Written Statement

Purpose and scope

My answers to the specific questions asked by the commission regarding China’s challenges to U.S. interests in Asia (see below) rest on the following assessments of relevant circumstances in U.S.-China relations and their respective influences in Asia. After answering the specific questions asked are recommendations for U.S. policy.

U.S.-China engagement and competition

The often contested framework of U.S.-Chinese cooperation focused on the Soviet Union held through the Cold War but collapsed with the Tiananmen crackdown and the demise of the USSR. Repeated efforts to create a new cooperative framework (e.g. “strategic partnership,” “responsible stakeholder,” “G-2”) have failed in the face of strong and enduring differences between the world’s largest powers which are disinclined to change and have the means to resist pressures to do so. Nevertheless, a pattern of pragmatic engagement emerged and has persisted for three reasons.

- Both governments benefit from positive engagement in various areas.
- Both governments have become strongly interdependent, reducing incentives to pressure one another.
- Both leaderships have been preoccupied with a long list of urgent domestic and foreign priorities, and seek to avoid a serious confrontation in relations with one another.

Looking out, it’s hard to envisage how the Obama government would see its interests well served with a more assertive U.S. stance leading to a major confrontation with China. The main challenge to the recent pattern of pragmatic engagement comes from China’s growing assertive role in Asia and its implications for U.S. interests.

China’s confrontations with the Philippines in the South China Sea and with Japan in the East China Sea mark an important shift in China’s foreign policy with serious implications for China’s neighbors and concerned powers including the United States.¹ China’s success in advancing claims against the Philippines and in challenging Japanese control of disputed islands head the list of reasons why the new Chinese policy is likely

http://www2.gwu.edu/~sigur/assets/docs/BalancingActs_Compiled1.pdf
to continue and perhaps intensify in the future. Other reasons include rising nationalist sentiment in Chinese elite and public opinion and growing capabilities in Chinese military, coast guard, fishery and oil exploration forces. The latter are sure to grow in the coming years, foreshadowing greater Chinese abilities to use coercion in seeking advances in nearby seas. Few governments are prepared to resist.

Forecasts talk of a U.S. retreat or an inevitable conflict between the United States and China as they compete for influence in the Asia-Pacific. Such predictions are offset in this writer’s opinion by circumstances in China and abroad that will continue to constrain China’s leaders. The circumstances are seen to hold back Chinese leaders even if they, like much of Chinese elite and public opinion, personally favor a tough approach in order to secure interests in the Asia-Pacific.

**Constraints on Chinese assertiveness**

There are three sets of constraints on Chinese tough measures in foreign affairs related to the United States that are strong and are unlikely to diminish in the foreseeable future.

**Domestic preoccupations**

Chinese leaders want to sustain one-party rule and to do so they require continued economic growth which advances material benefits for Chinese people and assures general public support and legitimacy for the Communist government. Such economic growth and continued one-party rule require stability at home and abroad, especially in nearby Asia where conflict and confrontation would have a serious negative impact on Chinese economic growth. At the same time, protecting Chinese security and sovereignty remains among the top leadership concerns. There is less clarity as to where Chinese international ambitions for regional and global leadership fit in the current priorities of the Beijing leaders, but there is little doubt that the domestic concerns get overall priority.

Major domestic concerns preoccupying the Xi Jinping leadership involve weak leadership legitimacy, pervasive corruption, widespread social turmoil and mass protests, and an unsustainable economic model with egregious use of resources and massive environmental damage reaching a point of diminishing returns. An ambitious and wide ranging agenda of interactive economic and related domestic reforms will require strong and sustained efforts of top Chinese leaders, probably for many years. Under these circumstances, those same leaders seem unlikely to seek confrontation with the United States. Xi Jinping’s unusual accommodation of President Obama in meeting in California in 2013 and his leadership’s continued emphasis on the positive in U.S.-China relations

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in seeking a new kind of major power relationship underline this trend. Xi has presided over China’s greater assertiveness on maritime territorial issues that involve the United States, but thus far the Chinese probes appear crafted to avoid direct confrontation with the superpower.

**Strong interdependence**

At the start of the twenty-first century growing economic and other interdependence reinforced each government’s tendency to emphasize the positive and pursue constructive relations. Engagement built positive and cooperative ties and constructed interdependence that had the effect of constraining the other power from taking adverse actions. Such respective “Gulliver strategies” were designed to tie down aggressive, assertive, or other negative policy tendencies of the other power through webs of interdependence in bilateral and multilateral relationships. Both sides became increasingly aware of how their respective interests were tied to the well being and success of the other, thereby limiting the tendency of the past to apply pressure on one another.

**China’s insecure position in the Asia-Pacific**

Given the purpose of this hearing, more attention is devoted here to constraints involving China’s insecure position in the Asia-Pacific region. Nearby Asia is the world area where China has always exerted greatest influence and where China devotes the lion’s share of foreign policy attention. It contains security and sovereignty issues (e.g. Taiwan) of top importance. It is the main arena of interaction with the United States. The region’s economic importance far surpasses the rest of world (China is Africa’s biggest trader but it does more trade with South Korea). Stability along the rim of China is essential for China’s continued economic growth—the lynch pin of leadership legitimacy and continued Communist rule. Against this background, without a secure periphery and facing formidable American presence and influence, China almost certainly calculates that seriously confronting the United States poses grave dangers for the PRC regime.

Chinese strengths in the Asia-Pacific region include extensive trade and investment; a growing web of road, rail, river, electric power, pipeline and other linkages with nearby countries; leadership attention and active diplomacy; and expanding military capabilities

Nevertheless, these strengths are offset by various weaknesses and limitations. First, Chinese practices alienate near-by governments, which broadly favor key aspects of U.S. regional leadership. Leadership involves costly and risky efforts to support common goods involving regional security and development. China avoids such risks and costs unless there is adequate benefit for a narrow win-set of tangible Chinese interests. It

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7 Sutter, *Foreign Relations of the PRC*, p. 315.
“cheap rides,” preserving resources to deal with the long array of domestic challenges facing Chinese leaders.

Second, recent Chinese assertiveness toward neighbors puts nearby governments on guard and weakens Chinese regional influence. It reminds China’s neighbors of the PRC’s longstanding and justified Cold War reputation as the most disruptive and domineering force in the region.8

Third, China achievements in advancing influence in the Asia-Pacific in the post Cold War period—a period now extending almost 25 years—are mediocre. China faces major impediments, many home grown. Its longstanding practice of promoting an image of consistent and righteous behavior in foreign affairs is so far from reality that it grossly impedes effectively dealing with disputes and differences with neighbors and the United States. As the Chinese government has the truly exceptional position among major powers as having never acknowledged making a mistake in foreign policy, when China encounters a dispute with neighbors, the fault never lies with China. If Beijing chooses not to blame the neighbor, its default position is to blame larger forces usually involving the United States. Of course, Chinese elites and public opinion also remain heavily influenced by prevailing Chinese media and other emphasis on China’s historic victimization at the hands of outside powers like the United States, Japan and others. In sum, they are quick to find offense and impervious of the need for change and recognition of fault on their part.9

Measuring China’s relationships. Such measurement shows how far China has to go in order to be confident of its position in Asia, and to reiterate, without such confidence Beijing would be poorly positioned to confront America. Relations with Japan, arguably Asia’s richest country and the key ally of the United States, show worsening to their lowest point.10 India’s interest in accommodation with China has been offset by border frictions and competition for regional influence.11 Russian and Chinese interest in close alignment waxes and wanes and seems secondary to their respective relationships with the West.12

The new Taiwan government in 2008 changed relations for the better, but the political opposition in Taiwan remains opposed to recent trends and has improved its standing with Taiwan voters.13

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8 John Garver Foreign Relations of the People’s Republic of China Prentice Hall 1993
Ever closer economic ties came with decline in South Korean opinion of China notably over China’s refusal to condemn North Korea’s attacks on South Korea and other provocations. Efforts to improve ties with a new South Korean president are offset by provocations from North Korea and Chinese advances in disputed territory claimed by South Korea.14

Disputed claims in the South China Sea seriously complicate often close economic relations with Southeast Asian countries. China’s remarkable military modernization raises suspicions on the part of a number of China’s neighbors, including such middle powers as Australia.15 They endeavor to build their own military power and work cooperatively with one another and the United States in the face of China’s military advances.

The so-called Overseas Chinese communities in Southeast Asian countries often have represented political forces supportive of their home country’s good relations with China, but those same communities have a long and often negative history in Southeast Asian countries.16

China’s growing trade in Asia remains heavily interdependent.17 Half of Chinese trade is conducted by foreign invested enterprises in China; the resulting processing trade sees China often add only a small amount to the product; and the finished product often depends on sales to the United States or the European Union. A Singapore ambassador told Chinese media in August 2013 that 60 percent of the goods that are exported from China and ASEAN are ultimately manufactures that go to the United States, Europe and Japan. Only 22 percent of these goods stay in the China-ASEAN region.18 Meanwhile, the large Asian and international investment in China did not go to other Asian countries, hurting their economic development. Actual Chinese aid (as opposed to financing that will be repaid in money or commodities) to Asia is very small, with the exception of Chinese aid to North Korea.

North Korea looms large and negatively in China’s strategic calculus. China has shown no viable way of dealing with the wide array of problems associated with Pyongyang. Overall, it is a major source of insecurity for the Xi Jinping government.19

14 Scott Snyder, “China-Korea Relations,” Comparative Connections 15:3 (January 2014)
www.esis.org/pacfor
16 Sutter, Foreign Relations of the Peoples Republic of China, p. 319.
China in the shadow of U.S. leadership. U.S. strengths in the Asia-Pacific region involve:20

- **Security guarantor.** In most of Asia, governments are viable and make decisions that determine direction in foreign affairs. In general, governments seek legitimacy through nation building and economic development, which require a stable and secure environment. Unfortunately, Asia is not particularly stable and Asian governments tend to distrust one another. They rely on the United States to maintain regional stability. The U.S. security role is very expensive and involves great risk; neither China nor any other Asian power or coalition of powers is able or willing to undertake even a fraction of these risks and costs.

- **Essential economic partner.** Most Asian governments depend importantly on export-oriented growth. Growing intra-Asian trade relies on the United States. Most notably, Asian exports lead to a massive trade surplus with the open U.S. market. China, which consistently runs an overall trade surplus, avoids such costs that nonetheless are very important for Asian governments.

- **Government engagement.** The Bush administration was generally effective in interaction with Asia’s powers. The Obama government’s emphasis on consultation with international stakeholders before coming to policy decisions has been broadly welcomed. Meanwhile, U.S. military, other security and intelligence organizations have grown uniquely influential, developing wide-ranging military, security and intelligence relationships with almost all regional governments.

- **Non-government engagement.** U.S. longstanding business, religious, educational, media and other non-government interchange is widespread, uniquely influential and strongly reinforces overall U.S. sway. Generally color-blind U.S. immigration policy since 1965 means that millions of Asian migrants call America home and interact with their countries of origin in ways that undergird U.S. interests.

- **Asian hedging.** As power relations change in the region, notably on account of China’s rise, Asian governments seek to work positively and pragmatically with rising China, but they also seek the reassurance of close security, intelligence, and other ties with the United States, especially amid evidence that rising China is shifting to more assertiveness. The U.S. concern to keep stability while fostering economic growth overlaps constructively with the priorities of the vast majority of regional governments.

**Answers to questions asked**

1. China’s security objectives along its rim focus on managing tensions caused by North Korea, advancing sovereign claims over disputed territories in Taiwan, the East China

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20 Author’s findings based on interviews with over 200 officials from 10 Asia-Pacific countries discussed most recently in Robert Sutter, *Foreign Relations of the PRC*, (Lanham MD: Rowman and Littlefield, 2013) p. 321-326.
Sea and South China Sea, and advancing Chinese interests in ways that compete with and weaken U.S. strategic leadership. The main change in the past five years has been Chinese assertiveness over territorial disputes in the East China Sea and South China Sea; these are now treated similarly to Chinese claims regarding Taiwan. This level of assertiveness and sensitivity is likely to continue. Whether or not China’s approach succeeds and moves toward greater assertiveness and expansion depends on the costs associated with the recent practices. Those costs appear to rest heavily on the reactions of regional governments and the United States, which are only beginning to be determined

2. What PLA leaders think about recent developments is not known with certainty. PLA actions and commentary generally have supported a firm position on territorial disputes. The PLA’s impressive buildup of forces to project power along China’s maritime periphery and especially designed to coerce and intimidate Taiwan has continued for over 20 years. The more recent greater assertiveness regarding the East China Sea and the South China Sea has built on these PLA strengths; there has been supporting comment from military representatives and actions ranging from various military exercises and the announcement of the Air Defense Information Zone over the East China Sea. The military commanders seem in line with leadership use of coast guard forces, and economic, political and administrative coercion—rather than direct application of military force—to advance Chinese claims in the East and South China Seas. They also seem in line with the leadership’s careful management of difficulties caused by North Korea and with the leadership’s emphasis on an active military dialogue with the United States.

3. China’s intentions presently focus on advancing sovereignty and security interests involving Taiwan and the disputed East and South China Sea. China seeks to do so while maintaining and advancing positive relations with neighbors and competing with the United States in ways that advance common ground and manage differences without major dispute or conflict. These objectives appear very much at odds, but Chinese leaders publicly deny the contradiction. North Korea poses very important challenges that China seeks to manage without jeopardizing its overriding interests in sustaining stability on the peninsula, which continues to involve Chinese efforts to avoid reunification and support a North Korea friendly to China. Against this background, China is a revisionist/activist power in that it uses coercion just short of military forces in order to secure its broad and disputed territorial claims. But it does so against the background of Chinese internal preoccupations, interdependence with the United States and the U.S. supported international order, and China’s still encumbered and less than secure position throughout much of its periphery, especially to the East and South—by far the most important area in contemporary Chinese foreign relations.

4. As shown above, Chinese economic and diplomatic clout, military capabilities and regional ambitions serve to shape security dynamics in eastern Asia in various and sometimes conflicting ways. Economic and diplomatic activism tends to emphasize positive engagement with China. Military power alarms many regional governments, especially when China resorts to coercive means to advance territorial or other interests. Against the background of the many past PRC acts of aggression against neighbors,
recent Chinese assertiveness backed by demonstrated military power undermines Beijing’s public stress on positive engagement, placing Asian governments on guard. Thus far, none of the generally independent minded Asian governments have chosen to bandwagon with Beijing. Many have chosen to strengthen their contingency plans against possible Chinese domination, even as they advance positive relations with China. Closer connections with the United States loom large in their contingency plans.

5. The rise of China discussed above affects U.S. alliance considerations and raises the likelihood for crises involving the United States. The level of tension leading to possible crisis today is much less than the level of tension during the repeated crises between the United States and China over possible direct military conflict and war over Taiwan that prevailed throughout much of the period from the Taiwan Strait crisis of 1995-1996 to the end of the Chen Shui-bian government in 2008. How the United States will deal with the current tensions caused by greater Chinese assertiveness over the East China Sea and the South China Sea remains to be seen. The following section shows the challenges faced by the Obama government’s rebalance and the policy’s strengths.

The Obama rebalance and competition with China—a closer look

The Obama government’s rebalance fits well with eastern Asian regional dynamics. It promises security and stability the regional governments seek and economic openness they need. China’s economic and diplomatic approach also generally fits well with regional priorities, but its coercion and assertiveness along with military expansion alarms many neighbors. Beijing is poorly prepared to deal realistically with the contradiction.

If the United States withdraws, China may succeed in intimidating otherwise independent minded neighbors, but such an outcome seems remote. Carefully sequenced statements by Obama administration officials in late January, February and March pushed back against Chinese assertiveness in the East and South China Sea; Chinese reaction was measured and restrained, seeking to sustain business-like relations with America. The U.S.-China competition will continue, but with America better positioned than China to win regional support.

In particular, the United States has a proven record of bearing the costs and risks of sustaining regional stability that is essential for the development and nation building sought by the regional government leaders. By contrast are often strident Chinese threats and coercive actions and avoiding the kinds of costs and risks borne by the United States in support of the broader regional order. The Obama government has affirmed its commitment to sustain the robust American security presence built on the strong engagement efforts of the Clinton and Bush administrations which enjoys bipartisan support in Congress and seems likely to continue.

China’s location and advancing infrastructure connecting China to its neighbors are major positive attributes supporting closer Chinese relations with neighboring states.
China’s role as a trader, site for investment and increasing important foreign investor will continue to grow in regional affairs. Of course, much of the trade remains dependent on foreign investment and access to markets in the United States in particular. The United States almost certainly will not quickly reverse the large trade deficit that undergirds the export oriented economies of the region. Unlike the United States, China has a great deal of money that could be used to the benefit of its neighbors. However, China will part with its money only if there is assurance that it will be paid back and the endeavor will support China’s narrow win-set. Asian leaders are watchful for signs of American protectionism, but the steady American economic recovery reinforces support for enhanced free trade initiatives from the United States.

By contrast, China’s commitment to free trade remains selective and narrow. Beijing’s tendency to go well beyond international norms in retaliating against others over trade and other issues has grown with the advance of China’s economic size and influence. Its cyber theft of trade and economic information and property is enormous. Its currency manipulation and other neo-mercantilist practices are used deliberately to advance China’s economy without much consideration of how they disadvantage neighboring economies along with the United States. China’s recent extraordinary pressure on Japan for the sake of territorial claims risks enormous negative consequences for the regional economic growth. In contrast, the United States has played a role of stabilizer highly valued by most regional governments.

The growing U.S. security, economic and political relationships with the wide range of Asian-Pacific governments built by the Clinton, Bush and Obama governments have the effect of strengthening these governments and countries, reinforcing their independence and identity. While many of these governments continue to disagree with U.S. policies regarding the Middle East Peace process, electronic spying and other issues, American interest in preserving a favorable balance of power in the region is supported by the prevalence of such stronger independent actors. By contrast, China’s assertiveness shows its neighbors that Beijing expects them to accommodate a growing range of Chinese concerns, even to the point of sacrificing territory. Strengthening those in the region that resist China’s pressure is seen in Beijing as a hostile act. It is important to reiterate here that most Asian governments expect the U.S. government to carry out its improvement of relations in the region in ways that do not exacerbate China-U.S. tensions and thereby disrupt the Asia-Pacific region. In general, the Obama rebalance policy helps to manage tensions in line with regional concerns.

The Obama government has also advanced markedly U.S. relations with the various regional organizations valued by Asian governments. China also depicts close alignment with these groups, though Chinese more assertive ambitions regarding disputed territories have seen Chinese leaders grossly manipulate these bodies or resort to coercion and intimidation.

**Recommendations for U.S. policy**
There are two paths that Congress can take in seeking to curb recent Chinese assertiveness and improve the U.S. position in the overall competition with China for influence in the Asia-Pacific region. The first involves reinforcing U.S. strengths; the second involves exploiting Chinese weaknesses.

**Supporting U.S. strengths**

U.S. security leadership involves sustained deployments of forces and requires means to build closer military, other security, intelligence and other ties with Asian countries seeking assurance from the United States in the face of China’s coercion and intimidation. U.S. economic leadership rests on the open and reviving American economy ever more engaged in the Asia-Pacific. U.S. diplomatic leadership depends on U.S. leaders’ first hand involvement in regional consultations.

The Obama rebalance generally seems to capture appropriate approaches in these instances. Congressional support has been and should continue to be shown through active oversight, regional visits, authorizations and appropriations. Congressional committee oversight hearings have proven to be an important arena for administration officials to articulate U.S. policy. The hearings can also show support for American resolve and the advances in American engagement with the region as China pursues its assertive expansion. Thus, ever closer security cooperation with Japan, the Philippines, South Korea and Australia, as well as other non allied countries affected by Chinese coercion and intimidation can be highlighted and encouraged. The importance of active U.S. exercises, surveillance and patrols can be emphasized. Clearly defining U.S resolve through words and deeds to assist allies and others facing China’s threats lays down markers showing Beijing the direct costs involved in its expansion and coercion. Such steps should cause those many in the Chinese leadership who seek to advance Chinese interests while weakening the American security presence along China’s rim to think twice about the consequences of Chinese assertiveness.

Meanwhile, congressional support for open trade with Asia should reinforce this positive feature of American influence and leadership. The Obama government probably will need Trade Promotion Authority (TPA) from Congress in order to successfully conclude its major trade liberalization effort in the region, the Trans-Pacific Partnership. Congress should grant TPA to the president. The U.S. argument against China’s assertiveness in the South China Sea and the East China Sea rests heavily on norms associated with the Law of the Sea Treaty. The United States Senate should ratify the treaty.

Congressional legislation, hearings and travel also provide important means to underscore to the media and the American public the importance of the Asia-Pacific to the future of the United States. Congress should conduct hearings associated with a major congressional report by the GAO, perhaps in cooperation with a prominent American non-government research organization, explaining to American voters, media and other interested groups how and why the contemporary Asia-Pacific is so important for the future of the United States.
Exploiting Chinese weaknesses

China’s self-serving policy toward North Korea has enabled repeated provocations by Pyongyang threatening neighboring countries and raising regional tensions. These outcomes are at odds with broad regional interest in stability. Congress should actively join the Obama government in repeatedly pressing China to bring its policy in line with regional efforts to curb North Korean threats. If China joins the United States, U.S. policy will be strengthened; if China refuses, it will be shown to all as adverse to broad regional interests, undermining China’s influence.

China’s assertive actions in its self-absorbed and uniquely self-righteous pursuit of territorial ambitions at the expense of its neighbors have involved repeated coercive and intimidating actions well beyond international norms generally adhered to by regional governments. The Congress should join the administration in calling out China on these egregious deviations from world norms. It should support the recent Obama government position highlighting China’s egregiously broad claim to the South China Sea as questionable and probably unwarranted under international law. It should highlight naval exercises and other shows of force in sea areas claimed by weaker neighbors for what they are—exercises in intimidation. Whenever China pursues its claims, as it periodically does, with gross violations of international norms involving unilateral trade closures and mass demonstrations and associated violence—Congress needs to speak out strongly and encourage the administration to do so as well. Such publicity will show to all concerned how China fits poorly with the priorities of regional governments seeking stability and development.

Congress and the administration were negligent in failing to object more strongly to such gross Chinese violations of international norms as the mass demonstrations in September 2012 in over 100 Chinese cities and associated burning and looting of Japanese properties because of territorial disputes. A countervailing U.S. concern probably related to how China would likely react to such U.S. criticism.

On the one hand, China likely will react strongly to U.S. criticism of Chinese actions grossly at odds with international norms. Such criticism directly challenges China’s assiduous building of an image of uniformly moral and righteous Chinese foreign policy behavior. On the other hand, the likely self-righteous and indignant Chinese reaction will publicly expose to all in the region just how unreasonable and self-absorbed China has been on these sensitive issues, thereby undermining Chinese regional influence.

There is probably no area where China in recent decades has used coercion and intimidation beyond the bounds of international norms more than Taiwan. The Congress and the Administration have generally adopted a low profile in noting the Chinese efforts which have been overshadowed by the progress in cross strait relations since 2008. Nonetheless, calling more attention to China’s gross intimidation and coercion would show regional governments how they might be treated and encourage them to pursue other paths, including closer ties with the United States, in order to preserve their independence of action. The Chinese reaction may lead to costs for the United States in
dealing with China, but those costs seem offset by the costs China will suffer in what is likely to be a strong and self-centered reaction underlining China’s regional ambitions very much at odds with its neighbors.