


The image features a stylized map of North America, including the United States, Canada, and Mexico. The map is composed of various shades of green, blue, and orange, with a white network of lines and nodes overlaid on it. In the background, there are images of an airplane in flight, a semi-truck, and a city skyline at night. The text "NORTH AMERICA 2.0" is prominently displayed in the center, with the subtitle "Forging a Continental Future" below it.

# NORTH AMERICA 2.0

Forging a Continental Future

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# THE FUTURE OF NORTH AMERICA- CHINA RELATIONS

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## The Future of North America-China Relations

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North America made strides toward integration once NAFTA took effect in 1994, but China's 2001 entry into the World Trade Organization (WTO) challenged that progress. Intra-regional trade as a percentage of North America's total trade fell from a high of 46.4% in 2000 to 39.8% in 2017—lower than at the beginning of NAFTA. Much of the intra-regional trade lost was instead diverted to China.<sup>2</sup> In these years, much of the North American momentum that had been present in the 1990s and early 2000s was lost. In place of an integrated North America approach, three distinct bilateral relations with China took shape: Canada as an increasingly interdependent trading partner, Mexico as a direct economic competitor, and the U.S. both as a strategic competitor but also an increasingly interdependent economy. Politically, though each country followed a divergent path in its relations with China, all depend to some extent on U.S.-China relations, though without a coordinated or coherent approach. North America as a region became less relevant the more economically and politically powerful China grew. To this day, no unified North American response to China has been articulated.

The Trump administration's more antagonistic position toward China also impacted the United States' neighbors, both in their relations with China and with each other. This has been coupled with China's increasingly assertive foreign policy, in large part driven by domestic trends, such as the country's economic slowdown and increased authoritarianism. As U.S.-China relations have soured, Canada has found itself between a rock and hard place. Meanwhile, Mexico has shown more interest in appeasing its northern neighbor than formulating a broader and more strategic foreign policy. These factors, combined with the changing domestic dynamics in each of the three North American countries, have increased tensions between the three North American states and China.

The increasing distance between North America and China opened windows of opportunity for greater North American integration; however, none of the three governments have sought to exploit them. For example, the inward-focused policies of Mexican President Andrés Manuel López Obrador (AMLO), coupled with its nationalistic energy policy, which disincentivizes private investment in the sector, have prevented Mexico from attracting the necessary investment that is leaving China despite all of Mexico's advantages.<sup>3</sup> Trump's increasingly isolationist policies, which have been somewhat followed by President Biden, particularly as pertains to subsidies for Electric Vehicles manufactured in the United States, have also alienated allies, including its neighbors. The only meaningful exception has been in the USMCA, where the three countries included a poison pill in the agreement's Article 32.10, which constrains signatories from entering into FTA negotiations with non-market economies. The clause was specifically aimed at

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<sup>1</sup> Jorge Guajardo and Natalia Cote-Muñoz originally co-authored this piece prior to January 2021, with both participating in their personal capacity. Natalia Cote-Muñoz has not been involved in updating the document since January 2021.

<sup>2</sup> Enrique Dussel Peters, *The Renegotiation of NAFTA and China?* (Mexico City, Mexico: Universidad Nacional Autónoma de México - Facultad de Economía, 2018) 79, 90, [https://www.redalci-china.org/v21/images/Renegotiation\\_NAFTA\\_China\\_ALTA.pdf](https://www.redalci-china.org/v21/images/Renegotiation_NAFTA_China_ALTA.pdf).

<sup>3</sup> "China's Manufacturing Loss Should Be Mexico's Gain," *Bloomberg.com* (Bloomberg, September 17, 2019), <https://www.bloomberg.com/opinion/articles/2019-09-17/china-s-manufacturing-loss-should-be-mexico-s-gain>.

China.<sup>4</sup> Further, the increased regional content requirements for cars were intended to divert some supply chains away from the People's Republic of China (PRC) and back into the region.<sup>5</sup> But these USMCA inroads were done more for the sake of antagonizing China than for promoting North American integration.

The coronavirus crisis has cast doubt on supply chain integration with China, in particular global dependence on Chinese medical inputs and supplies. In the short-run, North American countries were lucky that the outbreak hit them just as China resumed production, and they were thus able to procure medical supplies. However, in the long run, the experience may encourage governments and companies to make supply chains more local to mitigate the disruption to manufacturing caused by contagious diseases, especially as China continues to pursue a Zero-COVID strategy, putting entire cities in lockdown to prevent the virus from spreading. Two years into the pandemic, China continues to disrupt trade, and the supply chain it feeds, by shutting down important ports like Ningbo and the continued threat of further disruptions. This, coupled with the bottlenecks in U.S. ports, will force North American manufacturers to invest in new supply chains closer to home.

On the other side of the relationship, China does not view North America as a region but looks at each country separately. In a way, this is reasonable in the sense that North America's integration has been limited—and in many ways may remain so in the foreseeable future. But dismissing a regional perspective on the relationship with China is short-sighted. Even though China has developed a unique relationship with each of the North American countries, its relations with the U.S. will undoubtedly determine those with Canada and Mexico. In this sense, the existence of a North American market has shaped each country's responses to China. In the next section, we will detail each bilateral relation and then discuss what this means for North America.

## **Bilateral Relations**

### *China-U.S.*

Ever since the U.S. first established diplomatic relations with the People's Republic of China, there has been a belief in the policy world that bringing China into the community of nations would foster its path toward democracy and free markets. In his 2000 China Trade Bill speech, President Clinton said that China's entry in the WTO represented "the most significant opportunity that we have had to create positive change in China since the 1970s."<sup>6</sup> This has proven not to be the case. The frustration that China did not peacefully evolve into a capitalist multi-party democracy among policy thinkers appears to have boiled over into a generalized exasperation in negotiating with China. Since Trump came to power, China's bilateral relationship with the U.S. has suffered a 30-year low. President Biden's continuation of this policy toward China proves that an adversarial

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<sup>4</sup> "USMCA Chapter 32: Exceptions and General Provisions," *Office of the U.S. Trade Representative*, 2019, [https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/32\\_Exceptions\\_and\\_General\\_Provisions.pdf](https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/32_Exceptions_and_General_Provisions.pdf)

<sup>5</sup> Ana Swanson and Jim Tankersley, "Trump Just Signed the U.S.M.C.A. Here's What's in the New NAFTA," *The New York Times*, January 29, 2020, <https://www.nytimes.com/2020/01/29/business/economy/usmca-deal.html>.

<sup>6</sup> Bill Clinton, Speech on China Trade Bill, (speech, Washington, DC, March 9, 2000), [https://www.iatp.org/sites/default/files/Full\\_Text\\_of\\_Clinton\\_Speech\\_on\\_China\\_Trade\\_Bi.htm](https://www.iatp.org/sites/default/files/Full_Text_of_Clinton_Speech_on_China_Trade_Bi.htm).

relation is the new normal. From an era of “constructive engagement” that began under the Clinton administration,<sup>7</sup> China has moved to the category of “strategic adversary” in the eyes of the U.S.<sup>8</sup>

China survived the downturn of the 2008 financial crisis better than much of the rest of the world (albeit at a cost of increasing credit lending, deferring adjustment costs to the future). Two years later, China surpassed Japan as the world's second-largest economy.<sup>9</sup> The economic crisis critically undermined Chinese confidence in an American-led world order and was encouraged greater assertiveness of Chinese foreign policy. According to then-U.S. Treasury Secretary Hank Paulson, Chinese Vice Premier Wang Qishan told him that China no longer saw the U.S. as the country to learn from and follow.<sup>10</sup>

Despite claims that China was opening, the reality was that it remained a closed domestic market, even to important sources of foreign direct investment (FDI) and financial services. Payment processing companies like Mastercard, Visa, and American Express were blocked until early 2020, and now have to compete with the largest e-payment market.<sup>11</sup> Foreign companies working in industries protected by China were either blocked entirely or initially grew and prospered only to later be pushed out of the country. Facebook was banned after Xinjiang activists used the website to organize protests in 2009.<sup>12</sup> Google had struggled with creating a censored search engine in China, and a hack from within the country targeting human rights activists led to the company eventually pulling out of the PRC.<sup>13</sup> Netflix has not gained market access, although it continues to find alternative ways to take advantage of the market, such as partnerships and licensing.<sup>14</sup> Boeing has not logged a single new airplane sale to China in the last five years. Additionally, there were concerns about intellectual property rights and copycat companies in the PRC. Hence, China was still seen as a closed market with limited opportunities for certain U.S. companies, as well as an uneven playing field in which American companies cannot succeed due to politics.

With that said, the two countries still became truly interconnected. The two countries became each other's top trading partners in 2015 (though trade tensions pushed China to third place in 2019,

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<sup>7</sup> Peter D. Feaver, The Clinton Administration's China Engagement Policy in Perspective (presented at Duke University “War and Peace Conference,” February 26, 1999 (<http://www.duke.edu/web/cis/pass/pdf/warpeaceconf/p-feaver.pdf>).

<sup>8</sup> Frederick Kempe, "The world China wants," *The Atlantic Council*, April 14, 2019, <https://www.atlanticcouncil.org/content-series/inflection-points/the-world-china-wants/>.

<sup>9</sup> “China’s Economy Passes Japan’s in Second Quarter Capping Three-Decade Rise,” *Bloomberg News*, August 16, 2010, <https://www.bloomberg.com/news/articles/2010-08-16/china-economy-passes-japan-s-in-second-quarter-capping-three-decade-rise>.

<sup>10</sup> Hank Paulson, “Dealing with China.”

<sup>11</sup> Natasha Frost, "Visa and Mastercard still want to enter China, but China isn't cooperating," *Quartz*, January 31, 2019, <https://qz.com/1539255/visa-and-mastercard-still-cant-enter-china/>; “China Pension Fund Looks Abroad for Investment Opportunities,” *Bloomberg News*, January 11, 2020, <https://www.bloomberg.com/news/articles/2020-01-11/china-pension-fund-looks-abroad-for-investment-opportunities?sref=hF44Hb0C>.

<sup>12</sup> Kristina Zucchi, "Why Facebook Is Banned in China & How to Access It," *Investopedia*, December 31, 2021, <https://www.investopedia.com/articles/investing/042915/why-facebook-banned-china.asp>.

<sup>13</sup> Matt Sheehan, "How Google took on China -- and lost," *MIT Technology Review*, December 19, 2018, <https://www.technologyreview.com/2018/12/19/138307/how-google-took-on-china-and-lost/>.

<sup>14</sup> Arjun Kharpal, "Netflix has a China strategy — but it doesn't involve launching there soon," *CNBC*, May 10, 2019, <https://www.cNBC.com/2019/05/10/netflix-has-a-china-strategy-it-doesnt-involve-launching-there-soon.html>.

behind Canada and Mexico).<sup>15</sup> Chinese FDI to the U.S. reached a peak of \$46 billion by 2016.<sup>16</sup> And before U.S.-China frictions, China was still considered a top place to invest due to its expanding market. This came, partially, at a cost to regional relations. The U.S. started importing more and more of its auto parts, shoes, and textiles from China instead of its neighbors—especially Mexico. The U.S. also lost ground in 53 different industries to its neighboring markets, which too opted to trade with China instead.<sup>17</sup>

China's economic growth also triggered concern about the strategic consequences. In 2011, the Obama administration started an effort to address China's rising influence in Asia and around the world.<sup>18</sup> Most of the Obama administration's foreign policy attention was focused on the Middle East, the rise of ISIS, and Russia's increasing assertiveness. In the end, this "pivot to Asia" created closer ties with some of China's neighbors but remained incomplete when the Trump administration pulled the U.S. out of the Trans-Pacific Partnership.<sup>19</sup>

The trade war launched by the Trump administration built on and intensified these existing frictions. U.S. Trade Representative Tai's statement that the U.S. would hold China to the Trump administration's Phase One Trade Agreement signaled the continuation of the adversarial relationship, particularly as China fell well short of meeting its first year commitments. American companies found it harder to do business in China and lost faith in the relationship; meanwhile, more free trade-oriented thinkers lost sway in Beijing. This generated a self-reinforcing cycle of mutual suspicion between China and the U.S. Some of America's most recognized companies remained blocked from China, while the "pivot to Asia" looked like Cold War-style containment with more modern window-dressing to Chinese thinkers. The stage was set for a re-evaluation of the bilateral dynamic between both countries. Even in sectors where American companies prospered in China, like agriculture, new barriers to entering China emerged (such was the case with pork).<sup>20</sup> President Trump pushed back on China with gusto, backed up by a Congress keen on being seen as tough on Chinese unfairness. Thus, the U.S. incrementally put tariffs on Chinese products, increasing the price of tens of billions of Chinese goods by a quarter. The relationship

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<sup>15</sup> "Top Trading Partners - December 2019," *United States Census Bureau*, 2019, <https://www.census.gov/foreign-trade/statistics/highlights/top/top1912yr.html>.

<sup>16</sup> Alan Rapperport, "Chinese Money in the U.S. Dries Up as Trade War Drags On," *The New York Times*, July 21, 2019, <https://www.nytimes.com/2019/07/21/us/politics/china-investment-trade-war.html>.

<sup>17</sup> Enrique Dussel Peters and Kevin P. Gallagher, "NAFTA's uninvited guest: China and the disintegration of North American trade," *CEPAL Review* 110 (August 2013): 91-92, [https://repositorio.cepal.org/bitstream/handle/11362/37000/RVI110DusselGallagher\\_en.pdf?sequence=1&isAllowed=y](https://repositorio.cepal.org/bitstream/handle/11362/37000/RVI110DusselGallagher_en.pdf?sequence=1&isAllowed=y); Enrique Dussel Peters, *The Renegotiation of NAFTA and China?*, 92.

<sup>18</sup> Hillary Clinton, "America's Pacific Century," *Foreign Policy*, October 11, 2011, <https://foreignpolicy.com/2011/10/11/americas-pacific-century/>.

<sup>19</sup> Michael Green, "The Legacy of Obama's 'Pivot' to Asia," *Foreign Policy*, September 3, 2016, <https://foreignpolicy.com/2016/09/03/the-legacy-of-obamas-pivot-to-asia/>; Victor Cha, "The Unfinished Legacy of Obama's Pivot to Asia," *Foreign Policy*, September 6, 2016, <https://foreignpolicy.com/2016/09/06/the-unfinished-legacy-of-obamas-pivot-to-asia/>

<sup>20</sup> Leslie Young, "What is ractopamine, the drug banned in China but permitted in Canadian pork?," *Global News*, June 26, 2019, <https://globalnews.ca/news/5434060/ractopamine-canada-pork-china-safety/>

reached one of its lowest points in August 2019, when Trump called Xi Jinping an "enemy," and "ordered" American companies to leave the country.<sup>21</sup>

The effects of the trade war have been increasingly tense. Neither country thinks the other side is negotiating in good faith. China changed draft trade agreements, causing suspicions on the U.S. side. The U.S., on the other hand, does not appear to understand key nuances in China's system of government, for instance, that the Chinese government would ensure greater internal compliance with the terms of a trade deal using administrative and regulatory measures rather than enacting laws through its rubber-stamp parliament.<sup>22</sup> Companies that had issues with the Chinese market became more vocal in the U.S. narrative on business with China: China is a country that protects domestic copycats and treats foreign companies unfairly, while the U.S. government sits idly on the sidelines. Additionally, accusations of currency manipulation became prominent. The Trump administration's policies and the trade war only intensified the perception of risk. The Biden administration's addition of new Chinese companies to the Commerce Department's Entity List, as well as new launched CFIUS reviews to past investments in the United States by Chinese companies further mined the business relationship between both countries. The U.S. business community feels that China has eaten its lunch by regulating to favor domestic companies, whereas by contrast, Chinese companies face fewer barriers in U.S. markets. China has lost its label of a "reliable place to invest" because of Trump's tariffs. Meanwhile, the U.S. has gained little from the tariffs. The trade war has diverted investment, supply chains, and jobs without directing them to the U.S., all this coming at a cost to American consumers and businesses—especially in agriculture.<sup>23</sup>

At the center of the trade war, there are tensions about the decoupling of each country's tech sector. China has been aggressively pursuing self-reliance, particularly through its Made in China 2025 plan targeting key industries, including AI, chips, pharmaceuticals, robotics, quantum computing aerospace, and cars. Meanwhile, the U.S. has targeted Chinese companies, particularly Hikvision, Huawei, and ZTE, due to national security concerns, as well as Chinese media outlets. But in reality, decoupling is much more difficult to achieve, and banning Huawei is accelerating China's self-reliance, pushing China to develop its industries faster. For instance, Huawei's chips have increasingly been self-made to cut U.S. reliance, and the company experienced a short-term boost as Chinese consumers rallied around the company as a symbol of the country facing American bullying.<sup>24</sup> The U.S. and other countries have not invested as much in technological development, which, combined with China's massive subsidies, has given Chinese companies a price advantage.

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<sup>21</sup> "Trump says US firms 'hereby ordered' to quit China," *BBC*, August 23, 2019, <https://www.bbc.com/news/business-49450245>.

<sup>22</sup> Zhou Xin, "US-China trade war talks collapsed due to 'culture gap' in understanding of law, professor says," *South China Morning Post*, <https://www.scmp.com/economy/china-economy/article/3013508/us-china-trade-war-talks-collapsed-due-culture-gap>.

<sup>23</sup> Scott Kennedy, "A Fragile and Costly U.S.-China Trade Peace", *CSIS*, December 13, 2019, <https://www.csis.org/analysis/fragile-and-costly-us-china-trade-peace>; Alan Rapperport, "Farmers' Frustration With Trump Grows as U.S. Escalates China Fight," *The New York Times*, August 28, 2019, <https://www.nytimes.com/2019/08/27/us/politics/trump-farmers-china-trade.html>.

<sup>24</sup> Asa Fitch and Dan Strumpf, "Huawei Manages to Make Smartphones Without American Chips," *Wall Street Journal*, December 1, 2019, <https://www.wsj.com/articles/huawei-manages-to-make-smartphones-without-american-chips-11575196201>;

This conflict escalated in May 2019 when the U.S. Commerce Department put Huawei on its “Entity List,” which would ban U.S. companies from selling components to Huawei or its affiliates and essentially bankrupt it—albeit with several exemptions for American companies that would lessen the impact.<sup>25</sup> This measure was partially retracted as trade negotiations continued, but the U.S. has continued to pressure allies, including the U.K. and Germany, against collaborating with Huawei. The U.S. then followed by putting Chinese tech companies, including IFlyTek, SenseTime, Hikvision, and more, on the Entity List due to human rights violations, creating a new reason for placing companies on the Entity List. Furthermore, the U.S. required semiconductor companies that use U.S.-made machinery to apply for licenses from the Commerce Department to sell to China. This move aims to sound the death knell for Huawei and other tech companies.

U.S. technology companies such as Intel, Qualcomm, and Apple—all of which managed to replicate their success in China—are in the crossfire between the two countries’ peripheral issues. Intel and Qualcomm have faced questions about national security implications and the placing of their major Chinese clients in the Entity List. Apple has been affected because of the tariffs and the Chinese government constantly threatening to use it as a bargaining chip vis-a-vis Huawei. IP espionage, as well as overreactions to espionage, including keeping tabs on U.S. scientists of Chinese descent, have also become a lightning rod for these issues.<sup>26</sup>

### *China-Mexico*

Sino-Mexican relations have been historically the shallowest of the three North American countries. The main cause of this is that China and Mexico are economic competitors, particularly in textiles, electronics, and machinery for the U.S. market.<sup>27</sup> Before China acceded to the WTO, there was relatively little discussion of trade among the two countries, but China surpassed Japan as Mexico's second-largest trade partner in 2003.<sup>28</sup> This trade relationship has tripled since then, with Mexico importing mainly phones, semiconductors, and computers from the PRC. Still, half of Mexico’s imports and three-quarters of its exports are with the United States, compared to a

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Ding Yi, "Huawei Adds More Self-Made Chips to Smartphones to Cut Reliance on U.S.," *CX Tech*, January 13, 2020, <https://www.caixinglobal.com/2020-01-13/huawei-adds-more-self-made-chips-to-smartphones-to-cut-reliance-on-us-101503448.html>.

<sup>25</sup> Douglas Fuller and Paul Triolo, "The ripple effects of a complete ban on Huawei access to U.S. tech will be huge," *SupChina*, May 21, 2019, <https://supchina.com/2019/05/21/the-ripple-effects-of-a-complete-ban-on-huawei-access-to-u-s-tech-will-be-huge/>

<sup>26</sup> Bill Chappell, "Acclaimed Harvard Scientist Is Arrested, Accused Of Lying About Ties To China," *NPR*, January 28, 2020, <https://www.npr.org/2020/01/28/800442646/acclaimed-harvard-scientist-is-arrested-accused-of-lying-about-ties-to-china>; Hvistendahl, Mara, *The Scientist and the Spy: A True Story of China, the FBI, and Industrial Espionage*, (New York: Riverhead Books, 2020).

<sup>27</sup> “What did Mexico export in 2017?”, *Atlas of Economic Complexity*, 2018,

<https://atlas.cid.harvard.edu/explore?country=138&product=undefined&year=2017&productClass=HS&target=Product&partner=undefined&startYear=undefined>; “What did China export in 2017?”, *Atlas of Economic Complexity*, 2018,

<http://atlas.cid.harvard.edu/explore?country=43&product=undefined&year=2017&productClass=HS&target=Product&partner=undefined&startYear=undefined>; Enrique Dussel, “La nueva relación triangular entre Estados Unidos, China y América Latina – el caso de México”, *Heinrich Böll Stiftung*, January 10, 2020, <https://dusselpeters.com/196.pdf>

<sup>28</sup> Atlas CID Harvard.



sixth of imports and one percent of exports to China.<sup>29</sup> Only 17.4% of Mexico's trade with China can be considered intra-industry, compared to 45% with the United States.<sup>30</sup> Trade imbalance, competition in the U.S. market, and closeness to the United States have prevented significant deepening of Mexico and China's relations.

This bilateral relationship has also been fraught with a few diplomatic tensions. The 2009 swine flu outbreak in Mexico led to a disproportionate response from China. Mexican citizens were detained in China on the sole basis of their nationality, no matter where they were coming from, flights were canceled, and visas were not issued.<sup>31</sup> The Enrique Peña Nieto administration attempted to strengthen ties with China through trade promotion, building on the president's preexisting close ties to Beijing during his time as governor of the State of Mexico. However, the bilateral relationship was also mired in scandals. Dragon Mart, which had won a contract to build a subsidiary in Cancún, was canceled due to administrative irregularities of permits and the environmental degradation of the Mesoamerican barrier reef.<sup>32</sup> Further, a Chinese company won a contract to build a Mexico City-Querétaro high-speed train through an uncompetitive bidding process. News of this contract broke just as President Peña Nieto was caught in a corruption scandal regarding the purchase of his and his wife's stately home. The political turmoil led the Mexican government to abruptly cancel the contract, and for China to eschew further dealings with a country it considered politically risky.<sup>33</sup> What's more, the London Arbitration Court recently ruled in favor of Sinohydro in a dispute with Mexico's Federal Electricity Commission over a failed hydroelectric plant called Chicoasén II.<sup>34</sup> This further soured already embittered relations.

Since AMLO took power in December 2018, Mexico has become much more inward-looking. AMLO's reluctance to travel abroad clashes with China's focus on high-level diplomacy, and the AMLO administration has shown no interest in bringing the two countries closer. Furthermore, AMLO's domestic political shake-ups have significantly limited the branches of government that usually favored closer ties with China. Notably, AMLO eliminated ProMéxico, Mexico's former export and investment promotion agency. Foreign Secretary Marcelo Ebrard has met with high-level functionaries in China, but apart from wishful declarations and meetings, there is no evidence that Chinese investment in Mexico will ever reach even just one percent of the country's total

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<sup>29</sup> World Integrated Trade Solution (WITS) database, 2018 figures, <https://wits.worldbank.org/>.

<sup>30</sup> Enrique Dussel Peters, *The Renegotiation of NAFTA and China?*, p. 67.

<sup>31</sup> James Fallows, "Flu news from China: Mexican citizens being detained," *The Atlantic*, May 2, 2009, [https://www.theatlantic.com/technology/archive/2009/05/flu-news-from-china-mexican-citizens-being-detained/17018/?utm\\_source=twitter&utm\\_medium=social&utm\\_campaign=share](https://www.theatlantic.com/technology/archive/2009/05/flu-news-from-china-mexican-citizens-being-detained/17018/?utm_source=twitter&utm_medium=social&utm_campaign=share); "As Its Coronavirus Outbreak Abates, China Is Trying out a New Look. Is It Working?," *ChinaFile*, March 19, 2020,

<https://www.chinafile.com/conversation/its-coronavirus-outbreak-abates-china-trying-out-new-look-it-working>; Jeremy Goldkorn, Anthony Tao, Lucas Niewenhuis, Jiayun Feng, and Chang Che, "Mexicans, epidemics, and the extraordinary hypocrisy of Xinhua News Agency," *SupChina*, February 7, 2020, <https://supchina.com/2020/02/07/mexicans-epidemics-and-the-extraordinary-hypocrisy-of-xinhua-news-agency/>

<sup>32</sup> Edmund Downie, "The Dragon Mart Fiasco Still Haunts China-Mexico Relations," *The Diplomat*, January 24, 2017, <https://thediplomat.com/2017/01/the-dragon-mart-fiasco-still-haunts-china-mexico-relations/>

<sup>33</sup> "China reclama a México 600 mdd por la cancelación del tren a Querétaro," *Proceso*, November 22, 2017, <https://www.proceso.com.mx/nacional/2017/11/22/china-reclama-mexico-600-mdd-por-la-cancelacion-del-tren-queretaro-195290.html>

<sup>34</sup> Karol Garcia, "Corte de Londres falla contra la CFE por cancelación de hidroeléctrica Chicoasén II," *El Economista*, July 2, 2020, <https://www.economista.com.mx/empresas/Corte-de-Londres-falla-contra-la-CFE-por-cancelacion-de-hidroelectrica-Chicoasen-II-20200702-0105.html>.

investment stock and flow.<sup>35</sup> The investment environment is further complicated because the U.S. has explicitly asked the Mexican government and private sector to not accept Chinese investment in strategic sectors.<sup>36</sup> To focus on domestic issues and avoid conflict with the Trump administration, AMLO has been keen to appease U.S. demands. To focus on domestic issues and avoid conflict with the Trump administration, AMLO was keen to appease U.S. demands. In addition to following the Trump administration's desires by blocking Central American migrants headed north, Mexico is also likely to follow to some extent the United States' wishes in its relations with China.

Even before AMLO and Trump, expectations that Chinese investments would transform Mexico's infrastructure have rarely been met.<sup>37</sup> Mexican interest in such investments may be driven less by interest in deepening relations, and more by the competitive prices offered by Chinese companies. Most recently, China's ambassador to Mexico announced that China had invested \$600 million in AMLO's pet project, the Dos Bocas refinery.<sup>38</sup> Adding to the confusion, AMLO's Secretary of Energy quickly refuted this claim, saying that the project was completely financed by the Mexican government.<sup>39</sup> This mishap, more than anything, could be the current government wanting to maintain its promised nationalization of Pemex, as well as Mexico trying to avoid confrontations with its northern neighbor. In April 2020, Mexico announced that the China Communications Construction Company would be part of a consortium to build another pet project—the Mayan Train in southern Mexico.<sup>40</sup>

China and Mexico have continued to integrate through other means as well. The Mexican government has shown interest in expanding cooperation in agriculture, trade and innovation. But most of the ties are strongest not at the federal level, but among states and local governments that have particular interests with the PRC. Additionally, one in five Mexicans use Huawei phones, and Huawei telecommunications equipment is quite common throughout the country.<sup>41</sup> If you also count ZTE and Xiaomi, over a quarter of Mexicans use Chinese phones.<sup>42</sup> That said, when it comes

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<sup>35</sup> Enrique Dussel Peters and Samuel Ortiz Velasquez, "Monitor of China's OFDI in Mexico," *Boston University Global Economic Governance Initiative*, p.10-11, <https://dusselpeters.com/109.pdf>.

<sup>36</sup> "US asked Mexico not to accept Chinese investment, form common front," *Mexico News Daily*, May 24, 2019, <https://mexiconewsdaily.com/news/us-asked-mexico-not-to-accept-chinese-investment/>.

<sup>37</sup> "Habrá proyectos de infraestructura entre China y México," *The Logistics World*, <http://www.logisticamx.enfasis.com/notas/67052-habra-proyectos-infraestructura-china-y-mexico>; Perla Pineda, "China tiene interés en proyectos de infraestructura en México: embajador Zhu Qingqiao," *El Economista*, September 25, 2019, <https://www.eleconomista.com.mx/internacionales/China-tiene-interes-en-proyectos-de-infraestructura-en-Mexico-embajador-Zhu-Qingqiao-20190925-0139.html>.

<sup>38</sup> Sergio Chapa, "China invests \$600 million into Mexico's Dos Bocas refinery," *Houston Chronicle*, January 14, 2020, <https://www.chron.com/business/energy/article/China-invests-600-million-into-Mexico-s-Dos-14972999.php>.

<sup>39</sup> "China no invertirá en la refinería de Dos Bocas, asegura Rocío Nahle," *Dinero en Imagen*, January 14, 2020, <https://www.dineroenimagen.com/economia/china-no-invertira-en-la-refineria-de-dos-bocas-asegura-rocio-nahle/118270>; Itxaro Arteta, "Un malentendido, así explica la Embajada china la supuesta inversión en Dos Bocas," *Animal Político*, January 14, 2020, <https://www.animalpolitico.com/2020/01/malentendido-embajada-china-inversion-refineria-dos-bocas/>

<sup>40</sup> Pablo Hernandez, "Chinese-backed Mayan train chugs ahead despite environmental fears," *Dialogo Chino*, July 24, 2020, <https://dialogochino.net/en/infrastructure/36609-mayan-train-advances-with-chinese-support/>.

<sup>41</sup> "Mobile Vendor Market Share Mexico," *Global Stat Counter*, 2021, <https://gs.statcounter.com/vendor-market-share/mobile/mexico>

<sup>42</sup> "Mobile Vendor Market Share Mexico."

to 5G technology, the main players may not be Huawei, but AT&T, Telcel, and Movistar.<sup>43</sup> Chinese apps no longer figure in the top ten most downloaded.<sup>44</sup> Chinese startups such as Mobike and Didi have filled Mexican cities with bike shares and taxis. Scholarships for Mexican students and researchers to study in China have increased modestly.<sup>45</sup> Unlike its two northern neighbors, half of Mexicans view China favorably, while less than a quarter view it negatively.<sup>46</sup> But overall, Chinese presence in Mexico pales compared to many other countries in the hemisphere, particularly those in the southern cone.<sup>47</sup> And AMLO's first and only visit abroad so far was to meet with Trump, showing that if it came to choose between the U.S. or China, it would prefer its northern neighbor.

### *China-Canada*

Canada's foreign policy has historically defined itself as a "middle power," often following along the United States but occupying some independent niches. For the past few decades, Canada's diplomacy has been mostly rhetoric, tacitly condoning the United States' position on issues as it has become more assertive. Further, as the United States has retreated from spaces of international leadership, Canada has found itself in an awkward position of being unable to fully pick up the slack, revealing the gaps in its security and foreign policy apparatus. However, this has been changing in the past decade as the United States has focused more inward, especially under the Trump administration. This forced Canada to step up, albeit in a somewhat clumsy way, and take on larger leadership roles worldwide; but it did not prepared the country to deal with an increasingly assertive China.

Canada's relationship with China is one of the longest in the Western Hemisphere. Canada, leaving WWII virtually unscathed, had an outsized influence in international affairs for a couple of decades. However, this began to wane as Europe recovered and the United States grew in influence on the international stage, leaving less of a role for Canada. In this context, Prime Minister Pierre Trudeau articulated a new role for Canada in the world as a mid-sized power. Part of this strategy was to create new alliances, and Canada became one of the first western countries to recognize the PRC in 1970.<sup>48</sup>

Since then, Canada has kept increasingly close relations with the PRC. In addition to having a sizable Chinese diaspora, China has been Canada's third-largest trade partner after the United States and the European Union since the early 2000s. Chinese FDI in Canada, especially with

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<sup>43</sup> Nicolas Lucas-Bartolo, "Las pistas sobre la red 5G que llegará a México están en las bandas que tienen AT&T y Telcel: Carrier," *El Economista*, January 5, 2020, <https://www.economista.com.mx/empresas/Las-pistas-sobre-la-red-5G-que-llegara-a-Mexico-estan-en-las-bandas-que-tienen-ATT-y-Telcel-Carrier-20200105-0002.html>.

<sup>44</sup> "Data: Top Ten Most Downloaded Apps in Six Emerging Markets," *MarcoPolo*, 2019, <https://macropolo.org/the-chinese-and-us-apps-winning-the-next-billion-users/>.

<sup>45</sup> "Investigacion," *UNAM*, 2021, [www.economia.unam.mx/cechimex/index.php/es/investigacion](http://www.economia.unam.mx/cechimex/index.php/es/investigacion).

<sup>46</sup> Laura Silver, Kat Devlin, and Christine Huang, "People around the globe are divided in their opinions of China," *Pew Research Center*, December 5, 2019, <https://www.pewresearch.org/fact-tank/2019/12/05/people-around-the-globe-are-divided-in-their-opinions-of-china/>

<sup>47</sup> "China-Latin America Finance Databases", *The Dialogue*, 2020, [https://www.thedialogue.org/map\\_list/](https://www.thedialogue.org/map_list/).

<sup>48</sup> David Mulroney, "Fifty years after Canada's last foreign-policy review, our identity is more precarious than ever," *The Globe and Mail*, February 17, 2020, <https://www.theglobeandmail.com/opinion/article-fifty-years-after-canadas-last-foreign-policy-review-our-identity-is/>.

regards to real estate, has increased Canada's dependence on the PRC. Further, China and Canada have cooperated on key issues, such as SARS. From the point of view of China, its main interests in Canada are imports of commodities,<sup>49</sup> as well as having a soft window into the United States, particularly with regards to technological developments.

In recent years, China has become a lightning rod for Canadian foreign policy. Even though Prime Minister Justin Trudeau came to office intending to increase bilateral efforts, things have not turned out accordingly. During his trip to China in December 2017, Trudeau suggested starting FTA negotiations with China.<sup>50</sup> This was initially well received by China but was quickly discarded when, during his visit, he suggested it be a values-based FTA, including human rights, labor, gender, and the environment. The Chinese quickly shot this idea down. After a late-night meeting of negotiations at the Chinese Ministry of Commerce (Mofcom), led by Trudeau himself, his delegation left with nothing concrete, and the Chinese were not happy about being put on the spot without previous warning. This left the potential trade deal in limbo.<sup>51</sup>

The bilateral relation reached its nadir after Canada arrested Meng Wanzhou, daughter of Huawei's founder and CFO of the company, who the United States requested be extradited for allegedly violating American sanctions on Iran.<sup>52</sup> The Canadian ambassador to China, John McCallum, was recalled after suggesting Meng's arrest was not based in law, but purely political.<sup>53</sup> China, unable to retaliate as forcefully against the United States, decided to bully Canada instead. First, China detained two Canadians under dubious charges: Michael Kovrig, a diplomat working with the International Rescue Committee, and Michael Spavor, an entrepreneur.<sup>54</sup> Both were allowed only minimal consular access to Canadian officials, and Michael Spavor reportedly had his eyeglasses taken away.<sup>55</sup> Meng, on the other hand, has spent house arrest in her mansion in Vancouver. Second, China attempted to use its economic might to strong-arm Canada into releasing Meng. It revoked the permits of major Canadian grain companies due to finding "harmful

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<sup>49</sup> "What did Canada export in 2017?", *Atlas of Economic Complexity*, 2018, <http://atlas.cid.harvard.edu/explore?country=39&product=undefined&year=2017&productClass=HS&target=Partner&partner=43&startYear=undefined>

<sup>50</sup> Nathan Vanderklippe, "On Trudeau's rocky China trip, Communist newspaper lashes out at Canadian media," *The Globe and Mail*, December 6, 2017, <https://www.theglobeandmail.com/news/world/on-trudeaus-rocky-china-trip-communist-newspaper-lashes-out-at-canadian-media/article37220194/>.

<sup>51</sup> Brent Patterson, "What is the current status of the Canada-China free trade agreement talks?", *The Council of Canadians*, 2019, <https://canadians.org/blog/what-current-status-canada-china-free-trade-agreement-talks>.

<sup>52</sup> "Huawei: Meng Wanzhou faces Iran fraud charges, court hears," *BBC News*, December 8, 2018, <https://www.bbc.com/news/world-us-canada-46490053>.

<sup>53</sup> Steven Chase and Robert Fife, "John McCallum fired as Canada's ambassador to China amid Huawei controversy," *The Globe and Mail*, January 26, 2019, <https://www.theglobeandmail.com/politics/article-john-mccallum-out-as-canadas-ambassador-to-china-trudeau-says/>.

<sup>54</sup> Amanda Connolly and David Lao, "Michael Kovrig and Michael Spavor have now been detained by China for 400 days," *Global News*, January 14, 2020, <https://globalnews.ca/news/6410460/michael-kovrig-china-canada-detention/>.

<sup>55</sup> Robert Fife, "After arrest and isolation, China seizes Kovrig's reading glasses," *The Globe and Mail*, October 2, 2019, <https://www.theglobeandmail.com/politics/article-china-escalates-pressure-on-detainee-issue-with-seizure-of-michael/>.

organisms” in its canola.<sup>56</sup> Ultimately, all three were released in the fall of 2021, putting an end to the tense diplomatic and legal ordeal.<sup>57</sup>

The Meng Wanzhou case has also served as a soft window for the U.S. into China as well. China increasingly sees Canada as a puppet of the U.S. Canada is caught in an uncomfortable position where the U.S. is asking it to stick its neck out while also sanctioning it and upending trade deals.

### **The Future of North America-China Relations**

Currently, the future of Sino-U.S. relations looks bleak, and this will seep into China’s bilateral relations with both Mexico and Canada.

In the U.S., the constituency for improved relations is weak. In addition to issues inside the beltway, the U.S. public has an overwhelmingly negative view of China. Only 26% of Americans view China favorably, while 60% view it negatively.<sup>58</sup> This is in sharp contrast to the view of China from the early 2010s, when half of Americans viewed the PRC favorably.<sup>59</sup> Hate crimes against Asians and Asian-Americans in the United States have also increased, which has garnered the attention of policymakers saying that things may have gone too far.

However, the tariffs now in place will be politically difficult to remove, especially for a Democratic administration that may fear appearing "soft on China." Lasting tariffs and restrictions will undoubtedly affect the reorganization of global supply chains, forcing American companies to look elsewhere. The coronavirus pandemic will only accelerate these trends. The effect on U.S. agriculture is also unlikely to improve. Not only was the phase one agreement made before relations between both countries significantly soured, but now China has openly fallen short of its commitment, bringing into question any future agreements.

With regards to Mexico, the Trump administration in particular was not shy in "asking" its southern neighbors to acquiesce to its desires. But there is not yet much to disrupt within Sino-Mexican relations. Infrastructure investment may continue to grow given the projects the AMLO administration has set its eyes on, but not significantly. And there continues to be room for Chinese companies to participate regarding agriculture, trade, and innovation, especially at the local level.

Canada’s situation is more complex, as it finds itself sandwiched between Chinese and U.S. pressures. Irreparable damage has been done to its bilateral relation with China. It is not politically expedient in Canada to side with China due to the importance of U.S.-Canada relations, while China has signaled that Canada is disposable for them. Despite the resolution to the case of Huawei’s CFO, Meng Wanzhou, and the release of the two Michaels in China, relations between

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<sup>56</sup> Catherine Wong, "China denies block on Canadian canola firm is retaliation for Meng Wanzhou case," *South China Morning Post*, March 6, 2019, <https://www.scmp.com/economy/china-economy/article/2188824/china-blocks-canadian-canola-exporter-tension-sabrina-meng>.

<sup>57</sup> Zhaoyin Feng, Gordon Corera & Jessica Murphy, "What's next after the release of Meng Wanzhou?", *BBC*, October 24, 2021, <https://www.bbc.com/news/world-us-canada-58916557>.

<sup>58</sup> Silver, et al.

<sup>59</sup> Laura Silver, Kat Devlin, and Christine Huang, "U.S. Views of China Turn Sharply Negative Amid Trade Tensions," *Pew Research Center*, August 13, 2019, <https://www.pewresearch.org/global/2019/08/13/u-s-views-of-china-turn-sharply-negative-amid-trade-tensions/>.

both countries remain thorny, as was revealed in January 2022 when, against all scientific proof, China blamed the first omicron case in Beijing to a letter that arrived contagious from Canada.

Because of the strong interdependence of foreign policies, particularly of Mexico and Canada with the United States, their relations with China will depend on what is happening regionally. It is thus especially important to articulate and enact a North American strategy toward China.

### **Creating a North American Strategy**

While we have described the three bilateral relationships as being fundamentally different, all of them are interlinked, particularly with regards to their dependence on U.S.-China relations. Additionally, the three countries hold compatible interests that need to be taken advantage of to fully respond to each country's China challenge. Given the recent enactment of China-led Regional Comprehensive Economic Partnership (RCEP), we know that China is thinking regionally in its own strategy to challenge the United States. It would be a lost opportunity if the three countries fail to collaborate further.

As such, North America needs a coherent strategy to tackle the challenges China poses, while also pursuing areas of cooperation between the three countries and the PRC. This strategy will require identifying common themes in economic, security, and other areas relevant to the three countries. It must also grapple with each of the three countries' different relations to China. A North American strategy will necessarily require coherent domestic strategies toward China as well. All three countries, being federal systems, have a diversity of interests toward the PRC; subnational governments often are at odds with the federal government. Including and collaborating with these diverging interests at the domestic level will allow countries to clarify competing interests as well as areas of agreement.

Economically speaking, much is still uncertain. Supply chains are being reconfigured in the wake of the U.S.-China trade war, port bottlenecks, and global pandemic. The U.S.-China trade war accelerated North American companies' departures from China – a trend that had already begun as Chinese wages increased. The coronavirus has further put into question supply chain dependency on China, especially with regards to goods that are sensitive to public health and national security, such as 5G, medical supplies, auto parts, and aerospace. The passage of the National Security Law in Hong Kong will further push investments and supply chains out of China. Many scholars and diplomats, such as Shannon O'Neil, Roberta Jacobson, and Tom Wyler have argued for a more regional approach to industrial policy as a way to make the three countries more competitive vis-à-vis China and Asia.<sup>60</sup> North American countries have the option to strengthen regional ties by shifting these supply chains to their neighbors. In particular, Mexico has the capacity of retaking many elements of the supply chains that shifted to China after 2000, as it manufactures similar goods. However, doing this would require significant investment in infrastructure and training, as well as improvements in governance. The U.S. and Canada could be key partners here, providing the necessary support for Mexico to absorb these new opportunities. As a Biden administration seeks economic innovation as a way to compete with China, it would

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<sup>60</sup> Roberta Jacobson and Tom Wyler, "To Counter China, Look to Canada and Mexico," *Foreign Affairs*, July 31, 2020, <https://www.foreignaffairs.com/articles/americas/2020-07-31/counter-china-look-canada-and-mexico>; Shannon K. O'Neil, "Protection Without Protectionism," *Foreign Affairs*, February 2021, <https://www.foreignaffairs.com/articles/united-states/2020-12-08/protection-without-protectionism/>

be helpful to consider how its neighbors can cooperate to make that happen. Further, as China has spearheaded RCEP, reducing tariffs significantly among 30% of the world's GDP and establishing itself as a trade standard setter, the United States has the opportunity to reconsider the Trans-Pacific Partnership, joining both Mexico and Canada.<sup>61</sup>

Security will also require increased regional cooperation, but there are few explicitly unifying concerns—most are either shared between the U.S. and Canada or the U.S. and Mexico. The U.S. and Canada have similar security concerns with regards to China, both in terms of economic and political espionage, as well as concerns over the control of Arctic routes. With regards to Mexico, one sore area in security cooperation has been the trade in fentanyl. Most of the fentanyl that has fueled the U.S. opioid crisis is produced in China and is then trafficked into the U.S. by Mexican cartels.<sup>62</sup> For many years, China was reluctant to do anything about its fentanyl production to protect its chemical industry, despite pleas for cooperation from Mexico and the U.S. In the past few years, China has stepped up to some degree -- it recently released a blanket ban on the drug, although it still hasn't cracked down on its analogs.<sup>63</sup> More coordination between the U.S. and Mexico will be needed to further address the issue.

The U.S. and Canada already have strong ties in security cooperation, such as their participation in Five Eyes, but more can be done in terms of including Mexico in information sharing and other security-related cooperation. In particular, Mexico's participation at a nonpermanent member in the Security Council from 2021-2022 can be leveraged to protect the region's security interests.

At the time of writing this article, Huawei's participation in Canada's 5G networks is still to be decided, and this too will be a point of contention. On the one hand, the firm has developed close ties to Canada's leading telecom carriers and research universities. On the other hand, several Canadian intelligence directors have spoken publicly about the necessity to ban Huawei from 5G networks.<sup>64</sup> Canada may follow the U.K.'s original plan in opting for a "middle of the road" option, but it is more and more likely that it will follow the U.K.'s footsteps and ban the company outright. It is also unclear if Huawei will be present in any way in Mexico's 5G development. In either case, Canada's and Mexico's possible inclusion of Huawei equipment would affect their relationship with the U.S.

Nevertheless, there are many issues where the U.S.—and North America more broadly—and China not only can, but must, collaborate. In addition to still being economically interdependent despite shifting supply chains, geopolitical matters, such as relations with North Korea, terrorism,

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<sup>61</sup> Lucas Niewenhuis, "China joins massive Asian trade deal, a symbolic step to set standards without the U.S.," *SupChina*, November 16, 2020, <https://supchina.com/2020/11/16/china-joins-massive-asian-trade-deal-a-symbolic-step-to-set-standards-without-the-u-s/>.

<sup>62</sup> Leandra Bernstein, "Most fentanyl is now trafficked across US-Mexico border, not from China," *ABC7 News*, July 16, 2019, <https://wjla.com/news/nation-world/most-fentanyl-is-now-trafficked-across-us-mexico-border-not-from-china>.

<sup>63</sup> Ben Westhoff, *Fentanyl, Inc.: How Rogue Chemists Are Creating the Deadliest Wave of the Opioid Epidemic*, (New York, New York: Grove Press, 2019).

<sup>64</sup> Larry Diamond and Orville Schell, "A Chinese Influence Activities in Select Countries," in *China's influence & American interests : promoting constructive vigilance*, (Hoover Institution Press, 2019): p. 173, [https://www.hoover.org/sites/default/files/research/docs/17\\_diamond-schell-chinas-influence-and-american-interests\\_appendix-2-\\_chinese-influence-activities-in-select-countries.pdf](https://www.hoover.org/sites/default/files/research/docs/17_diamond-schell-chinas-influence-and-american-interests_appendix-2-_chinese-influence-activities-in-select-countries.pdf)

climate change, and the current global pandemic, will become increasingly important. In these cases, as well as in those where China poses a challenge to the region, rebuilding diplomatic relations will be key. Presenting the three countries as a unified block could also help gain influence and friends. This would also help the U.S. rebuild its diplomatic relationships with countries it has alienated. Mexico and Canada can serve as mediators where relations have turned tense, or where the U.S. has lost credibility.

The coronavirus may prove to be a critical juncture, not only because of the immense crisis has created, but because competing narratives of leadership between the U.S. and China may impact the U.S.'s credibility.<sup>65</sup> How the U.S. and China's relationship evolves during the response to the coronavirus crisis may create a precedent for how cooperation, or lack thereof, will develop in the future, especially with regard to the climate crisis. The nature of U.S.-China relations will also influence whether Canada and Mexico will look toward each other and the U.S. for a coordinated response or hedge between the U.S. and China. The next step in the crisis will involve the scramble over vaccines—if the three North American countries can coordinate on this end and become immune to COVID-19 at a similar time, this will allow more space to strengthen ties amongst the three countries.

Ultimately, a North American strategy will largely depend on political will, although the COVID-19 recession may create an opportunity for integration and realignment. The U.S.'s standing with its neighbors will be key in its recovery. However, the first signals from the Biden administration have not been one of cooperation, but rather a continuation of President Trump's America First policy, particularly as pertains to the subsidies for electric vehicles manufactured in the United States. These actions from the United States keep sending the same message that it is not a reliable partner, forcing Canada and Mexico to keep its options open with regards to China and not burn any bridges.

## **Conclusion**

The future of North America's relationship with China will be complex. Relations are more tense than they have been in decades, particularly with the United States and Canada. Serious economic and security interests are at play, including trade wars, tech competition, and Arctic exploration. At the same time, there are world issues that will require cooperation with China. These include climate change, pandemics, and trade. To best address these issues, the three countries need to develop more pathways for cooperation. But it doesn't look like that is going to be the case. The United States and Mexico have become more inward-looking, and outside of renegotiating the USMCA, little effort has been made to strengthen the region.

The Biden administration has the opportunity to strengthen its relationships with North American allies to create a strategy that further integrates the three countries in a way where all three are better positioned with regards to China. While the general direction of China-North American relations is not likely to shift, there are opportunities for a shared—and smarter—approach. By going back to diplomacy and replenishing the State Department, the U.S. will be better equipped

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<sup>65</sup> David Gitter, Sandy Lu and Brock Erdahl, "China Will Do Anything to Deflect Coronavirus Blame," *Foreign Policy*, March 30, 2020, <https://foreignpolicy.com/2020/03/30/beijing-coronavirus-response-see-what-sticks-propaganda-blame-ccp-xi-jinping/>.



to challenge China effectively. The rise of China, as well as the country's increasing assertiveness, will continue to be a centrifugal force in international relations. This is not something that North American countries can change. However, by working together, the three countries can be better equipped to tackle their fundamental weaknesses toward China, becoming more competitive as a region in the process.