



# ICAS BULLETIN

## Institute for China-America Studies

### A Survey of Scholarship on US-China Relations

*Twice a month, the ICAS Bulletin updates a global audience on American perspectives regarding the world's most important bilateral relationship. Research papers, journal articles, and other prominent work published in the US are listed here alongside information about events at US-based institutions.*

Commentary: Tillerson and the South China Sea p. 6

#### Highlighted Publications

##### **The World Facing Trump: Public Sees ISIS, Cyberattacks, North Korea as Top Threats**

Pew Research Center, January 12, 2017

This poll from the Pew Research Center assesses how national security threats are perceived by American adults. It found that Americans perceive ISIS, North Korea and cyberattacks to be among the greatest threats. The poll found that 52 percent of those surveyed believed that Chinese influence posed a major threat. However, the researchers observed that more Americans believe China is a 'serious problem' than those who view China as an adversary.

##### **Security Expertise and International Hierarchy: the Case of 'The Asia-Pacific Epistemic Community'**

Björn Jerdén

*Review of International Studies*, January 19, 2017

Jerdén examines the influence of the East Asian 'epistemic community' on security policies, where some states choose to relinquish sovereignty in return for protection from a more powerful state. The author discusses 'The Asia-Pacific Epistemic Community (TAPEC)' using various analytical criteria for TAPEC, institutions in TAPEC's epistemic infrastructure, and profiles of 'scholar-officials' in TAPEC member states, then explains how the 'epistemic community' convinces policymakers that the US-led security hierarchy is the most suited to maintain stability in the Asia Pacific.

##### **Alternative Realities: Explaining Security in the Asia-Pacific**

Mark Beeson

*Review of International Studies*, February 1, 2017

Beeson justifies why 'critical realism' prevails over other schools in explaining regional stability in the Asia Pacific. He suggests that the institutional structures in the international order may play greater

roles than norms in shaping state behavior and in making certain strategic outcomes more likely. The article implies that the South China Sea will become less stable and conflicts are more likely to happen in the future.

### **Chinese Views on South Korea's Deployment of THAAD**

Michael Swaine

Carnegie Endowment for International Peace, February 2, 2017

Swaine evaluates a variety of authoritative and non-authoritative Chinese perspectives regarding the THAAD issue. Most Chinese believe that while THAAD can provide limited defense for South Korea, its major purpose is to strategically deter China and contribute to a global missile system that threatens both Beijing and Moscow. He posits that until South Korea 'abandons or significantly downgrades' the THAAD system, it will remain a 'major irritant in China's relations with its Northeast Asian neighbors for the foreseeable future.'

## Commentary and Analysis

### **US Asia Policy, Symbolically Speaking**

Ralph Cossa and Brad Glosserman

*Comparative Connections*, Volume 18, Issue 3, January 2017

Although the new administration may implement policies that are radically different from the Obama administration's, Cossa and Glosserman suggest that Trump will likely make Asia a foreign policy priority and continue pursuing US strategic interests in Asia. Uncertainties about Trump's Asia policy created opportunities for regional leaders to take a more active role in rule making: while Japan and China have begun to shape the regional economic and security order, North Korea is speeding up its nuclear plans.

### **Populism and China's Trade Tensions with the West**

Yukon Huang

Carnegie Endowment for International Peace, January 17, 2017

This article assesses the rise of populist, protectionist sentiment within the United States and the European Union. Huang argues that contrary to popular opinion in the West, 'there is no direct link between the emergence of America's overall trade deficits and China's surpluses.' Huang observes that China's trade surplus with the west is largely offset by its trade deficits with other nations. The author also notes that manufacturing jobs in the United States have been increasing since 2010. Regardless of these facts, Huang expects protectionist sentiments in the West to remain high and recommends that China assists western leaders in addressing these concerns by acknowledging the impacts that their structural shifts have in the West.

### **Beijing Is No Champion of Globalization**

Elizabeth Economy

Council on Foreign Relations, January 22, 2017

Economy discusses China's ability to be a global leader. She argues that while China is showing signs of leadership, it is lacking in its contributions towards resolving global challenges such as quelling the Ebola epidemic, curtailing North Korea's nuclear program, and addressing climate change. More noticeably,

China's voice has been absent in addressing the waves of refugees from the Middle East and North Africa. Exchange of ideas and goods—the pillar of globalization—is limited in China as seen in laws and regulations that limit the impact of textbooks, nongovernmental organizations, media and entertainment, and foreign trade and investment. Economy makes a strong argument that the Chinese model of globalization is ‘not globalization at all.’

### **China is Struggling to Keep its Currency High, Not Low**

David Dollar

Brookings, January 26, 2017

Pointing to China's interventions to keep the value of its currency high, Dollar refutes the misconception that China has been manipulating its currency. Though China avoided an economic decline last year by maintaining a 6.7 percent economic growth rate, there are possible risks in 2017, including currency devaluation driven by market forces and rising capital outflows.

### **Is China Preparing to Test Trump's White House?**

Jennifer Harris

Council on Foreign Relations, February 2, 2017

Harris makes some predictions on how Beijing might use its geopolitical and economic tools to respond to the new Administration's challenges. While Beijing has shown considerable restraint in official statements to the United States regarding the South China Sea, its messages to its domestic audience are more hawkish. Harris recommends that US military leaders delineate precisely the countermeasures China can expect from the US should China choose to escalate militarily.

### **Maritime Security in East Asia: Peaceful Coexistence and Active Defense in China's Diaoyu/Senkaku Policy**

Liselotte Odgaard

*Journal of Contemporary China*, Volume 26, Issue 123, 2017

Odgaard analyzes China's policy towards the Diaoyu/Senkaku Islands in the context of its broader foreign policy doctrines of ‘Peaceful Coexistence’ and ‘Active Defense.’ The article assesses the influence of both concepts on the politics of the maritime dispute. Odgaard observes that while a dominant moderate perspective is to establish a peaceful modus vivendi with Japan, this approach is complicated by more assertive voices in the Chinese foreign policy space.

### **China: New White Paper, Old Asia Conundrum**

Prashanth Parameswaran

*The Diplomat*, February 4, 2017

In this article, Parameswaran analyses the newly released Chinese government white paper on Asia-Pacific Security cooperation. He observes that the five principles set forth in the paper have been present in China's previous regional security policies; however, Beijing has struggled to consolidate regional leadership around these principles as China's neighbors are wary of China's economic and military power—the paper reflects the fact that Beijing continues to face these issues.

**Backing into World War III**

Robert Kagan

*Foreign Policy*, February 6, 2017

Kagan paints a grim picture of an unstable world in the near term. He argues that the United States and the Western world more generally have diminishing will and means to maintain the post-1945 international order, and that Russia and China have growing ambitions to overturn it. He posits that China aspires to regional hegemony, and is intrinsically dissatisfied with the status quo in part because of the character of its domestic regime. A return to the 'spheres of influence' model of international order that Kagan believes China is pursuing would, in his view, introduce the kind of instability that led to both World Wars. He argues that revisionist urges in both Russia and China have only grown stronger having been met with what he sees as conciliatory or appeasing stances from the Obama administration. Hence, the US should maintain military strength 'commensurate with [its] continuing global role' and cultivate the willingness to deter others from undermining the existing order.

**How Trump can Make Trade with China Work for America**

Derek Scissors

American Enterprise Institute, February 8, 2017

Scissors sees great room for improvement in economic relations with China and notes many challenges that the new administration faces in dealing with China, including currency manipulation, intellectual property theft, investment management, and trade. He observes, however, that Donald Trump's criticism of China and many of his proposed responses are misguided or counterproductive. Scissors advocates a careful, targeted approach to weeding out the unappealing parts of the economic relationship rather than struggling against the overall trade deficit or levying across-the-board tariffs.

**Events and Discussions****Book Talk: The Beautiful Country and the Middle Kingdom**

John Pomfret

National Committee on US-China Relations, January 23, 2017

John Pomfret discussed his new book on the long history of the US-China relationship that dates back to establishment of the United States. As the two countries have interacted more frequently, the relationship has been characterized by both promise and ambivalence.

**China and the Trump Administration: Conflict or Cooperation**

Robert Daly

The Wilson Center, January 25, 2017

Robert Daly discussed the future of US-China relations on the Wilson Center's in-house discussion program. Daly notes that there is rising concern in China that the foundations of US-China relations have changed and confrontation with the United States is becoming inevitable. Analyzing Beijing's ability to lead the global community, Daly argued that while Beijing is interested in leadership, there is widespread recognition in the West that China is not yet able to replace the US as hegemon in Asia. Daly

noted that Trump's 'America First' policy is inconsistent with the costs associated with global leadership and stressed the importance of adhering to the One-China policy.

### **Is this the Asian Century?**

Michael Auslin, Karl Friedhoff, Deborah Lehr, Phil Levy  
Chicago Council on Global Affairs, January 31, 2017

Scholars exchanged thoughts on whether an Asian century is coming in a panel discussion. Auslin described his book as a 'counterbalance' to some popular perceptions about Asia, arguing that the West has 'overlooked' risks and problems in Asia because of 'limited' approaches. Friedhoff cited the results of public opinion surveys to demonstrate the considerable influence of the US in the region. Lehr argued that US-China relations will continue to be the cornerstone for Asia's political future.

## Commentary

### Rex Tillerson's Brush with South China Sea History

Sourabh Gupta

On February 1, 2017, Rex W. Tillerson was sworn in as America's top diplomat after a tight confirmation vote that garnered the largest opposition in the US Senate's history for an incoming secretary of state. As a globe-trekking, ex-Fortune 500 chief executive officer, Mr. Tillerson passes for one of the rarer sensible types within an administration that has worn its lack of restraint and judgment as a badge of honor. Little of that sense was in evidence though at his confirmation hearing on January 11. In his brief prepared remarks on China, Mr. Tillerson misstated international law as well as US policy on Beijing's island-building activities in the South China Sea. Pressed to clarify, he compounded this ignorance with a set of belligerent policy suggestions, including denying China physical access to its own administered islands, which if enforced could leave the Asia-Pacific at the doorstep of war.

Although it appears that Mr. Tillerson has since tempered his remarks, as secretary of state, he must speak and act more cautiously.

China is fully within its legal rights to construct artificial islands on the high-tide features that it administers in the South China Sea, as well as on those submerged features that lie within the territorial sea of a high-tide feature that it administers or claims in these waters. Such construction is not an encroachment or 'illegal taking of disputed international territories' – much less a violation of the undisputed territorial sovereignty of a neighboring state 'akin to Russia's taking [of] Crimea' from Ukraine in 2014.

Mr. Tillerson's remarks also betray a lack of understanding of the US position on the sovereignty claims in the South China Sea. As a matter of policy, the US takes no position - and hasn't for decades - on these rival claims. And on the one occasion that it did in fact throw its full diplomatic weight behind a claimant's position, the State Department and its advisor, John Foster Dulles, came down on the side of the Chinese.

On September 8, 1951, at the San Francisco Peace Treaty conference, Japan renounced all right, title and claim to Korea, Taiwan and Penghu, the Kurile Islands, South Sakhalin, the League of Nations-mandated Pacific Islands, and the Spratly and Paracel Islands. On April 28, 1952, hours before these renunciations were to come into force, the Yoshida government renounced Taiwan, Penghu and the Spratly and Paracel Islands in a bilateral Treaty of Peace (Taipei Treaty) with Chiang Kai-shek's Nationalist government in Taipei.

The timing of the Taipei Treaty was not a coincidence – it was meticulously scripted by the State Department's Dulles. A month prior to the San Francisco conference, Dulles had resolved to restore to Japan after its signature on the San Francisco Treaty but before its coming into force, all the freedoms contemplated by the treaty except sovereignty with respect to military matters. For Chiang too, the signature on the Taipei Treaty prior to the coming into force of the San Francisco Treaty represented a victory of sorts - it preserved his government's status, and face, as representing one of the victorious war-time allies.

Nor was the Taipei Treaty's content a coincidence. By late-December 1951, Dulles had spelt out the key treaty provisions that Prime Minister Yoshida was instructed to offer Generalissimo Chiang and re-establish normal relations between the two governments. The inclusion of the Spratly and Paracel Islands in the territorial provisions of the treaty - and thereby signaling Washington and Tokyo's favorable opinion of Chiang's claim to these islands - was not the point of contention. That pertained instead to the contingent form of sovereignty over the scope of territories controlled by Chiang that the US and Japan were prepared to recognize. Only nationals and juridical persons who resided in or were registered on territories under his current or future sway were to be recognized as falling under the Republic of China's sovereignty. This was done so that if Nationalist forces were ousted from territories they currently held (the US-Republic of China Mutual Defense Treaty was only signed in December 1954), there could be no legal basis, stated or implied, for Mainland China to claim sovereignty over Taiwan, Penghu, and the Spratly and Paracel Islands.

To this day, the US, as part of its 'One China' policy, does not accept or reject the claim that Taiwan (and the territories renounced in the Republic of China's favor in San Francisco and in Taipei) is a part of China - even as it recognizes the government in Beijing as the sole legal government of China. And, under this pretext, it goes on to claim that its intrusion into cross-straits affairs is technically not an interference in the internal affairs of China.

It is for this reason too that the future title of Taiwan, Penghu, and the Spratly and Paracel Islands was left undetermined in the San Francisco Peace treaty as well as in the Taipei Treaty. Japan renounced these territories but left their final disposition suitably vague so that these territories would not legally devolve to a 'hostile regime ... that could enable [it] to endanger the [US Seventh Fleet's] defensive position which is so vital in keeping the Pacific a friendly body of water.' Indeed, as early as June 27, 1950, just two days after the outbreak of the Korean War, it became the policy of the Truman Administration to punt the question of Taiwan's status out into the indefinite future.

America's legal legerdemain regarding the Taiwan Question is disingenuous. But this should not obscure the argument that on the one occasion when the Spratly and Paracel Islands' disposition was actively considered at the multilateral level, the US favored (the Republic of) China as the superior claim-holder.

It is worth observing that the Japan-Republic of China peace treaty, being a bilateral treaty, cannot bind non-signatories. Whether Japan enjoyed the authority in the first place to transfer title in San Francisco and in Taipei isn't clear either. Unlike the case of Taiwan and Penghu whose title Tokyo could trace to the late-19th century Treaty of Shimonoseki, the Spratlys were forcibly occupied in the late-1930s. For its part, Beijing has had harsh things to say about the San Francisco Peace Treaty. Unjustly excluded from the conference as well as the consultation processes that preceded it, Beijing traces its claim to these land features to the war-time Cairo and Potsdam Declarations, which were confirmed in Article 3 of its September 1972 normalization agreement with Tokyo.

This being said, no other claimant state in the South China Sea can produce a Spratlys and Paracels renunciation or reversion clause in its own post-war bilateral normalization agreements with Japan. The Philippines was wholly concerned at the time with the issue of reparations, and France, even as late as 1956, was absorbed with claiming the Spratlys for itself – not on behalf of Vietnam.

On December 8, 2016, at a ceremony in Beijing to commemorate the 70th anniversary of China's landing and recovery of the South China Sea islands, 96-year Li Jingsen recounted his role on board the Yongxing, one of the vessels that had led the operations. If Mr. Tillerson has the chance to encounter Mr. Li on his next visit to Beijing, he might learn that the warships sent to recover the islands in 1946 were even provided by the United States. China and the claimant states have made valuable progress in bilateral ties since the ASEAN Foreign Ministers' Meeting (AMM) in Vientiane last July. The Trump Administration should support – not disturb – this progress.

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