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

July 20, 2022

What's Going On? **♦**

Renewed Debates in Commerce and Investment Relations



White House National Security Advisor Jake Sullivan talks to reporters during the daily news conference in the Brady Press Briefing Room at the White House on July 11, 2022, in Washington, DC. (Source: Chip Somodevilla/Getty Images)

- National Security Advisor Jake Sullivan said in a briefing that the Biden administration supports the ongoing efforts by Congress to "provide greater transparency on U.S. investment into China" in critical sectors.
- On July 13, Securities and Exchange Commission Chairman Gary Gensler expressed doubt that negotiations between Washington and Beijing over audits will succeed.
- Despite Congress being out of session, U.S. senators have continued to speak out as Republicans are starting to back Minority Leader Mitch McConnell's statements that could threaten the U.S.-China competition bill known as USICA.
- On July 6, the heads of the American and British law enforcement agencies FBI and MI5, respectively, released an "unprecedented" joint statement warning about "espionage and other economic threats from China."
- Responding to the joint statement, Chinese MFA spokesperson Zhao Lijian said the remarks "lack factual basis" and reflect "Cold War zero-sum mentality and ideological prejudice."
- The U.S. Commerce Department's Bureau of Industry and Security has begun applying the economic tools and techniques originally used to counter Russia over Ukraine to try and limit China's military and technological growth.

Multilateral Relations in Motion



A group of national flags. (Source: Getty Images, Royalty-Free)

- While finishing an 11-day visit to the Indo-Pacific region, Treasury Secretary Janet Yellen said she will call for deeper trade alliances to combat inflation and counter China's "unfair trade practices."
- Jay Shambaugh, the nominee for Treasury Undersecretary for International Affairs, said at his confirmation hearing that he wants to work with global parties to give nations borrowing alternatives to China.
- Derek Chollet, a career foreign policy specialist and current Counselor of the U.S. State Department, said that the participation of several Asian states in the recent NATO summit marks a "consequential shift" in the transatlantic security partnership's mandate towards confronting China's rise.
- Chinese foreign minister Wang Yi told the various member states of ASEAN to avoid being used as "chess pieces" by global powers in the region during an address to ASEAN's Secretariat.
- On July 6, Chinese MFA spokesperson Zhao Lijian described "the so-called rules-based international order" as "actually a family rule made by a handful of countries to serve the U.S. self-interest."



Associated News Sources:

"White House wants transparency on American investment in China," The Washington Post, July 13 [Paywall]

"SEC's Gensler Casts Doubt on Prospects for China Audit Deal," The Wall Street Journal, July 13 [Paywall]
"McConnell gets GOP backup in his move to snarl bipartisan U.S.-China bill," Politico, July 11
"China Rejects U.S.-U.K. Espionage Claims," The Wall Street Journal, July 7 [Paywall]
"U.S. and British Law Enforcement Agencies Issue Unprecedented Warning About Chinese Espionage

Efforts," National Law Review, July 11
"U.S. Aims to Expand Export Bans on China Over
Security and Human Rights," The New York Times, July 5
[Paywall]

Associated News Sources:

"U.S., allies cannot allow China to dominate raw materials, technologies, Yellen says," Reuters, July 18 [Paywall]

"U.S. Treasury diplomat nominee aims to curb China's lending influence," CNBC, July 12

<u>"U.S. to open new embassies, boost aid in Pacific as China's sway grows,"</u> *The Washington Post*, July 12 [Paywall]

"U.S. envoy sees 'consequential shift' in NATO, Asia ties amid China challenges," Reuters, July 11 [Paywall]
"China says Asian nations should avoid being used as chess pieces," Al Jazeera, July 11

"Ahead of G-20 ministers' meeting, China slams US, NATO," AP News, July 6

A Marked Increase in Bilateral Discussions



President Biden meets with President Xi in a video conference on November 15, 2021. (Source: Chinese Ministry of Foreign Affairs)

- On July 15, China's Minister of Ecology and Environment Huang Runqiu held bilateral meetings in Washington with Commerce Secretary Gina Raimondo, EPA Deputy Administrator Janet McCabe, and Governor Gavin Newsom, marking the first time a Chinese official at or above the ministerial level has made a public visit to Washington during the Biden administration.
- Officials in Beijing and Washington are planning a virtual meeting between President Joe Biden and President Xi Jinping "as soon as the last week of July."
- On July 8, on the sidelines of the G-20 summit in Bali, Secretary of State Antony Blinken and his Chinese counterpart Wang Yi held a five-hour meeting in which Blinken pressed Wang Yi to oppose Russia's invasion of Ukraine, among discussions of other key issues.
- After virtual talks were held between Chinese Vice Premier Liu He and U.S. Treasury Secretary Janet Yellen, China's commerce ministry announced that the trade and economic teams of the U.S. and China have agreed to "maintain close communication."

International Law and Strategy in the Indo-Pacific



The USS Benfold sailing as part of a carrier strike group in the Philippine Sea on June 4, 2022 (Source: US Navy)

- On July 13, the destroyer USS *Benfold* performed a freedom of navigation operation (FONOP) near the Chinese-controlled Paracel Islands in the South China Sea, intended to challenge Beijing's claim that the waters within the archipelago are China's "territorial sea."
- On July 12, the sixth anniversary of an international tribunal's ruling against China's maritime claims in the South China Sea, Secretary of State Antony Blinken reaffirmed that the U.S. would come to the defense of the Philippines if its forces in the South China Sea came under attack. Blinken also called on China to "abide by its obligations under international law and cease its provocative behavior" in the critical waterway.
- On July 12, Vice President Kamala Harris announced in a virtual address to the Pacific Islands Forum that the U.S. will expand its diplomatic presence throughout the Pacific by building new embassies and increasing aid.
- The US Naval Institute published a report calling on the U.S. to adopt a counter-insurgency naval strategy in Southeast Asia against China.

Associated News Sources:

"Chinese minister's trip to US a sign of collaboration on climate and a hint of hope for ties," South China Morning Post, July 18 [Paywall]

"Minister of Ecology and Environment Huang Runqiu met U.S. federal and local government officials," Ministry of Ecology and Environment of the People's Republic of China, July 18 [In Chinese]

<u>"Biden, Xi to Speak Virtually as Soon as Late July,"</u> *Voice of America*, July 11

"Blinken asks China to stand up against Russia's war in Ukraine," The Hill, July 9

<u>"Blinken, China's Wang Yi hold talks covering Ukraine war and trade," Reuters, July 9 [Paywall]</u>

<u>"Blinken Raises Concerns about Ukraine with Chinese Counterpart," VOA</u>, July 9

"U.S., China top diplomats hold 'constructive' first talks in months," *The Hindu*, July 9

"China, U.S. trade teams agree to maintain close communication: China commerce ministry," Reuters, July 7 [Paywall]

Associated News Sources:

<u>"US employs 'tuna politics' to resist China's Pacific push,"</u> Financial Times, July 13 [Paywall]

"US Navy destroyer performs freedom of navigation exercise in South China Sea," CNN, July 13

"U.S. urges China to end 'provocative' behaviour in South China Sea," Reuters, July 12 [Paywall]

"US warns it will defend ally if China breaks sea ruling," AP News, July 12

"U.S. VP Harris will join Pacific Islands meeting in push to counter China," Reuters, July 12 [Paywall]

"U.S. to open new embassies, boost aid in Pacific as China's sway grows," The Washington Post, July 12 [Paywall]

"South China Sea: US-led Southeast Asian strategy to contain Beijing would 'complicate' disputes, Chinese experts warn," South China Morning Post, July 9 [Paywall]

Tensions Over U.S.-Taiwan Interactions



An image of Taiwan on a world map. (Source: Getty Images, Royalty-Free)

- After U.S. Speaker of the House Nancy Pelosi announced she would lead a delegation to Taipei in August, Beijing spokesman Zhao Lijian said this visit would have a "grave impact" on U.S.-China ties.
- On July 18, the Chinese Ministry of Defense "demanded" that the U.S. immediately cancel its latest arms sale to Taiwan, which is worth an estimated \$108 million.
- The U.S. House of Representatives passed legislation inviting Taiwan to be part of the 2024 Rim of the Pacific (RIMPAC) exercise.
- Urging the U.S. to respect China's sovereignty and stick with the one-China principle, China's Foreign Minister Wang Yi warned of "ferocious storms" if the principle is not upheld.
- Wang Yi previously told U.S. Secretary of State Antony

- In Other News -



Robotic arms in a factory. (Source: Getty Images, Royalty-Free)

"China holdings of U.S. debt fall below \$1 trillion for the first time since 2010," CNBC, July 18

"Top US general orders comprehensive review of US-China military interactions," CNN, July 18

"China's Leader Visits Xinjiang for the First Time Since Imposing Crackdown," The New York Times, July 15
[Paywall]

"Australia's defense minister warns of China's military build-up," AXIOS, July 12

"Top US envoy in Hong Kong rebukes China in farewell speech," Channel News Asia, July 11

"China's Delivery Drone Rollout: Slow but Steady," The Diplomat, July 10 [Paywall]



Blinken that the United States should refrain from sending wrong signals to "Taiwan independence forces."

- During a meeting with his U.S. equivalent, China's Chief of Staff Li Zuocheng demanded the U.S. to "cease U.S.-Taiwan military collusion and avoid impacting China-U.S. ties and stability in the Taiwan Strait."

- F.B.I. director Christopher Wray said that China is seeking to "cushion themselves from harm" resulting from international sanctions, warning Western companies could be caught between sanctions and Chinese laws.

Associated News Sources:

"China Warns Taiwan Visit by Pelosi Would Have 'Grave

Impact'," Bloomberg, July 19 [Paywall]

"China demands U.S. cancel potential arms sale to

Taiwan," Reuters, July 18 [Paywall]

"US House passes act supporting Taiwan's participation

in 2024 RIMPAC", Taiwan News, July 15

"China's foreign minister Wang Yi warns of 'ferocious

storms' if one-China policy is abandoned by US and

Taipei," South China Morning Post, July 11 [Paywall]

"China's Wang Yi says direction of U.S.-China ties in danger of going 'astray'," Reuters, July 9 [Paywall]

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"China demands end to US-Taiwan military 'collusion',"

AP News, July 7

"China Seeks to Pre-Empt Sanctions in Case of Taiwan

Clash, F.B.I. Chief Says," The New York Times, July 6

[Paywall]

"NASA warns China trying to take over the Moon," Asia Times, July 9

"Beijing imposes mainland China's first Covid vaccine mandate in face of Omicron subvariant," CNN, July 7

"China takes wider aim at foreign tech with national

standards plan," Nikkei Asia, July 6 [Paywall]

"China Accuses US of 'Technological Terrorism' as Chip

<u>Curbs Grow</u>," Bloomberg, July 6 [Paywall]

<u>"U.S. Aims to Expand Export Bans on China Over Security and Human Rights,"</u> The New York Times, July 5 [Paywall]

What Are We Reading?

- The Atlantic: "How China Wants to Replace the U.S. Order" by Michael Schuman (July 13) [Paywall]
- The New York Times: "In Divide Over Ukraine, China Stakes a Position Further From U.S." by Jane Perlez (July 13) [Paywall]
- The Washington Post: "Why China Has U.S. Congress Focused on Computer Chips" by Brittney Washington (July 13) [Paywall]
- Financial Times: "Executives seek briefings on Taiwan war risk" by Demetri Sevastopulo and Andrew Edgecliffe-Johnson (July 12) [Paywall]
- South China Morning Post: "Climate change, nuclear catastrophe, out-of-control Al: how US-China tech rivalry puts humanity at risk" by Peter T. C. Chang (July 11) [Paywall]
- The Wall Street Journal: "Shinzo Abe Invented the 'Indo-Pacific" by Matt Pottinger (July 10) [Paywall]
- The Diplomat: "The Impact and Implications of China's Growing Influence in the Middle East" by Nadeem Ahmed Moonakal (July 9) [Paywall]
- The Washington Post: "Abe's legacy is a world better prepared to confront China" by Josh Rogin (July 8)
 [Paywall]
- Asia Maritime Transparency Initiative: "More Island Upgrades Across The South China Sea" by the Center for Strategic and International Studies (July 8)
- Asia Times: "US-China in a heated microwave weapon race" by Gabriel Honrada (July 8)
- The Carnegie Endowment for International Peace: <u>"The U.S. and EU Are Better Off Without Asia's Support for Russia Energy Sanctions"</u> by Yukon Huang (July 7)



What's Happening Around Town?

- Past Events -

- Is China's Military Logistics Better than the Russian Military's?
 - July 19 hosted by the Center for Strategic and International Studies
- <u>Chinese Military Lessons from Ukraine</u>
 July 18 hosted by the Carnegie Endowment for International Peace
- <u>Distinguished Speakers Series: Evan Medeiros on</u>
 U.S.-China Competition
 - June 16 hosted by the Carnegie Endowment for International Peace
- Xi's New Global Security Initiative
 July 14 hosted by the Center for Strategic and International Studies
- Is Hong Kong Still a Global Business Hub?
 July 6 hosted by the Center of Strategic and International Studies

- Upcoming Events -

- Embassy Speaker Series: Minister Counselor Lyu Jiang
 - July 20 hosted by the U.S.-China Business Council
- Religious freedom in China under Xi Jinping July 21 hosted by the Atlantic Council
- How to Navigate Opposing Views: A Conversation with Andrew Sheng
 July 21 hosted by SupChina
- Twelfth Annual South China Sea Conference
 July 26 hosted by Center for Strategic and
 International Studies
- Challenges from Chinese Policy in 2022:
 Zero-COVID, Ukraine, and Pacific Diplomacy
 August 3 hearing by U.S.-China Economic and
 Security Review Commission
- How Are Companies dealing with the Uyghur Forced Labor Prevention Act?
 August 4 hosted by SupChina

What ICAS Is Up To

---ICAS Internship Now Available!---

The Institute for China-America Studies is looking for an intern!

ICAS will accept rolling applications through July 24. This is a part-time, 20-hour per week internship for a current student based in the Washington, D.C area. The internship will be conducted in a hybrid environment, with the intern coming into the office located near Dupont Circle at least once a week. We are looking for problem solvers who can think on their feet and anticipate tasks ahead of time.

This is an excellent opportunity for young professionals interested in U.S.-China relations. We offer all our research interns the opportunity to support the research of our scholars. We also offer our interns the opportunity to publish their own research and opinions in the form of commentaries and blog posts.

Learn about about qualifications, duties, and benefits of the internship and apply to the position on our website!



ICAS https://chinaus-icas.org/about-icas/careers-internships/internships/

Learn More & Apply



---ICAS Academic Engagement---

Virtual Book Talk on Dispatches From the South China Sea: Navigating to Common Ground

Hosted by University of Alberta, China Institute

Thursday, July 14, 2022



On Thursday, July 14, 2022, ICAS Executive Director Nong Hong moderated a virtual book talk and Q&A session with James Borton, the author of *Dispatches from the South China Sea: Navigating to Common Ground*. The hour-long discussion included a presentation from the author followed by questions from Dr. Nong Hong and the audience on Borton's research methodology and his expert perceptions on key issues like managing multilateral relations, IUU fishing, and environmental degradation in the South China Sea.

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Watch the Event

Learn More About the Book

---ICAS Academic Engagement---

GWU Summer Program Students Visit ICAS to Hear About US-China Relations Friday, July 8, 2022

On Friday, July 8, 2022, two groups of high school students from a George Washington University summer program visited the ICAS office to learn about the Washington, DC think tank community and the complexities of U.S.-China relations. The two back-to-back visits largely focused on understanding the Belt and Road Initiative and the impact of other current events on the progression of U.S.-China relations in diplomacy, trade, technology, society and security.

This student visit is part of the Institute's vision to nurture future thought-leaders by engaging policy questions with sincerity and frankness and providing a window into the worldviews of both the United States and China, and thereby serve as a vehicle to promote greater understanding between these two countries and societies.



View Event Page

---ICAS Expert Voices Initiative---

Interview with James Borton on science diplomacy as a solution to the South China Sea maritime disputes Friday, July 1, 2022

James Borton joins ICAS in this installment of Expert Voices Initiative to discuss how multilateral science diplomacy can help resolve disputes and improve regional security in the South China Sea. On the agenda for discussion are:

- Outcomes of the June 2022 IISS Shangri-La Security Dialogue
- Impact of the Philippine Presidential Election Results on Southeast Asia
- Comparison of Vietnam's Maritime Policies with that of China's and SE Asia's
- The History of Vietnam as a 'Traditional' Custodian of the South China Sea
- The Role of China's 'Maritime Militia' 'Science Diplomacy' as a Solution to South China Sea Disputes
- The Clash Between Geopolitics and Scientific Cooperation
- How to Incentivize Policymakers to Act on Marine Conservation -Lessons for Policymakers on Promoting Successful Scientific Cooperation

Watch the Interview



---ICAS In the News---



On Monday, July 18, 2022, Senior Fellow Sourabh Gupta was <u>quoted</u> by *China Daily* on President Biden's and President Putin's recent visits to the Middle East.

- "Each of the parties involved is... seeking a transactional interest, and much of that has to do with near-term oil prices."
- Putin "wants to encourage Iran to stick to its hard line on the nuclear negotiations for the time being so that a deal is not in the offing and thereby Iranian crude, too, does not enter the global oil market, and Americans and Europeans continue to suffer from high oil prices and high inflation".
- "In the meantime, witness the Americans and Europeans suffering from higher oil prices, which is a result of the embargoes that they have unilaterally forced on Iranian oil in the first place".

On Sunday, July 10, 2022, Senior Fellow Sourabh Gupta discussed the Antony Blinken-Wang Yi bilateral meeting on CGTN America.

- "I think the tensions were there going into the meeting—the tensions will continue even after the meeting on the Ukraine issue—but I think the U.S. administration is reasonably assured that China was not planned, as is not and was not planning to become an important player in backfilling many of those sanctions."

