



The ICAS Bulletin

Institute for China America Studies

A Survey of Scholarship on U.S.-China Relations

September 22, 2021

What's Going On? ↓

China and France Scorn Announcement of the AUKUS Security Pact



U.S. and Australian Submarines train together in February, 2019 (Source: U.S. Navy via Flickr)

- On September 17, France recalled its ambassador to Australia after the AUKUS pact extinguished a rival French submarine contract. The French ambassador to the U.S. was also withdrawn with President Macron describing France's bypassing during the AUKUS negotiation process as a "stab in the back."
- On September 16, China's foreign ministry spokesman Zhao Lijian accused the AUKUS pact of "severely damaging regional peace...and intensifying the arms race." These comments came alongside calls from President Xi for countries around the world to oppose "hegemony and division."
- On September 15, President Biden announced AUKUS—a new security alliance between the U.S., U.K., and Australia—which will provide nuclear-powered submarine technology to Australia to "improve deterrence across the Indo-Pacific."

Associated News Sources:

["Furious Over Sub Deal, France Recalls Ambassadors to U.S. and Australia,"](#) The New York Times, September 17 [Paywall]

["China appeals for global unity in wake of US-led Aukus security alliance,"](#) South China Morning Post, September 16

Phone Call Between Biden and Xi Leads to Unclear 'Next Steps'



President Biden speaks on the phone in the Oval Office in July, 2021 (Source: Official White House Photo by Adam Schultz)

- On September 15, White House Press Secretary Jen Psaki confirmed that President Biden and President Xi discussed ways to continue regular dialogue during their 90-minute phone call on September 10, and reiterated Biden's position that a leader-to-leader summit is the next logical step to build on the last few months' high-level meetings.
- On September 14, it was reported that President Xi rejected a suggestion for an in-person summit from Biden during the leaders' phone call. President Biden and other members of the administration denied these reports.
- Xi was purportedly less abrasive with Biden than in previous conversations, but he characterized recent U.S. rhetoric as a roadblock to improved relations.
- On September 10, President Biden and President Xi spoke on the phone for 90 minutes, only the second conversation between the leaders since Biden took office.

Associated News Sources:

["Chinese Leader Xi Jinping Reportedly Declined President Biden's Suggestion to Meet in Person,"](#) Time Magazine, September 15 [Paywall]

["Joe Biden's suggestion of summit with Xi Jinping falls on deaf ears,"](#) Financial Times, September 15 [Paywall]

[Paywall]
[“Aukus: China denounces US-UK-Australia pact as irresponsible,”](#) BBC, September 16
[“Biden Announces Defense Deal With Australia in a Bid to Counter China,”](#) *The New York Times*, September 15 [Paywall]

[“White House says ongoing discussion with China on Biden, Xi engagement,”](#) *Reuters*, September 15 [Paywall]
[“Biden tells Xi US and China must not ‘veer into conflict’,”](#) *The Guardian*, September 10
[“Biden And Xi Jinping Speak For The 1st Time In Months Amid Fraying U.S.-China Ties,”](#) *NPR*, September 10

Uncertainties of China’s Future Place in the International System



UN Secretary-General António Guterres speaking at the European Parliament in June, 2021 (Source: European Parliament)

- On September 21, President Biden and President Xi both spoke at the opening of the UN General Assembly. Though both leaders extolled the value of multilateralism, Biden issued a defense of the "democratic world... everywhere" against "authoritarianism" while Xi argued that the "world is big enough to accommodate... development and progress of all countries."
- On September 20, UN Secretary General António Guterres urged the U.S. and China to repair their “completely dysfunctional” relationship arguing that U.S.-China cooperation is vital to confronting contemporary global challenges like climate change.
- On September 17, a paper by Zhao Bingfeng of Beijing Intelli Consulting argued that China ought to integrate further into the global economy to avoid getting boxed out of a U.S.-led economic order.
- On September 16, China submitted an application to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in a move to increase economic cooperation with its Pacific neighbors despite diplomatic and structural hurdles to its inclusion.
- On September 15, European Commission President Ursula von der Leyen announced an EU infrastructure investment network called ‘Global Gateway’ to compete with China’s Belt and Road Initiative. Von der Leyen contrasted the EU’s démarche with China’s saying it will create “links and not dependencies.”

Associated News Sources:
[“WATCH: China’s Xi Jinping promotes ‘dialogue and cooperation’ in U.N. speech,”](#) *PBS*, September 21

U.S.-China Competition Hampers Trade and Technology Investment



(Source: Getty Images)

- On September 20, the U.S. Securities and Exchange Commission issued a warning to those looking to invest in U.S.-listed companies with Chinese contractors, known as variable interest entities (VIEs).
- On September 20, a Bain & Company report showed that U.S.-China trade competition over the past five years led to a 96% drop in tech sector FDI.
- On September 16, reports revealed that the World Bank canceled its 2018 flagship report on the global business environments after its staff were pressured by China to alter data that negatively affected its ranking.
- On September 9, Microsoft President Brad Smith argued that the U.S. and China must foster a working relationship on issues of trade and technology to bring “greater clarity and more stability” to global markets.
- On September 8, Jeremy Pelter of the Bureau of Industry and Security testified before the US-China Economic and Security Review Commission (USCC) and reported that punitive measures by the Department of Commerce for the sale of sensitive technologies to Chinese firms increased drastically from 2020 to 2021.

Associated News Sources:
[“U.S. SEC warns investors of risks from certain Chinese business entities,”](#) *Reuters*, September 20 [Paywall]
[“U.S.-China tensions knock 96% off of bilateral tech investment,”](#) *Nikkei Asia*, September 20 [Paywall]
[“World Bank Cancels Flagship ‘Doing Business’ Report After Investigation,”](#) *The Wall Street Journal*, September 16 [Paywall]
[“US and China need to repair tech ties: Microsoft president,”](#) *Nikkei Asia*, September 9 [Paywall]

["Biden makes the case at the UN for using 'relentless diplomacy' instead of military might to solve global crises."](#) CNN, September 21
["The AP Interview: UN chief warns China, US to avoid Cold War."](#) Associated Press, September 20
["China needs stronger ties with the world to counter US sway, analyst says."](#) South China Morning Post, September 17 [Paywall]
["China applies to join Pacific trade pact to boost economic clout."](#) Reuters, September 17 [Paywall]
["EU launches 'Global Gateway' to counter China's Belt and Road."](#) Politico, September 15

["US penalties for technology sales to China have soared this year, Commerce Department official says."](#) South China Morning Post, September 9 [Paywall]

U.S. to Host First In-Person Leader-Level Quad Summit



Biden Administration officials at the Virtual Quad Summit in March, 2021
 (Source: Official White House Photo by Adam Schultz)

- On September 18, it was reported that the upcoming September 24 meeting of the Quad will likely focus on furthering joint infrastructure initiatives to counter China's Belt and Road Initiative in the Indo-Pacific.
- On September 16, Secretaries Blinken and Austin hosted their Australian ministerial counterparts in Washington. The consultations led to a joint statement reaffirming both states' commitment to a "rules-based international order" in the Indo-Pacific, particularly in the South China Sea.
- On September 14, President Biden announced that the U.S. would host a summit of the Quad security pact in Washington.

Associated News Sources:

["To counter China's BRI, Quad plans Indo-Pacific infra push."](#) The Times of India, September 18
["Joint Statement on Australia-U.S. Ministerial Consultations \(AUSMIN\) 2021."](#) U.S. Embassy to Australia, September 16
["Joe Biden invites leaders of Australia, India and Japan to White House for Quad summit next week."](#) South China Morning Post, September 14 [Paywall]

- In Other News -

["State Department Plans 'China House' to Counter Beijing."](#) Foreign Policy, September 21 [Paywall]
["A Chinese Real Estate Company Is Walloping Your Stocks. Here's Why."](#) NPR, September 20
["Bank of America Cuts China's Growth Forecasts Up to 2023."](#) Bloomberg, September 20 [Paywall]
["Blinken deletes tweet saying US would 'stand with people of Hong Kong', posts watered-down version."](#) South China Morning Post, September 17 [Paywall]
["Federal Judge Acquits Professor Accused of Hiding China Ties."](#) The Wall Street Journal, September 9 [Paywall]
["In 2 different meetings about Taliban, China and US show divergent strategies."](#) South China Morning Post, September 9 [Paywall]
["Incendiary Essay Ignites Guessing Over Xi's Plans for China."](#) The New York Times, September 9 [Paywall]
["Pro-China social media campaign hits new countries, blames U.S. for COVID."](#) Reuters, September 9 [Paywall]

What Are We Reading? ↓

- *The Wall Street Journal*: [“Xi Jinping Aims to Rein In Chinese Capitalism, Hew to Mao’s Socialist Vision”](#) by Lingling Wei (September 20, 2021) [Paywall]
- Reconnecting Asia: [“The AIIB Fails on Public Access to Information”](#) by Dr. Korinna Horta and Wawa Wang (September 20, 2021)
- *CNN*: [“Explainer: Australia’s nuclear-powered submarine deal is fueling anger in the country. Here’s why”](#) by Isabelle Jani-Friend (September 20, 2021)
- *Associated Press*: [“Advocates fear US weighing climate vs. human rights on China”](#) by Ellen Knickmeyer (September 18, 2021)
- *Reuters*: [“Analysis: French break-up a blow to Biden’s China-focused alliance rebuilding”](#) by Humeyra Pamuk and David Brunnstrom (September 18, 2021) [Paywall]
- *The South China Morning Post*: [“New Aukus alliance yet another threat to peace and stability”](#) by SCMP Editorial (September 17, 2021) [Paywall]
- *The Atlantic*: [“Joe Biden’s New World Order”](#) by Tom McTague (September 16, 2021) [Paywall]
- *Reuters*: [“Australia’s new US-UK security pact risks China trade”](#) by Wayne Cole (September 16, 2021) [Paywall]
- *The Hill*: [“Will the US emulate China’s tech takedown?”](#) by Asheesh Agarwal (September 11, 2021) [Paywall]
- *The Washington Post*: [“Xi Jinping’s crackdown on everything is remaking Chinese society”](#) by Lily Kuo (September 9, 2021) [Paywall]
- *South China Morning Post*: [“US must learn to share global stage with China and adapt to the reality of a diverse, multipolar world”](#) by Peter T. C. Chang (September 9, 2021) [Paywall]
- *The New York Times*: [“What Comes After the War on Terrorism? War on China?”](#) by Thomas L. Friedman (September 7, 2021) [Paywall]
- *The Diplomat*: [“Mapping China’s Place in the Global Semiconductor Industry”](#) by John Lee and Jan-Peter Kleinhans (September 7, 2021) [Paywall]

What’s Happening Around Town? ↓

- Past Events -

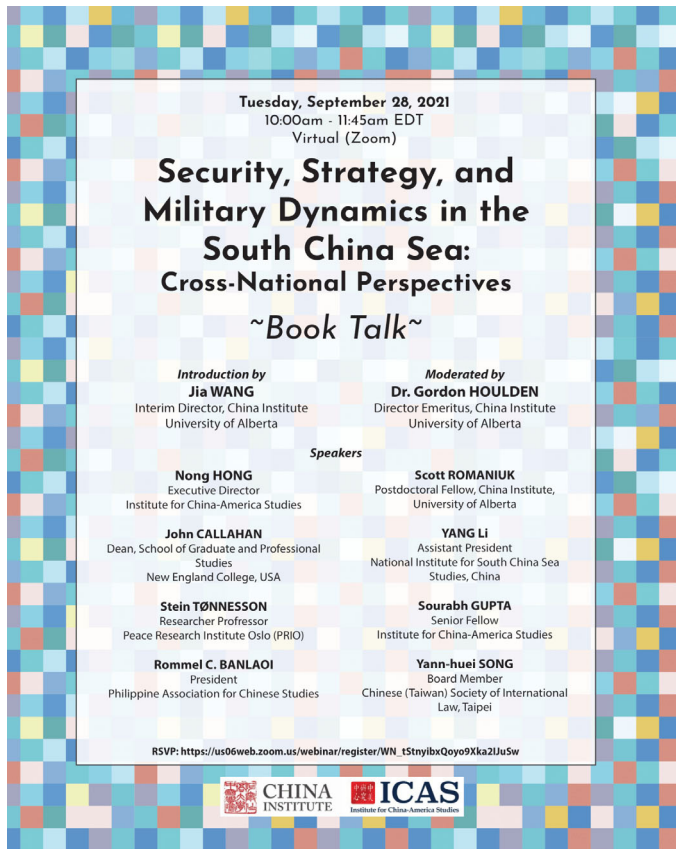
- [AI and Allies in the Indo-Pacific: Enhancing Shared Security and Defense](#)
September 14 hosted by Wilson Center
- [The Strategy of Denial](#)
September 15 hosted by Carnegie Endowment
- [Confronting the China Conundrum: Perspectives Beyond the United States](#)
September 16 hosted by Wilson Center
- [Cross-Strait Relations: The Prospects and Challenges](#)
September 16 hosted by Center for New American Security
- [Ocean Nations: An Indo-Pacific Islands Dialogue](#)
September 19 hosted by Carnegie Endowment
- [ASEAN and the Return of Geopolitics to the Indo-Pacific](#)
September 22 hosted by Stimson Center

- Upcoming Events -

- [On China trade policy, states want more cooperation, less confrontation](#)
September 22 hosted by SupChina
- [Eleventh Annual South China Sea Conference: Session Three](#)
September 23 hosted by Center for Strategic & International Studies
- [Chairman Randall G. Schriver and Congressman Mike Gallagher: Next Steps for the United States, Japan, Taiwan, Australia, and Allies in Competition with China](#)
September 29 hosted by Project 2049 Institute
- [Japan’s Defense Equipment and Technology Policy: Implications for the U.S.-Japan Alliance](#)
September 27 hosted by Center for Strategic & International Studies
- [U.S. Trade Priorities in the Indo-Pacific](#)
October 12 hosted by National Bureau of Asian Research

What ICAS Is Up To

---ICAS Events and Co-sponsored Events---



Security, Strategy, and Military Dynamics in the South China Sea: Cross-National Perspectives

~Book Talk~

Tuesday, September 28, 2021
10:00am - 11:45am EDT

Join us for a conversation on a new book on the South China Sea, bringing together international experts who provide fresh perspectives on geopolitical concerns in the great region.

This comprehensive volume brings together the expertise and knowledge of more than a dozen academics and professionals, all of whom are leading experts in their respective areas. Engaging with individual states and core themes, this book collectively presents a robust and comprehensive outlook on the current geography of security and potential conflict in the South China Sea.

Link to Poster:

<https://chinaus-icas.org/wp-content/uploads/2021/09/Book-Talk-09282021-Poster-Final.pdf>

Link to RSVP: https://us06web.zoom.us/webinar/register/WN_tStnyibxQoyo9Xka2lJuSw

Link to Related Page:

<https://chinaus-icas.org/event/book-talk-security-strategy-and-military-dynamics-in-the-south-china-sea-cross-national-perspectives/>

---ICAS Commentary---

The Taiwan Question as a Bipartisan Bridge on U.S.-China Relations

*By Jessica L. Martin
September 20, 2021*

Despite their stark disagreements in outlook and methodology for U.S. domestic and foreign policy development, one overlap thus far between the presidential administrations of Donald Trump and Joe Biden is their U.S. policy regarding Taiwan—especially the strategy of transiting through the international waters of the Taiwan Strait.

...While President Biden and his team [stated](#) early on that they are willing to work with Beijing—a warmer approach than former President Trump and his team held regarding China—the new leaders of the United States have also made it clear through both their actions and their words that they do not plan to simply revert back to Obama-era activity.

Is there anything remarkable about the new administration's decision to persist with this Trump-era pro-Taiwan policy? Could this continuation of unilateral maritime transits through the Taiwan Strait, and the subsequent dismissals of warnings and similar actions from Beijing over the matter, be an indication of the Biden administration's overall China policy that is yet to be publicly formalized?...

Link to Full Commentary:

<https://chinaus-icas.org/research/the-taiwan-question-as-a-bipartisan-bridge-on-u-s-china-relations/>

---ICAS Blog Post---

Vietnam is a Wildcard in US-China Relations

By Nate Fischler

September 21, 2021

Chinese Foreign Minister Wang Yi recently concluded a [visit](#) to Southeast Asia on the heels of US Vice President Kamala Harris's [trip](#) to the region, including high-level meetings in Hanoi for both. Harris is the first sitting US Vice President to visit Vietnam. Wang's objectives were to help maintain Vietnam's official neutrality and reinforce the shared ideological perspectives of the two countries while also giving the appearance of a [unified view](#) towards resolving territorial disputes by suggesting that neither country should unilaterally escalate tensions. In line with a broader Chinese effort to [wedge US alliances](#) in the region (and US efforts to stoke concern in China by wooing its neighbors), while Vietnam is not a US ally, maintaining the status quo of Vietnamese neutrality is a crucial strategic objective for China...

Link to Full Post: <https://chinaus-icas.org/research/vietnam-is-a-wildcard-in-us-china-relations/>

---ICAS In the News---



On **Friday, September 17**, Executive Director Dr. Nong Hong discussed AUKUS and the current environment in the Asia-Pacific on RT America's In Question.

Watch the Discussion: <https://youtu.be/ljRK2r57DKY?t=286>

On **Thursday, September 16**, Senior Fellow Sourabh Gupta discussed the AUKUS Alliance and the decision to sell Australia nuclear submarines on RT America's News with Rick Sanchez.

Watch the Discussion: <https://www.youtube.com/watch?v=sMLBevtLc54&t=454s>

On **Thursday, September 16**, Senior Fellow Sourabh Gupta was quoted by SCMP on China's application to join the CPTPP.

Read the Quote:

<https://www.scmp.com/news/china/article/3149054/china-formally-applies-pacific-rim-trade-pact-abandoned-us>

On **Sunday, September 12**, Senior Fellow Sourabh Gupta was quoted by SCMP on the 'Toxic Rhetoric' in China-Australia ties.

Read the Quote:

<https://www.scmp.com/news/china/diplomacy/article/3148481/china-and-australia-urged-hold-fire-after-nazi-germany>

On **Friday, September 10**, Senior Fellow Sourabh Gupta was interviewed by Xinhua on how the U.S. has changed politically and as a society in the 20 years since 9/11.

Read the Interview: http://www.news.cn/english/2021-09/10/c_1310179307.htm