The ICAS Bulletin Institute for China America Studies A Survey of Scholarship on U.S.-China Relations

June 8, 2022

What's Going On? \

Rising Attention on Security Relations



U.S. President Joe Biden meets with Prime Minister of New Zealand Jacinda Ardern in the Oval Office at the White House on May 31, 2022, in Washington, DC. (Photo by Doug Mills-Pool/Getty Images)

- U.S. Defense Secretary Lloyd Austin and Chinese Defense Minister Wei Fenghe announced travel plans to the Shangri-La Dialogue in Singapore on June 7. Wei Fenghe had reportedly requested a meeting with Sec. Austin, but the details are yet to be determined.
- China's Foreign Ministry Spokesman Zhao Lijian condemned the joint statement made by the leaders of the United States and New Zealand concerning human rights violations in Xinjiang and the erosion of freedoms in Hong Kong to interfere in internal affairs.
- On May 31, New Zealand Prime Minister Jacinda Ardern and U.S. President Joe Biden committed to forging stronger military ties in response to the security pact between China and the Solomon Islands, countering rising security threats posed by China in the Pacific region.
- Chinese Foreign Minister Wang Yi accused Washington of disrupting peace in the Taiwan Strait, warning a cold war mentality would push the two countries into further confrontation.
- On May 26, U.S. Secretary of State Antony Blinken claimed to defend international rules instead of blocking China from growing its economy in a speech, emphasizing the need to invest in national strength, align with

UN Human Rights Chief's Visit to Xinjiang



Wang Yi meeting with UN High Commissioner for Human Rights Michelle Bachelet in Guangzhou, China on May 23, 2022. (Source: Ministry of Foreign Affairs of the People's Republic of China)

- On May 28, UN High Commissioner Michelle Bachelet defended her six-day visit to China as not an investigation and urged China to review its Xinjiang policies to ensure compliance with international human rights standards, as well as to provide overseas Uyghurs with information about relatives in China to boost transparency. The trip was accused by Western officials and human-rights groups of giving Beijing political cover for its abuses.

 On May 25, Chinese President Xi Jinping stated that China's development of human rights "suits its own national conditions" and does not need "patronizing"
- China's development of human rights "suits its own national conditions" and does not need "patronizing" lectures during a video conference with Michelle Bachelet, who considered it to be a "valuable" opportunity to speak directly with government officials. This trip was the first to China by a UN human rights commissioner in 17 years and has been confined to a "closed-loop bubble" with no foreign media allowed to prevent the spread of the Covid-19 virus.
- On May 24, the U.S. State Department Spokesperson Ned Price claimed the visit by Michelle Bachelet to be a "mistake" without necessary access to conduct an "unmanipulated assessment" of the human rights



Indo-Pacific and NATO partners, and to compete in tech and economics.

Associated News Sources:

"Trip to Indo-Pacific Allows Austin to Continue

Outreach", U.S. Department of Defense, June 6

"China slams Biden, Ardern comments on Xinjiang, Hong Kong, Taiwan", Reuters, June 1 [Paywall]

"Biden and New Zealand leader air shared concern about China's Pacific ambitions", Reuters, May 31 [Paywall] "US's China strategy a path to confrontation, Beijing

warns", South China Morning Post, May 31 [Paywall] "China and the U.S. Are Arranging an In-Person Meeting

Between Heads of Defense", The Wall Street Journal, May 30 [Paywall]

"China strategy is about rules-based order, not 'new Cold War,' Blinken says", Reuters, May 27 [Paywall]

environment in Xinjiang.

Associated News Sources:

"U.N. Human-Rights Chief Calls on China, Gently, to Boost Transparency in Xinjiang", The Wall Street Journal, May 28 [Paywall]

"'Escalation of Secrecy': Global Brands Seek Clarity on Xinjiang", The New York Times, May 27 [Paywall] "Xi Jinping tells UN human rights chief Michelle Bachelet China doesn't need 'patronising' lectures about its record", South China Morning Post, May 25 [Paywall] "UN rights chief speaks with Xi amid criticism of China trip", Reuters, May 25 [Paywall]

"Biden 'Appalled' by New Images of Xinjiang Camps, Calls UN Chief's Visit a Mistake", Bloomberg, May 24 [Paywall]

U.S. In Process to Examine Removing Tariffs on China



(Source: Getty Images, Royalty-Free)

- On June 5, U.S. Commerce Secretary Gina Raimondo confirmed the Biden Administration's efforts to combat high inflation by lifting some tariffs on China. Steel and aluminum tariffs remain to protect domestic production.
- From June 3, all U.S. citizens and entities will be forbidden to invest in Chinese companies identified as having military ties.
- U.S. Customs officials confirmed readiness to implement a ban on imports from Xinjiang following the Uyghur Forced Labor Prevention Act, to safeguard the domestic market from products potentially tainted by human rights abuses. The law is expected to take effect on June 21.
- On June 1, Chinese Foreign Ministry spokesman Zhao Lijian condemned the U.S. for imposing supply chain sanctions on China, undermining the legitimate rights and interests of Chinese companies.
- U.S. Deputy Treasury Secretary Wally Adeyemo expressed the Biden administration's willingness to cut

Continually Increasing Trilateral Tensions on Taiwan



The skyline of Taipei, Taiwan at sunset. (Source: Getty Images, Royalty-Free)

- On June 3, the State Department Spokesperson, Ned Price, said the Taiwan fact sheet was updated to clarify the U.S. position of not supporting formal independence for Taiwan; however, the policy would remain unchanged.
- On June 2, Deputy U.S. Trade Representative Sarah Bianchi claimed trade talks with Taiwan to move more quickly than broader talks with 12 Indo-Pacific countries in the Indo-Pacific Economic Framework.
- On June 2, China's Foreign Ministry Spokesman Zhao Lijian accused Washington of jeopardizing peace and demanded to "stop negotiating agreements with Taiwan that have sovereign connotations and official nature."
- On June 1, U.S. Defense Secretary Lloyd Austin indicated a willingness to expand arms aid and military training for Taiwan in response to China's growing threat, expressing concerns for stability in the Indo-Pacific region.
- On June 1, Sarah Bianchi and Taiwan Minister-Without-Portfolio John Deng announced the



the Section 301 tariffs on Chinese goods sustainably.

Associated News Sources:

<u>"U.S. mulls lifting some China tariffs to fight inflation"</u>, Reuters, June 6 [Paywall]

"All options on table in China tariff review, U.S. trade official says", Reuters, June 2 [Paywall]

"China softens blow of U.S. sanctions on military companies", Nikkei Asia, June 2 [Paywall]

"US Crackdown on Forced Labor in China Risks Further Supply Chaos", Bloomberg, June 2 [Paywall]

"Beijing Says US Supply Chain Curbs Sabotage China's Development", Bloomberg, June 1 [Paywall]

"Biden considering move on Chinese goods

tariffs-Treasury's Adeyemo", Reuters, May 31 [Paywall]

launch of the U.S.-Taiwan Initiative on 21st-Century Trade, aiming to deepen the economic and trade relationship.

- On May 25, China's PLA's Eastern Theater Command Shi Yi announced a joint naval and air drill near Taiwan, sending a "solemn warning" against President Biden's earlier commitment to defend the island.

Associated News Sources:

"U.S. updates Taiwan fact sheet again to say it does not support independence", Reuters, June 3 [Paywall]
"U.S.-Taiwan trade talks could outpace Indo-Pacific effort, USTR official says", Reuters, June 3 [Paywall]
"China demands US stop trade talks with Taiwan", AP News, June 2

"U.S. willing to expand military aid to Taiwan: defense secretary", Nikkei Asia, June 1 [Paywall]
"United States and Taiwan Announce the Launch of the U.S.-Taiwan Initiative on 21st-Century Trade", Office of the United States Trade Representative, June 1 "China military drill 'a warning' to Taiwan in wake of Biden defence pledge", South China Morning Post, May 25 [Paywall]

China's Response to IPEF



(Source: Getty Images, Royalty-Free)

- On May 30, Pacific countries declined to sign up to a sweeping regional economic and security deal proposed by China, after a virtual summit in Fiji among Pacific foreign ministers and their Chinese counterpart Wang Yi.
- On May 25, the China Securities Regulatory Commission said that China and the U.S. are committed to reaching an arrangement on the audit inspection issue, in response to the U.S. Securities and Exchange Commission.
- Chinese Foreign Minister Wang Yi started working on a draft of the agreement with 10 small Pacific nations to collaborate on "traditional and non-traditional security", expand law enforcement cooperation, and to jointly develop a marine plan for fisheries.
- On May 19, Chinese President Xi Jinping urged BRIC

- In Other News -



Crew of the Shenzhou 14 space launch on June 5, 2022. (Source: China News Service, CC3.0 via Wikimedia)

"China secretly building PLA naval facility in Cambodia, Western officials say", The Washington Post, June 6
"China launches mission to complete space station assembly", AP News, June 5
"China's international school sector threatened by Covid and crackdown", Financial Times, June 4 [Paywall]
"Hong Kong Police Quash Vigil to Mark Tiananmen Square Massacre", The Wall Street Journal, June 4 [Paywall]
"China and Australia's dueling Pacific tours make final stops", AP News, June 3



member states to join the Global Security Initiative and oppose hegemonism during a video address, as part of an effort to counter the recent U.S. diplomatic moves.

Associated News Sources:

"China, Pacific islands unable to agree on security pact", CNN, May 30

"China's foreign minister tells Pacific leaders 'don't be too anxious' after they reject regional security pact", The Guardian, May 30

"China seeks Pacific islands policing, security cooperation -document", Reuters, May 25 [Paywall]

"China wants 10 Pacific nations to endorse sweeping agreement", The Seattle Times, May 25

"President Xi Jinping Delivers a Video Address At the Opening Session of the BRICS Foreign Ministers' Meeting", Ministry of Foreign Affairs of the People's

Republic of China, May 19

"China Nears Launch of Advanced Aircraft Carrier, Satellite Images Show", The Wall Street Journal, June 2 [Paywall]

"China Warns New Zealand Against Squandering Trade <u>Ties"</u>, The Wall Street Journal, June 2 [Paywall] "Amazon to pull Kindle out of China, other businesses to

remain", Reuters, June 2 [Paywall]
"Math books outrage China with 'ugly, sexually
suggestive, pro-American' images", CNN, May 31
"Fiji joins US-led Indo-Pacific economic initiative on eve
of Chinese visit", Financial Times, May 26 [Paywall]

What Are We Reading?

- CNN: "Why the sparsely-populated South Pacific islands have become the next US-China contest" by Simone McCarthy (June 6)
- The Diplomat: "Is China Hitting Back at India's INSTC Plans?" by Nima Khorrami (June 6) [Paywall]
- Financial Times: "Rumours that Xi Jinping is losing his grip on power are greatly exaggerated" by Christopher Johnson (June 5) [Paywall]
- Bloomberg: "Dust Off That Dirty Word Detente and Engage With China" by Niall Ferguson (June 5) [Paywall]
- Foreign Policy: "China's Rising Ambitions in the South Pacific" by FP Contributors (June 5) [Paywall]
- The Diplomat: "The World Has Not Learnt the Lessons of the Tiananmen Square Massacre" by Wu'er Kaixi and Rahima Mahmut (June 4) [Paywall]
- Foreign Affairs: "A Fault Line in the Pacific" by Charles Edel (June 3) [Paywall]
- Financial Times: "'All the power is in his hands': why Xi Jinping remains supreme" by Tom Mitchell (June 2) [Paywall]
- Foreign Policy: "The United States Can't Afford to Stay Entangled With China" by Jacob Helberg (June 1)
- Rhodium Group: "Rethinking China's Economic Future" by Logan Wright (May 31)
- The Diplomat: "The Quad: All About China, or a Bit of Something Else?" by Krzysztof Iwanek (May 31) [Paywall]
- The New York Times: "Why China Is Miles Ahead in a Pacific Race for Influence" by Damien Cave (May 31) [Paywall]
- The Washington Post: "How the U.N. became a tool of China's genocide denial propaganda" by Josh Rogin (May 29) [Paywall]
- The Japan Times: "Indo-Pacific alignment against China still elusive despite Biden trip" by Miya Tanaka (May 25)
- The Diplomat: "Why Was Taiwan Left Out of the US-Led IPEF?" by Krzysztof Iwanek (May 25) [Paywall]
- Congressional Research Service: <u>"China's Economic and Trade Ties with Russia"</u> by Karen M. Sutter and Michael D. Sutherland (May 24)
- China US Focus: "Behind Biden's Asia Trip" by Zhao Minghao (May 24)
- Air Force Magazine: "In CNAS-Led Taiwan Wargame, No Air Superiority, No Quick Win" by John A. Tirpak (May 17)
- Center for a New American Security: "War Game in Taiwan: A "home game" for China, an "away game" for the U.S." by Becca Wasser and Dr. ED McGrady (May 16)



What's Happening Around Town?



- Past Events -

- Prospects and challenges for Taiwan in the years ahead
 - May 26 hosted by Brookings Institution
- China's faltering "zero COVID-19" policy: Politics in command, economy in reverse
 - May 26 hosted by Atlantic Council
- China's Entrenched Inequality Problem: A Big Data China Event
 - May 27 hosted by the Center for Strategic and International Studies
- Unpacking the IPEF
 June 2 hosted by the Center for Strategic and
 International Studies
- Taiwan's path forward: A conversation with KMT
 Chairman Eric Chu
 June 6 hosted by Brookings Institution

- Upcoming Events -

- Hearing on "U.S.-China Competition in Global Supply Chains"
 - June 9 hosted by the U.S.-China Economic and Security Review Commission
- Sinologia: History and Memory in Contemporary China
 - June 10 hosted by SupChina
- Analyzing China's Digital Ambitions
 June 13 hosted by Washington State China
 Relations Council
- The Way Forward for Japan U.S. Cooperation Under The Indo-Pacific Economic Framework June 14 hosted by the Wilson Center Asia Program
- The Russia-China Nexus—How Should the United States Compete?
 - June 16 hosted by the Center for a New American Security

What ICAS Is Up To

---ICAS TnT Issue Brief---

The Biden Administration's Russia Sanctions: Economic Warfare, 21st Century Edition

By Sourabh Gupta

May 13, 2022

Key Takeaways:

- The United States and the West have executed an economic, financial, and technology sanctions blitzkrieg
 against Moscow that has few parallels in terms of speed and scale. The degree of Russia's ability to adapt and
 substitute for the loss of economic, financial, and technology access will ultimately determine the costs of the
 imposed sanctions regime.
- Four types of financial sanctions—property blocking sanctions; non-property blocking debt and transaction sanctions; specialized financial messaging services-related restrictions; and measures targeting the Russian Central Bank—have been imposed on three sets of Russian actors—state-owned and private banks and other financial institutions; select individuals and non-financial corporate entities; and on economy-facing state bodies. Of the four, the ace-in-the-hole has been the early and coordinated measure by the West to target the hard currency reserves of the Central Bank of the Russian Federation (RCB). There is still headroom for more financial sanctions.
- A slew of new Russia-related licensing policies and license requirements have been introduced on the export
 controls front. Among the new requirements introduced, the two new sections of the Foreign-Produced Direct
 Product (FDP) Rule that is specific to Russia and to Russian 'military users' are the ace-in-the-hole. The two
 sections constitute the first instance when the FDP rule has been applied to a whole country; previously, the FDP
 rule had been applied to individual entities, such as Huawei. Together, these two sections are expected to
 substantially limit the availability of key microeconomic parts and components and degrade Russia's technological
 hase
- On the trade policy front, Russia has been stripped of its Most Favored Nation (MFN) status and subjected to a



- number of product import bans. However, until an energy embargo is imposed, the trade measures will remain more or less inconsequential. Additional measures that have been imposed include visa restrictions, national airspace and port entry bans, sanctions on Russian state-linked broadcasters, etc.
- China must equip itself with the capability to deny an adversary the means to dominate the chokepoints of the
 global economy's infrastructural plumbing to its detriment. Aside from a few tailored instances, this will
 counterintuitively require more, not less, globalized trade integration; more, not less, domestic and international
 financial deepening; and more, not less, engagement within cross-border technology ecosystems on Beijing's
 part.

Now Available as a PDF

---ICAS Issue Brief---

Technology Solutions to Determine Maritime Zones

By Matt Geraci and Yilun Zhang May 26, 2022

Key Takeaways:

- On Tuesday, April 26, 2022, ICAS delivered a briefing held at a United Nations seminar for delegates from over 60 UN Missions on how small island states can utilize satellite imagery and GIS applications to demarcate existing land territory and maritime zones amid rising sea levels. This issue brief summarizes the research led by ICAS scholars for that purpose.
- Sea-level rise threatens the environment of island countries disproportionately. It presents increasingly urgent
 political complications as they face an imminent need to record and submit international evidence to prove their
 existing baselines.
- Noticing the pressing need from dozens of island countries to produce evidence and records of maritime zones, scholars at the Institute for China-America Studies (ICAS) launched a special research project to explore technology solutions to this issue.
- Combining High-resolution satellite imagery (HRSI) with a Geographic Information System (GIS) for mapping baselines and maritime zones for small island developing countries provides a relatively low-cost way for governments to achieve this.
- Obtaining the most accurate high-resolution imagery will require a financial investment. Fortunately, these costs are far less expensive when compared to traditional methodologies of measuring maritime zones.
- The findings suggest that island countries could cooperate with non-profits, universities, and companies to borrow
 the know-how from the world's most advanced experts to significantly reduce the barriers to accessing these
 resources.
- Maritime zone demarcation methodologies stemming from satellite technologies provide cost-effective solutions
 and ought to be seriously explored. Without consideration of novel pathways, sea-level rise and climate change
 will force UNCLOS signatories to adapt to harsh realities with severe legal implications as their coastlines recede.

Read the Full Issue Brief

---ICAS Commentary---

Whirlwind round of US diplomacy leaves China relations in unknown territory By Nong Hong May 31, 2022

US Secretary of State Antony Blinken made his long-delayed policy speech last Thursday, outlining America's China policy by describing Beijing as "the most serious long-term challenge to the international order". This followed a wider effort to calm Beijing over President Joe Biden's comment that the United States would be willing to use force to defend Taiwan against attack, and is the latest move in the administration's months-long campaign to counter China. It seems to signal that deteriorating US-China relations will not improve any time soon.

The Biden administration has had a busy global agenda this month. Washington hosted Asean leaders for a special summit, then Biden travelled to South Korea and Japan for bilateral meetings, attended the second Quadrilateral Security Dialogue summit, and announced that 12 countries were joining America's Indo-Pacific Economic Framework – a new pillar in the strategy to counter Beijing.

Read the Full Commentary



---ICAS In the News---

On Friday, May 27, 2022, Senior Fellow Sourabh Gupta discussed U.S.-China relations regarding Taiwan on *Alhurra TV*.

Watch the Discussion



On Friday, May 27, 2022, Senior Fellow Sourabh Gupta was quoted by China Daily about Secretary Blinken's China policy speech.

- "China is not the most serious long-term challenge to the international order. China, rather, is the most serious long-term challenge to the United States' dominance within the international order. Washington erroneously conflates the challenge to its own dominance as a challenge to the larger system."
- "In the name of realism and pragmatism, it could attempt to adjust to the new reality in order to co-exist with China, but it fundamentally cannot come to genuinely accept China as a peer. This has as much to do with the difference in political systems as it has to do with white ethnocentrism."
- "On another transnational challenge, that being climate change, the Biden administration is going out of its way to decouple US procurement and supply from China-based green-technology supply chains, even though both the US and China and the rest of the world would be better off with one integrated trans-Pacific supply chain rather than two decoupled chains in this regard."
- "We would not have been any richer or any poorer in understanding the Biden administration's policy towards China. The only saving grace of his speech is that it was no more hawkish than it was."

On Friday, May 27, 2022, Research Associate Yilun Zhang was interviewed by <u>PressTV</u> on the United States' Taiwan policy.

- "This is not the first time that the Biden administration is sending mixed signals with regard to the issue of Taiwan. In fact, President Biden made a similar comment and said unequivocally that the US is committed to defending Taiwan should China attack last October. The White House, just like this time, clarified that the US will still stick to its One-China policy and maintain its strategic ambiguity."
- "The One China Policy, as serious as it may sound, is in fact a rather high ceiling. American policymakers and diplomats may now figure that it is convenient to achieve a lot under this ceiling without actually changing long-time US policies and positions. But it is worth warning that over-focusing on these quick and short achievements will open many dangerous precedents that could have a grave impact on both US-China bilateral relationship, as well as the cross-strait security situation..."
- "Since taking office, the Biden administration has made very little progress in engaging with China. The confusing comments on Taiwan may be an easy way for the Biden administration to show the American people that he is tough on China..."

On Friday, May 27, 2022, ICAS TnT hybrid event on the Indo-Pacific Economic Framework was highlighted by ChinaDaily.

- "The objectives of the so-called Indo-Pacific Economic Framework, or IPEF, seem less about being conducive to trade in the region as they appear to be about restricting China's sphere of economic influence. That was the consensus emerging at a recent webinar themed "Indo-Pacific Economic Framework: New Model of Regional Trade Liberalization or One-Time Aberration", hosted by the Institute for China-America Studies."

