



# The ICAS Bulletin

## Institute for China America Studies

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

August 17, 2022

#### What's Going On? ↓

#### Pelosi Taiwan Trip Aftermath: Diplomacy & Declarations



*A U.S. delegation greeted by Douglas Yu-tien Hsu, center, a Taiwanese diplomat, after landing in Taipei, Taiwan on August 14, 2022.  
(Source: Taiwan Ministry of Foreign Affairs)*

- On August 14, almost two weeks after Pelosi's trip, a second U.S. Congressional delegation arrived in Taipei. The officials had previously met with President Yool Suk Yeul in South Korea before flying to Taipei.
- In reaction to the Pelosi-led Congressional delegation to Taiwan, China has frozen top-level communications that have affected the progress of climate mitigation, military de-escalation, and countering narcotics trafficking.
- Amid Chinese backlash, Speaker Pelosi defended her visit and criticized China's aggressive reaction. When asked about her thoughts on the sanctions enacted on her by Beijing, she commented that it was "incidental" and had "no relevance whatsoever."
- On August 8, in response to China's retaliatory military drills in the region, President Biden said he was "not worried," but was "concerned" by China's large deployment of equipment. The White House later summoned Chinese Ambassador Qin Gang to condemn the actions and assert the U.S. does "not want a crisis."
- Countries in the region continue to tread lightly as they wait for both parties to act while expressing their strong desire for regional peace.

#### Pelosi Taiwan Trip Aftermath: Security & Defense



*Ticonderoga-class guided-missile cruiser USS Chancellorsville (CG 62) conducts routine operations in the South China Sea. (Source: U.S. Navy photo by Mass Communication Specialist 2nd Class Justin Stack via Flickr)*

- After a second U.S. delegation visited Taipei on August 14, China's military carried out more exercises in protest.
- The military exercises Beijing conducted in response to Speaker Pelosi's delegation began directly after their departure from Taipei and concluded August 10 with further "regular combat readiness patrols" continuing indefinitely.
- President Biden expressed his "concern" for the live fire drills which are among the largest exercises conducted by China. Viewed as a "significant escalation," the administration continued to assert that the U.S. would continue to conduct missions around Taiwan.
- While attending an ASEAN summit in Cambodia on August 5, Secretary of State Blinken stated "we will fly, sail and operate wherever international law allows."
- On August 5, amid China's military response, House Speaker Nancy Pelosi vowed that "China would not succeed in isolating Taiwan."
- On August 4, China fired five ballistic missiles into the waters of Japan east of Taiwan. The action was seen as a reminder from Beijing to the U.S. of its strike capabilities to hit U.S. military installations in the region.

*Associated News Sources:*

[“Delegation of U.S. lawmakers visits Taiwan amid tensions with China,”](#) *PBS News Hour*, August 14  
[“Halt in China-U.S. talks threatens ‘complete free fall’ in ties,”](#) *Nikkei Asia*, August 11 [Paywall]  
[“‘I don’t remember them ever telling us not to go’: Pelosi denies military opposed Taiwan trip,”](#) *Politico*, August 10  
[“Biden says he’s ‘not worried’ about China’s response to Pelosi visit to Taiwan,”](#) *The Hill*, August 8  
[“U.S. slams China’s ‘unacceptable’ disruption in countering fentanyl,”](#) *Reuters*, August 8 [Paywall]  
[“China halts military, climate talks with U.S. after Pelosi’s visit to Taiwan,”](#) *CBS News*, August 5  
[“White House summoned Chinese ambassador to condemn provocations after Pelosi’s Taiwan visit,”](#) *CNN*, August 5  
[“Taiwan crisis: China imposes sanctions on Pelosi over ‘provocative actions,’”](#) *The Guardian*, August 5  
[“Pelosi’s Taiwan trip leaves Asian countries nervously awaiting China’s response,”](#) *NPR*, August 3

*Associated News Sources:*

[“China conducts military drills near Taiwan as US lawmakers visit,”](#) *Al Jazeera*, August 15  
[“U.S. Insists It Will Operate Around Taiwan, Despite China’s Pressure,”](#) *The New York Times*, August 10 [Paywall]  
[“Biden ‘concerned’ as China extends military drills around Taiwan,”](#) *Reuters*, August 10 [Paywall]  
[“China military ‘completes tasks’ around Taiwan, plans regular patrols,”](#) *Reuters*, August 10  
[“US allies rattled by China’s aggressive response to Nancy Pelosi’s Taiwan visit,”](#) *Financial Times*, August 6 [Paywall]  
[“Blinken: China military drills are ‘significant escalation,’”](#) *AP*, August 5  
[“Pelosi vows China will not isolate Taiwan as military tensions soar,”](#) *The Washington Post*, August 4 [Paywall]  
[“U.S. firms eye Taiwan exit on Chinese invasion risk,”](#) *Politico*, August 4  
[“With 5 Missiles, China Sends Stark Signal to Japan and U.S. on Taiwan,”](#) *The New York Times*, August 4 [Paywall]

## Movements in Technology & Finance



The front of the New York Stock Exchange building in New York City. (Credit: David Blaikie, CC BY 2.0)

- Five Chinese firms – China Life Insurance, PetroChina, China Petroleum & Chemical, Aluminum Corp. of China and Sinopec Shanghai Petrochemical – said they intend to delist their American depository shares on the NYSE. A week later, China Southern Airlines and China Eastern Airlines also became suspected of preparing to delist.
- On August 9, the CHIPS and Science Act was signed into law by President Biden. The \$53 billion bill is meant to strengthen the U.S. semiconductor industry by reducing foreign dependence and address the global shortages of microchips.
- China criticized the CHIPS and Science Act, calling it a “threat to trade.” The Chinese Embassy in Washington, reflecting the sentiment, said the legislation held something reminiscent of a “Cold War mentality.”
- South Korea’s intention to join “Chip 4” – a U.S.-led semiconductor supply chain which could include the U.S., South Korea, Japan and Taiwan – has raised concern

## Upsets in the Climate & Social Realms



Massive icebergs from Jakobshavn Glacier melting in Disko Bay in Ilulissat, Greenland. (Source: Getty Images, Royalty-Free)

- The halt in bilateral talks between the U.S. and China after Speaker Pelosi’s visit to Taiwan has deadlocked climate progress between the world’s two biggest emitters of greenhouse gas emissions.
- The Uyghur Forced Labor Prevention Act, which took effect December 23, 2021, has stalled the import of solar shipments from China’s Xinjiang region. U.S. Customs has detained panels at the border and have shipped them back to China in recent weeks.
- The decrease in Chinese student visas to the U.S. concerns education administration officials. In recent years students – who have been an important revenue source for American universities – have chosen to study elsewhere due to the deteriorating nature of U.S.-China relations.
- On August 4, Chinese Businessman Shi Jianxiang was convicted on two counts of fraud related to obtaining visas that he used to enter the U.S. The Chinese fugitive



within China and was expected to be discussed in an upcoming meeting held between Foreign Minister Park Jin and his Chinese counterpart Wang Yi in Qingdao.  
 - According to the U.S.-based cybersecurity firm Mandiant Inc., the recent attempts to discredit prominent German anthropologist Adrian Zenz, who has investigated China's targeting of Muslims, was conducted by Shanghai Haixun Technology Co.

*Associated News Sources:*

- ["China's Airlines Could Join the Multibillion-Dollar Exit From US Stock Markets,"](#) *Bloomberg*, August 15 [Paywall]
- ["Five U.S.-Listed Chinese Companies to Delist from NYSE,"](#) *The Wall Street Journal*, August 12 [Paywall]
- ["The next frontier in the tech battle between the US and China,"](#) *CNN*, August 10
- ["China criticizes US chip law as threat to trade,"](#) *AP*, August 10
- ["US invests \\$280bn in high tech to compete with China,"](#) *BBC*, August 9
- ["South Korea's Yoon plays down concerns over intention to join US-led chip alliance,"](#) *South China Morning News*, August 8 [Paywall]
- ["Pro-Beijing Online Campaign Targets U.S.-Based Xinjiang Researcher, Cybersecurity Firm Says,"](#) *The Wall Street Journal*, August 4 [Paywall]

fled China in 2016 when the financial group he controlled in Shanghai collapsed.

*Associated News Sources:*

- ["China's suspension of climate talks with the US puts decarbonisation timeline, methane reduction targets and research at risk,"](#) *South China Morning Post*, August 12 [Paywall]
- ["Chinese Student Visas to U.S. Tumble From Prepandemic Levels,"](#) *The Wall Street Journal*, August 11 [Paywall]
- ["China's cold shoulder bodes ill for climate fight,"](#) *Politico*, August 11
- ["Chinese solar panels seized at US border over possible human rights abuses,"](#) *Protocol*, August 9
- ["U.S.-China diplomatic breakdown clouds outlook for global climate progress,"](#) *Reuters*, August 6 [Paywall]
- ["Fugitive Chinese Businessman Convicted of Visa Fraud in U.S.,"](#) *The Wall Street Journal*, August 5 [Paywall]

## Decisions and Accusations in Trade & Investment



(Source: Getty Images, Royalty-Free)

- Following recent Chinese military drills in the Taiwan Strait, experts and industry stakeholders fear disruption to the global shipping industry should exercises become a regular occurrence in this high traffic waterway.
- China's textiles and garments exports surged by 17.5% in July in spite of the Uyghur Forced Labor Prevention Act, a law passed in June which effectively banned U.S. imports from the region accounting for 90% of China's cotton.
- On August 9, federal prosecutors brought charges against Far East Cable Co. – China's largest cable manufacturer – alleging that it aided ZTE Corp. in defying

## - In Other News -



Aerial view of the solar power plant on the top of a mountain range in Fujian, China. (Source: Getty Images, Royalty-Free)

- ["U.S. is 'not going anywhere,' Middle East envoy says, as China's Xi expected to visit Saudi Arabia,"](#) *CNBC*, August 12
- ["China's Xi Jinping Plans to Meet With Biden in First Foreign Trip in Nearly Three Years,"](#) *The Wall Street Journal*, August 12 [Paywall]
- ["Now Elon Musk Is Telling China's Censors About His Vision for the Future,"](#) *Bloomberg*, August 14 [Paywall]
- ["Huawei Books First Sales Rise Since US Sanctions Hit Its Phones,"](#) *Bloomberg*, August 12 [Paywall]

U.S. export controls by delivering restricted tech to Iran.  
 - On August 5, Apple warned its suppliers in China that they must comply with Beijing's customs regulations, including a freshly-enforced rule that Taiwan-sourced products must be labeled as originating in 'Taiwan, China' or 'Chinese Taipei.'

*Associated News Sources:*

["U.S. rethinks steps on China tariffs in wake of Taiwan response, sources say,"](#) CNBC, August 10  
["China's 'new normal' for Taiwan raises fears for global trade,"](#) Al Jazeera, August 11  
["China trade: US' Xinjiang ban looms large even as textile, garment exports surge to record US\\$33 billion in July,"](#) South China Morning Post, August 11 [Paywall]  
["U.S. Accuses China's Largest Cable Manufacturer of Violating Export Controls,"](#) The Wall Street Journal, August 9 [Paywall]  
["Apple warns suppliers to follow China rules on 'Taiwan' labeling,"](#) Nikkei Asia, August 5 [Paywall]

["South Korea, China clash over U.S. missile shield, complicating conciliation,"](#) Reuters, August 11 [Paywall]  
["Taiwan bill looms, and it could pose 'direct challenge' for US-China ties,"](#) South China Morning Post, August 10 [Paywall]  
["U.S., India prepare for mountaintop drills near China border,"](#) Nikkei Asia, August 10 [Paywall]  
["U.S. takes aim at Chinese and Russian influence in Africa strategy,"](#) Nikkei Asia, August 9 [Paywall]  
["One year after Afghanistan, spy agencies pivot toward China,"](#) AP, August 8  
["Fake Rubio Letter Part of Pro-China Campaign, Report Says,"](#) Bloomberg, August 4 [Paywall]  
["US Crackdown on Chinese Solar Means Sales Recovery Ruled Out,"](#) Bloomberg, August 4 [Paywall]  
["U.S. Generals, Diplomats Want Chinese Companies Out of Their Retirement Plan,"](#) The Wall Street Journal, August 3 [Paywall]

## What Are We Reading? ↓

- *Foreign Affairs*: ["The Upside of Pelosi's Unwise Taiwan Visit: What Washington Can Learn From Beijing's Overreaction"](#) by Ryan Hass (August 16, 2022) [Paywall]
- Foreign Policy Research Institute: ["Speaker Pelosi's Taiwan Trip: What It Meant and What Comes Next?"](#) by Jacques deLisle, Shelley Rigger and Jude Blanchette (August 15, 2022)
- *Bloomberg*: ["Even With Biggest-Ever Climate Bill, US Lags China's Green Spending"](#) by Aaron Clark (August 15, 2022) [Paywall]
- Atlantic Council: ["The uncomfortable economic truth behind Xi Jinping's Taiwan threats"](#) by Jeremy Mark (August 11, 2022)
- *The Wall Street Journal*: ["Xi Sought to Send Message to Biden on Taiwan: Now Is No Time for a Crisis."](#) by Lingling Wei (August 11, 2022) [Paywall]
- *The Atlantic*: ["When Biden Went to China"](#) by Michael Schuman (August 11, 2022)
- *Foreign Affairs*: ["America Must Prepare for a War Over Taiwan: Being Ready Is the Best Way to Prevent a Fight With China"](#) by Elbridge Colby (August 10, 2022) [Paywall]
- The White House: ["FACT SHEET: CHIPS and Science Act Will Lower Costs, Create Jobs, Strengthen Supply Chains, and Counter China"](#) (August 9, 2022)
- The Lowy Institute: ["When serious, careful US management of China–Taiwan policies ... isn't"](#) by John Culver (August 9)
- Center for Strategic & International Studies: ["China Is the Wrong Industrial Policy Model for the United States"](#) by Scott Kennedy (August 9, 2022)
- *Reuters*: ["Explainer: What to watch out for as talks on U.S.-China audit deal drag on"](#) by Xie Yu (August 8, 2022) [Paywall]
- *The Wire China*: ["Congress, China and the Plan to Compete"](#) by Eliot Chen (August 7, 2022) [Paywall]
- *AP*: ["EXPLAINER: On China, US and climate, action, not talk is key"](#) by Seth Borenstein and Christina Larson (August 6, 2022)
- *Financial Times*: ["The US and China are decoupling, but not as fast as you think"](#) by Leo Lewis (August 6, 2022) [Paywall]

- Ministry of Foreign Affairs of the People’s Republic of China: “[The Ministry of Foreign Affairs Announces Countermeasures in Response to Nancy Pelosi’s Visit to Taiwan](#)” (August 5, 2022)
- *South China Morning Post*: “[50 years since Nixon visited China](#)” SCMP China Series (Updated August 5, 2022) [Paywall]
- *The Washington Post*: “[Chinese ambassador: Why China objects to Pelosi’s visit to Taiwan](#)” by Qin Gang (August 4, 2022) [Paywall]
- Center for a New American Security: “[Help U.S. Companies Compete Against China on Technology Standards](#)” by Martijn Rasser and Robert D. Atkinson (August 3, 2022)
- *The New York Times*: “[Pelosi’s Taiwan Visit Risks Undermining U.S. Efforts With Asian Allies](#)” by Jane Perlez (August 3, 2022) [Paywall]
- *The New York Times*: “[America’s Chinese Tech Ban Didn’t Stick](#)” by Shira Ovide (August 3, 2022) [Paywall]
- *The Washington Post*: “[Nancy Pelosi: Why I’m leading a congressional delegation to Taiwan](#)” by Nancy Pelosi (August 2, 2022) [Paywall]

## What’s Happening Around Town?

### - Past Events -

- [Coalitions of the weak: Elite politics in China from Mao’s stratagem to the rise of Xi](#)  
August 4 by Atlantic Council
- [Sri Lanka Crisis: Implications for the Indo-Pacific and US Interests in the Region](#)  
August 4 hosted by US-Asia Institute
- [How Are Companies dealing with the Uyghur Forced Labor Prevention Act?](#)  
August 4 hosted by SupChina
- [Challenges from Chinese Policy in 2022: Zero-COVID, Ukraine, and Pacific Diplomacy](#)  
August 3 hearing by U.S.-China Economic and Security Review Commission

### - Upcoming Events -

- [Closed-Door Discussion on the Outbound Data Security Assessment Mechanism](#)  
August 17 hosted by The US-China Business Council
- [The Military Dimensions of the Fourth Taiwan Strait Crisis](#)  
August 22 hosted by Center for Strategic and International Studies
- [Asia’s New Leaders and the Free and Open Indo-Pacific](#)  
August 22 hosted by Hudson Institute
- [Book Event: Danger Zone: The Coming Conflict with China](#)  
August 23 hosted by Center for Strategic and International Studies
- [New Indo-Pacific Economic Framework \(IPEF\): Should it Include Taiwan?](#)  
August 24 hosted by East-West Center

# What ICAS Is Up To

## ---ICAS Maritime Tracker Issue Brief---

### The U.S. View on 'Historic Rights' within the Nine Dash Line: Reviewing Washington's Legal Position in the Context of the UN Convention on the Law of the Sea

By Sourabh Gupta and Yilun Zhang  
August 8, 2022

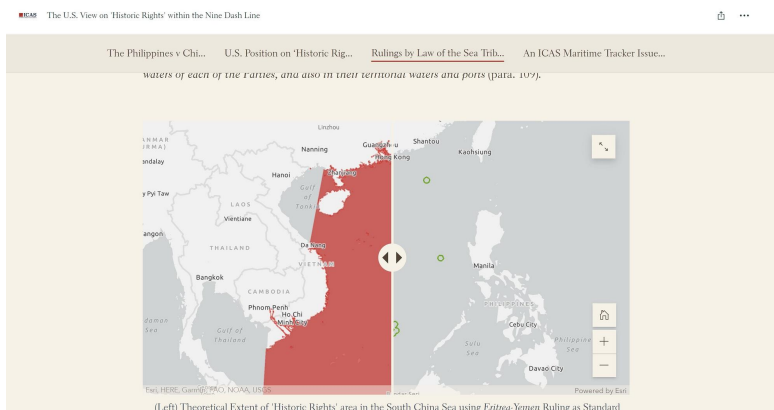
On July 12, 2016, an arbitral tribunal constituted under the United Nations Convention on the Law of the Sea (UNCLOS) in the matter of the South China Sea Arbitration (Philippines v. China) ruled that:

China's claims to historic rights, or other sovereign rights or jurisdiction, with respect to the maritime areas of the South China Sea encompassed by the relevant part of the 'nine-dash line' are contrary to the Convention and without lawful effect to the extent that they exceed the geographic and substantive limits of China's maritime entitlements under the Convention (para. 278).

The tribunal went on to declare that "the Convention [had] superseded any historic rights, or other sovereign rights or jurisdiction, in excess of the limits imposed therein." In its reasoning, the tribunal judged China's 'historic rights' claim to "appear to be" an exclusive one. In this respect, it observed that:

The notion of sovereign rights over living and non-living resources is generally incompatible with another State having historic rights to the same resources, in particular if such historic rights are considered exclusive, as China's claim to historic rights appears to be (para. 243).

There cannot be two equally definitive exclusive claims to a single water body. As such, the tribunal was correct to judge that Beijing's claim exceeded the geographic and substantive limits of its entitlements under the Convention.



[Explore the Full Interactive Tracker](#)

[Explore and Learn More About Other South China Sea Maritime Trackers](#)

## ---ICAS Academic Engagement---



**Senior Fellow Sourabh Gupta speaks at the International Forum on One Korea 2022**  
August 13-15, 2022 (Seoul, UTC+9)  
Hybrid (Seoul, South Korea & Zoom)

ICAS senior fellow Sourabh Gupta participated in the Economy session of the International Forum on One Korea 2022 on August 13, 2022. He spoke on the relevance of the lessons of German unification to a free and unified Korea and, in particular, touched on the key economic planning policy errors committed at the time of German reunification.

[Learn More](#)





---ICAS In the News---



On Tuesday, August 9, 2022, Senior Fellow Sourabh Gupta was [interviewed](#) by *NPR* on the signing of the CHIPS and Science Act.

- "I wouldn't characterize it as too little, too late. It is sufficient. There is a lot of money, and a lot of it is frontloaded - literally \$19 billion frontloaded in this next 12 months to support chip manufacturing in the U.S."
- "We don't need to have all chips or a very significant number of chips made in the U.S. We just need a certain amount of chips which will not hold the U.S. in a situation of blackmail or in a situation of peril if there are - if there is a war in East Asia or if there are others - just general supply chain snafus."
- "It absolutely does [shore up the U.S.'s position in the semiconductor chip manufacturing area], but it doesn't necessarily curb China's influence. It forces China to be able to come up with greater indigenous innovation to catch up with the U.S. in terms of - and its East Asian peers - in terms of chip manufacturing."

On Monday, August 8, 2022, Senior Fellow Sourabh Gupta was [interviewed](#) by *TRT World* on the increased U.S.-China and Taiwan Strait tensions in the aftermath of Speaker Pelosi's visit.

- "[China] wants to keep the sea at some level of boil and keep the tensions at an elevated level...to send a political signal, militarily, that the Taiwan issue is a dangerous issue to play around with."
- "I'm not sure if [Washington] was really surprised [by China's response]...but they cannot be seen to concede to this sort of [escalation of] tension from the Chinese side simply because it can make matters very unstable in that part of the world."

On Monday, August 8, 2022, Senior Fellow Sourabh Gupta was [quoted](#) by *China Daily* on the aftermath of Speaker Pelosi's Taiwan visit.

- "Speaker Pelosi's visit has put U.S.-China relations in an extremely dangerous state...[I]n the longer term, the strategy of strategic ambiguity will be hollowed out completely, with the latter perhaps even formally abandoned."
- "As part of its one-China policy, the United States pledged to limit its relationship with the island to unofficial ties. The visit of congressmen and women in their official capacity violates the one-China policy. And an official visit by the third-highest ranking member of the US government violates the one-China policy in spades."

On Sunday, August 7, 2022, Senior Fellow Sourabh Gupta was [quoted](#) by the *South China Morning Post* on China's response to Speaker Pelosi's trip to Taiwan.

- "The strongest card that China has on the Taiwan question is the sentiment of its Asian peers. Nobody in Asia wants to see a non-peaceful solution to the Taiwan question, including one implemented by Beijing."
- "Having made its bitter denunciations, China's wisest approach going forward would be to send emissaries to every major and minor Asian capital and restate its one-China principle and the US violation of the spirit of its own one-China Policy. But I think Chinese diplomacy is too arrogant to choose this course of action."