

Before leaving office, President Bill Clinton suggested in a commencement speech at the University of Nebraska that the United States would inevitably find itself existing in a multi-polar world.¹ For President Clinton, the only question was would the U.S. remain in denial about the existence of such a world, or would we choose to actively participate in the shaping of that world?

Political and military leaders across the globe have expressed the need for stronger military ties and cooperation as a stabilizing force in global affairs. The Americas seem to offer themselves up as a place where these kinds of collaborative efforts can be initiated in a low risk environment. PANAMAX can become more than an exercise in globalizing regional cooperation; it can become a proving ground for an international commitment to finding peaceful solutions to intractable international problems.

Notes

¹ Jay Hancock, "Clinton urges U.S. global commitment," *The Baltimore Sun*, December 9, 2000, http://articles.baltimoresun.com/2000-12-09/news/0012090269_1_visit-nebraska-clinton-peace-and-prosperity (accessed March 10, 2012).

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