BEIJING AS AN EMERGING POWER IN THE
SOUTH CHINA SEA

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BEFORE THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
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SECOND SESSION
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BEIJING AS AN EMERGING POWER IN THE SOUTH CHINA SEA

WEDNESDAY, SEPTEMBER 12, 2012

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10:06 a.m. in room 2172, Rayburn House Office Building, Hon. Ileana Ros-Lehtinen (chairman of the committee) presiding.

Chairman ROS-LEHTINEN. The committee will come to order. After recognizing myself and the ranking member, Mr. Berman, for 7 minutes each for our opening statements, I will recognize for 3 minutes the vice chair and the ranking member of the Subcommittee on Asia. I will then recognize other members seeking recognition for 1 minute. We will then hear from our witnesses. And without objection, the witnesses' prepared statements will be made a part of the record. And members may have 5 days to insert statements or questions for the record. The Chair now recognizes herself for 7 minutes.

This hearing convenes just as the long festering issue of the South China Sea has once again boiled to the surface. While the world's attention has turned to other crises, including Iran's nuclear program and concerns over the faltering euro, China has upped the ante, playing the role of a schoolyard bully toward its maritime neighbors. From one end to the other of the South China Sea, Beijing has increased both in belligerence and in bellicosity. Even Chinese Government officials, press, and bloggers incited anti-Japanese feelings to such a fever pitch that there were anti-Japanese riots in Chinese cities just last month.

We have news for those bullies in Beijing. The United States stands by our friends and allies in the Philippines and Japan. The United States Navy will continue to preserve the peace in the Pacific waters, including the South China Sea, as it has done since the end of the Second World War. Beijing also apparently looked with trepidation on the Secretary of State's visit to the Cook Islands to attend a Pacific Islands conference before her stop in Beijing. Beijing has hoped, since 2005, to entice our Pacific allies away from a honey pot of $600 million in economic assistance and low interest loans. Our greatest generation, however, did not fight its way from island to island across the Pacific, from Midway to Guadalcanal to Iwo Jima only to see their descendants pushed back across the Pacific by a flood of Chinese cash.

Why are the South China Sea and other waters so central to the Chinese communist mandarins' aspirations to reestablish the Mid-
dle Kingdom as the dominant power in Asia? Well, these are the waterways which control the trade and commerce for some of the most dynamic economies in the world, located in both Southeast and Northeast Asia. These are the sea lanes through which vast amounts of fossil fuel are shipped, which energize the economies of Taiwan, South Korea, and Japan. Whoever controls these sea lanes can dominate Asia and beyond by choking off that commerce of oil shipments to the major stakeholders in the Asian economic miracle.

China, traditionally a land power as symbolized by its great wall land barrier, has only recently turned its eyes to the seas. This emerging Chinese sea power was originally directed toward eventual domination of Taiwan by a potential naval blockade. The rumored name of Beijing's first aircraft carrier is to be that of a Chinese Admiral who led a sea invasion of Taiwan over three centuries ago. But Beijing's ambitions for a blue water Navy now extend far beyond the Taiwan Strait. China has forward deployed its sea power in the resource-rich South China Sea, engaging in naval confrontation in 2009 with not only the U.S. Naval ship Impeccable, built in my home State of Florida, but more recently, with the Philippines and Vietnam as well.

Beijing has adopted an equally aggressive stance toward America's ally Japan in the East China Sea, and has objected to U.S. Naval cooperation in the Yellow Sea with our South Korean ally. Beijing seeks to dominate its maritime negotiations with its neighbors by picking them off one by one rather than engaging in the code of conduct regarding the South China Sea.

Nationalistic young Chinese military officers also have reportedly been eagerly studying the century-old writings on sea power of an American Admiral. Admiral Mahan's theory, as discussed in Red Star Over the Pacific, written by one of our witnesses today, reportedly drew the connection between thriving commerce and naval supremacy. As the United States seeks to restore our citizens' economic well-being, commercial ties with the dynamic economies of East and Southeast Asia become paramount. Beijing seeks domination of not only the South China Sea, but also of the Western Pacific. Therefore, the possibility of naval clashes steadily increases. A situation where the escalating naval arms race takes place in order to control the ocean highways of global commerce is not in the interests of the people of the United States, nor of the people of Asia.

Other global crises must not distract from our vital national security interests in the South China Sea and the Western Pacific. We cannot be indifferent to the potential placement in harm's way of our sailors and those of our allies like the 46 young South Korean sailors who perished at sea 2 years ago. We should take a moment to honor the men and women in our Armed Forces who, since the days of Pearl Harbor, have served to maintain the peace in the Asia-Pacific region.

As an old naval hymn States, “Oh, hear us when we cry to Thee, for those in peril on the sea.” I look forward to hearing from our distinguished set of panelists on how best to address China's growing challenge to America's naval strategy.
And now I turn to my friend from California, the distinguished
ranking member, for his opening remarks. Mr. Berman is recog-
nized.

Mr. BERMAN. Thank you very much, Madam Chairman. And my
poetry will not be up to yours today, but I thank you very much
for calling the timely hearing. Over the past few months, tensions
in the South China Sea have escalated. In the past, territorial dis-
putes in the region have been contained after cooler heads pre-
vailed and diplomatic solutions achieved. And I hope this current
situation follows a similar pattern. But what is different this time
is that the tensions have been stoked by China's increasingly ag-
gressive actions.

Five other countries, along with China, claim ownership of parts
of the South China Sea. But China's territorial claims are unusu-
ally expansive and intentionally vague. And while China is not the
only claiming country to take unilateral actions to assert its control
over territory and resources, Beijing's actions are, by far, the most
provocative. China has threatened and damaged foreign ships, uni-
laterally declared a fishing ban for part of the year in half of the
South China Sea, and arrested foreign fishermen who did not com-
ply.

Beijing has also increasingly militarized the region. It has estab-
lished a new military garrison in the Paracel Islands, and an-
nounced the beginning of regular combat-ready patrols in disputed
areas of the South China Sea. These actions run directly counter
to the diplomatic efforts to resolve differences, and risk further
heightening regional tensions. They also undermine Beijing's assur-
ances to its neighbors and the world that China seeks a peaceful
rise. The immediate priority in the South China Sea is to deesca-
late tensions and to encourage all parties to refrain from taking tit-
for-tat actions that could lead to conflict. Stepping back from the
crisis is in all parties' interests, as the potential costs of conflict in
the region far outweigh any of the potential economic benefits con-
tained in the sea bed of the South China Sea.

The political leadership in the claiming countries should also
make efforts to cool domestic public opinion, which is stoked by
strident nationalist sentiments. The United States has a strong na-
tional interest in the maintenance of peace and stability, freedom
of navigation, unimpeded lawful commerce, and ensuring a peace-
ful resolution of claims in the South China Sea accepted by all
countries.

Secretary Clinton and other top officials in the Obama adminis-
tration have repeatedly made clear to Beijing that we will not allow
China to assert its hegemony over the region, and we must con-
tinue to press China to resolve its claims peacefully.

I thank the panel of experts for being here with us today. I look
forward to your testimony and hearing what steps can be taken to
ensure that the South China Sea does not devolve into hostile con-

Mr. ROCHESTER. Thank you very much, Madam Chairman.

Mr. ROHRABACHER. Thank you very much, Madam Chairman.
Thank you for holding this hearing. Obviously, China is an issue,
and the Chinese expansionism is an issue that I have been deeply involved in over the years. But let me just state, in light of today’s horrible news from the Middle East, that this administration’s response to the murder of our Ambassador, and yes, his staff, in Libya, as well as the burning down of the consulate there and the storming of our Embassy in Cairo, the response of this administration has not been acceptable. It suggested, the response suggested an understanding of Muslim rage toward a negative portrayal of their religion. There is no understanding of that type of violence. And this is not seen as a sensitivity by the Muslim world. It is seen as a weakness toward their most radical elements.

This administration has refused to call these type of murders over the years, whether it is a Muslim terrorist or whether it is Chinese militarists in the South China Sea, by their right name. We should have the courage to stand up or we will not have a peaceful world.

Chairman ROS-LEHTINEN. Thank you, Mr. Rohrabacher.

Mr. Faleomavaega is recognized. He is the ranking member on the Subcommittee on Asia and the Pacific.

Mr. FALEOMAVAEGA. Madam Chair, I want to thank you and our ranking member, Mr. Berman, for your leadership and support of H.R. 6313. I would also like to ask unanimous consent that the full text of my statement be added to the record.

Chairman ROS-LEHTINEN. Without objection.

Mr. FALEOMAVAEGA. And I want to thank you. For the 30 seconds that I have remaining, I don’t have much else to say other than to express my deepest——

Chairman ROS-LEHTINEN. Mr. Faleomavaega, excuse me if I interrupt, you have more time because of your position as the ranking member.

Mr. FALEOMAVAEGA. As I was saying, even though things like this happen, I want to say that for those of us as members of the committee who have had opportunities in visiting our Embassies and consulates throughout the world, I know and I share with your sentiments, and Ranking Member Berman, of what has happened in this tragedy. And as a member of the committee, I do want to express our deepest condolences and sympathies to the late Ambassador, Chris Stevens, and the three members of our Embassy staff who were killed in this senseless violence that just occurred.

As I am sure those feelings are the same for all the members of the committee. Madam Chair, not wanting to detract from the purpose of our meeting this morning, the United States does have a national security and economic interest in what is happening now in the South China Sea, the East China Sea, or the Yellow Sea, or has often occurred.

South China Sea contains vital commercial shipping lanes and points of access between the Indian Ocean and the Pacific Ocean. It provides maritime lifeline to Taiwan, to Japan, and to the Korean Peninsula. While China, Vietnam, the Philippines, Taiwan, Malaysia and Brunei have disputed territorial claims, China claims most of the 648,000 square miles of the South China Sea, more than any other Nation involved in these disputes. China’s claim, if enacted, would make Vietnam a land-locked country, and this is neither right nor fair. Madam Chair, I look forward to hearing from
Chairman Ros-Lehtinen. Thank you very much, Mr. Faleomavaega.

Mr. Turner of New York is recognized.

Mr. Turner. Thank you, Madam Chair. I am interested in hearing what our expert witnesses have to say, particularly in regard to the consequences of a reduced Navy presence and a reduced Navy budget. Also, I would like to hear what they have to say about the potential of cooperation with Japan and South Korea, rich nations that could do more in naval defense, and if there is a great potential for that. I yield back. Thank you.

Chairman Ros-Lehtinen. Thank you, sir. Mr. Keating is recognized.

Mr. Keating. Madam Chair, I will yield back my time. I would like to hear from our witnesses.

Chairman Ros-Lehtinen. Thank you. Mr. Murphy?

Mr. Murphy. Yield back.

Chairman Ros-Lehtinen. Thank you. Mrs. Schmidt.

Mrs. Schmidt. First, I want to send my condolences to the people in Libya, our American Embassy people who have been mortally wounded and those that have died. It was an unthinkable act. And we all need to pray for their families as we go forward. I am looking forward to the hearing today. It is very important to keep all waters open as we move toward global trade more and more actively every day. So I am looking forward to hearing from the witnesses. Thank you.

Chairman Ros-Lehtinen. Thank you very much.

Mr. Sherman, the ranking member on the Subcommittee on Terrorism, Nonproliferation, and Trade is recognized.

Mr. Sherman. I will echo all of those who have expressed our regret and sadness at the events in Benghazi, the death of Ambassador Chris Stevens. As it happens, my wife is a diplomat with the State Department. I have always known that that is both important and sometimes dangerous work. As to the issue that is before us today, I echo Mr. Turner in stating that we ought to be focusing a bit on burden sharing. We did in the Cold War against the Soviet Union. And those nations in the Asia-Pacific region, particularly those that have concerns about Chinese expansionary claims, ought to be devoting a reasonable portion of their GDP to their own naval defense. And I yield back.

Chairman Ros-Lehtinen. Thank you, Mr. Sherman. Mr. Duncan of South Carolina.

Mr. Duncan. Thank you, Madam Chairman. I echo my colleagues’ concern about the events on the ground in Libya and Egypt, and just want to express my sympathy for those who have lost lives and families that are concerned around the world. I visited with the Filipinos in June 2011. And their concerns were the Chinese excursion into the South China Sea, specifically around the Spratlys. And while the Chinese were there, the available, potential resources that might be available there. We see China going all around the world gobbling up access to minerals. And I think
this is an example. I would love to hear more about that in this hearing. I yield back.

Chairman ROSELTINEN. Thank you very much. Mr. Fortenberry, the vice chair on the Subcommittee on Africa, Global Health, and Human Rights, is recognized.

Mr. FORTENBERRY. Thank you, Madam Chair. And thank you for earlier having a moment of silence in memory of our lost diplomats. I would like to turn my opening comments and my opening here to that situation. Last year an intense debate was underway in Congress as to how to respond to the turmoil in Libya. The imminent slaughter of the people of Benghazi by former dictator Qadhafi led the United States to sustain a NATO coalition to stop the bloodshed. Now our Ambassador, Chris Stevens, is dead, killed by the very people that we saved. Americans can tolerate ingratitude, we can tolerate insult, but we cannot tolerate the senseless killing of the official representative of our country and those who served with him, three others.

The governing structures of Libya must respond in the strongest way. They should publicly state their condemnation and commitment to restoring order. Democracy is not an election, it is the understanding of the protection of the inherent dignity and rights of each person within the structures that bring about the just rule of law. We honor Ambassador Stevens, Foreign Service Officer Sean Smith, and two others whose names I do not yet have for their heroic service. And may they rest in peace. I yield back.

Chairman ROSELTINEN. Thank you. Thank you, Mr. Fortenberry. Well said. And the Chair—I am sorry, Mr. Kelly. Mr. Kelly yields back. Thank you. The Chair is pleased to welcome our witnesses. First we welcome Professor Toshi Yoshihara. Thank you, Professor. He is the John A. Van Beuren chair of the Asia-Pacific studies at the U.S. Naval War College, and an affiliate member of the China Maritime Studies Institute at the War College. Dr. Yoshihara is most recently the co-author of “Red Star Over the Pacific: China’s Rise and the Challenge to U.S. Maritime Strategy,” to which I referred to in my remarks. His articles on maritime issues and naval strategy have appeared in numerous journals and periodicals. We welcomes you, Professor.

Then we will hear from Bonnie Glaser, who is a senior fellow and the Freeman chair in China studies at the Center for Strategic and International Studies. Prior to joining CSIS, Dr. Glaser served as a consultant for various U.S. Government offices, including the Departments of Defense and State. She is currently a board member of the U.S. Committee on the Council for Security Cooperation in Asia-Pacific, and is a member of the Council of Foreign Relations.

I am pleased to welcome Dr. Richard Cronin, the director of the Southeast Asia Program at the Stimson Center. Dr. Cronin works on trans-boundary and nontraditional security issues in Southeast Asia from a political economic standpoint. He joined the Stimson Center after a long career at the Congressional Research Service. We welcome you, Dr. Cronin.

And we welcome back Mr. Peter Brookes to our committee, a senior fellow for national security affairs at the Heritage Foundation. Previously, Mr. Brookes served as the deputy assistant Secretary of Defense for Asian and Pacific Affairs in the George W. Bush ad-
administration, and previously a professional staff member of this committee. A retired decorated Navy commander, Mr. Brookes served in active duty in Asia, Latin America, and the Middle East.

So we will welcome all of our witnesses today. And I ask that you keep your presentations to no more than 5 minutes. And without objection, your entire statements will be inserted into the hearing record. Dr. Yoshihara, we will proceed with you. Thank you, sir.

STATEMENT OF TOSHI YOSHIHARA, PH.D., PROFESSOR, JOHN A. VAN BEUREN CHAIR OF ASIA-PACIFIC STUDIES, U.S. NAVAL WAR COLLEGE

Mr. Yoshihara. Thank you for having me. Madam Chair and members of the committee, thank you for the opportunity to share my views on China's maritime strategy and what it means for the future of the South China Sea. The following remarks, which express my views alone and do not represent the views of the U.S. Navy, summarize the prepared statement submitted to the committee.

In my judgment, China's recent assertiveness in the South China Sea is a harbinger of things to come. Beijing's sea power project has opened up new strategic vistas for Chinese leaders and military commanders. With larger and more capable seagoing forces at its disposal, Beijing is well positioned to fashion sophisticated strategies that will be more effective and equally difficult to counter.

Before delving into Chinese strategy, I think it is worth emphasizing the material dimension of Chinese sea power, which is providing Beijing with the tools to pursue its ambitions. Sea power is more than just a navy. Rather, it is a continuum that gives Beijing a range of options. And China is modernizing and expanding across the board, from its navy to its sister services, to its civilian agencies. In short, Beijing already possesses diverse elements of sea power to defend its nautical prerogatives.

Let me now turn to the challenges that Beijing's burgeoning sea power already poses to the region. For the purposes of this testimony, I would like to confine my remarks to strategies that China has already employed or is in a position to implement vis-a-vis weaker local players in Southeast Asia.

In the event of crises between China and relatively weak Southeast Asian powers, innovative combinations of military forces could be used to compel the will of Beijing's southern neighbors. Consider the anti-ship ballistic missile, a maneuverable ballistic missile capable of hitting moving targets at sea. If it performs as advertised, the reach of such shore fire support over the entire South China Sea would ease the burdens on the Chinese fleet, while applying constant pressure on challengers to Beijing's interests in peacetime. This type of gunboat diplomacy with Chinese characteristics is conceivable in the future.

China's ability to exercise the nonmilitary elements of its sea power was on full display during the standoff with the Philippines this past spring. The Scarborough Shoal face-off involved Coast Guard-like noncombat vessels. Employing non-navy assets revealed a sophisticated, methodical strategy for securing China's maritime claims. The use of nonmilitary means eschews escalation, while en-
suring that disputes remain localized. Specifically, it deprives the United States the rationales to step in on behalf of embattled capitals in the region.

At the same time, noncombat ships empower Beijing to exert low grade but unremitting pressure on rival claimants to South China Sea islands and waters. Constant patrols can probe weaknesses while testing political resolve. Keeping disputes at a low simmer, moreover, grants China the diplomatic initiative to turn up or down the heat as strategic circumstances warrant.

A series of showdowns may pass without an end in sight, or any tangible gain for China. But the cumulative effects of a continuing stalemate could induce strategic fatigue that, in turn, advances China’s aims. Short of a shooting war, Chinese provocations are too slight for the United States to intervene militarily.

As China pushes and probes, the prospects of recurring confrontations with little hope of direct U.S. intervention could weigh heavily on Southeast Asian capitals. Applied with discipline and patience, such a strategy of exhaustion could gradually erode regional confidence and undermine the political will to resist.

Fortunately, there is still time. China is at least a decade from amassing the type of preponderant sea power that can keep the United States out of the South China Sea while running roughshod over Southeast Asian states. In the meantime, Washington can adopt measures to ensure that regional submission to China’s wishes is not a foregone conclusion.

First, Washington and its allies and friends should actively help Southeast Asian states help themselves. Local actors must possess some indigenous capability to cope with Chinese encroachments at sea.

Second, the United States should encourage the development of a region-wide information sharing arrangement to keep track of China’s maritime forces.

Third, the United States should draw up plans that would enable the rapid deployment of units armed with maritime strike capability on friendly or allied soil. Finally, the U.S. Navy should revisit prevailing assumptions about sea control. A far more lethal nautical environment lies in store for a service long accustomed to uncontested waters.

Raising the cost of China’s assertiveness in the South China Sea would complicate Beijing’s calculus, while inclining Chinese leaders to think twice before they act. Inducing Chinese caution, moreover, would apply a brake to Beijing’s momentum at sea, brightening the prospects for restoring equilibrium to the region and for retaking the strategic initiative. Thank you.

Chairman ROS-LEHTIENEN. Thank you very much, Professor.

[The prepared statement of Mr. Yoshihara follows:]
“Beijing as an Emerging Power in the South China Sea”
Testimony Before the House Committee on Foreign Affairs

Prepared Statement of Dr. Toshi Yoshihara
John A. van Beuren Chair of Asia-Pacific Studies
U.S. Naval War College

September 12, 2012
Room 2172, Rayburn House Office Building

Madam Chair and Members of the Committee, thank you for the opportunity to share my views on China’s maritime strategy and what it means for the future of the South China Sea.

In my judgment, China’s recent assertiveness in the South China Sea is a harbinger of things to come. Beijing’s seapower project and the enormous resources it has enjoyed have opened up new strategic vistas for Chinese leaders and military commanders. With larger and more capable seagoing forces at its disposal, Beijing is well positioned to fashion sophisticated strategies that will be more effective and equally difficult to counter. While such strategies do not—yet—portend the fundamental reordering of maritime politics in Southeast Asia, they will likely yield incremental dividends that advance China’s larger aims at sea.

As a point of departure for this important and timely subject, I would like to assess how geography and power—both intellectual and material—inform Chinese maritime strategy. First, geography impels China to turn to the seas, particularly the South China Sea. It is an intensely nautical arena with only one great power—China—physically bounding its northern limits. Some of China’s major industrial and financial hubs, notably those around the Pearl River Delta, are located along the shorelines of the South China Sea. The body of water is home to economic powerhouses, resources, shipping lanes, and potentially vulnerable chokepoints. Located at the junction of the Pacific and Indian Oceans, it is a critical thoroughfare for the transit of commercial goods, energy, and military power.

Second, China’s growing intellectual prowess is harnessing a more coherent strategic approach to the seas. In recent years, we have witnessed the rise of an intellectual-military complex composed of analysts, scholars, and senior military officers from reputable research institutions and universities. This complex has led to the proliferation of sophisticated writings on naval and maritime affairs, encompassing history, theory, strategy, operations, and even tactics. Many of these writings engage in rigorous, honest debates about the future of Chinese seapower, displaying an impressive degree of introspection. They are doing their homework, and I am persuaded that such due diligence will pay off.

Third, China’s naval and maritime buildup is providing Beijing with the wherewithal to pursue its ambitions. The rate and scale of the naval modernization process have defied many predictions in the West, reversing sanguine and even condescending conclusions about China’s attitude at sea. But, seapower is more than just the navy. Rather, it is a continuum that gives Beijing a range of options. Non-naval and non-military platforms and systems account for a significant portion of China’s maritime power.
The proliferation of long-range, precision strike weaponry has enabled shore-based assets to influence events, perhaps decisively, at sea. Notably, the anti-ship ballistic missile—a maneuverable ballistic missile capable of hitting moving targets at sea—is just one member of a large family of missiles in China's arsenal that could perform maritime strike missions. Indeed, the People's Liberation Army (PLA) boasts large numbers of shore-based fighters, bombers, and cruise missile units that can launch salvos of anti-ship missiles.

The growth of China's maritime surveillance and law-enforcement services has been equally impressive. As we witnessed this past spring, Beijing employed nonmilitary ships at Scarborough Shoal in the South China Sea. Even civilian vessels could form maritime militias to serve China’s nautical aims. In short, Beijing already possesses diverse elements of seapower to defend its prerogatives in the nautical domain.

Let me now turn to the challenges that Beijing's burgeoning seapower already poses to the region. For the purposes of this testimony, I would like to confine my remarks to strategies that China has already employed or is in a position to implement vis-à-vis local actors. The strategies below involve the political use of military and non-military elements of seapower against weaker adversaries. These strategies deftly combine warfighting capabilities with calibrated shows of force. They enhance China's leverage in protracted politico-military struggles by chipping away at the will of the opponent.

**Political Use of Military Forces:** In the event of peacetime maritime crises between China and relatively weak Southeast Asian powers, innovative combinations of PLA forces could be used to compel the will of Beijing's southern neighbors. Consider the aforementioned anti-ship ballistic missile. If it performs as advertised, the missile would help compensate for current shortcomings in China's maritime inventory. The reach of such shore-based support over the entire South China Sea would ease the burdens on the Chinese fleet while applying constant pressure on challengers to Beijing's interests in peacetime.

Under the protective umbrella of anti-ship ballistic missiles, even lesser warships would be ideal for intimidating weaker parties. For example, small flotillas of missile-armed fast-attack craft operating in the Spratlys under missile cover could hold most Southeast Asian surface fleets at bay. Occasional sorties of such units would signal Chinese resolve, compelling opponents to back down or acquiesce to Beijing's wishes. This type of gunboat diplomacy with Chinese characteristics is conceivable in future crises.

**Political Use of Non-Military Forces:** China's ability to exercise the non-military elements of its seapower was on full display at Scarborough Shoal. The standoff with the Philippines involved coast-guard-like noncombat vessels under the control of China Marine Surveillance, an agency entrusted with protecting Beijing's exclusive economic zones. Employing non-navy assets in clashes over territory reveals a sophisticated, methodical strategy for securing China's maritime claims. The use of non-military means eschews escalation while ensuring that disputes remain localized. Specifically, it deprives the United States and other outside powers the rationales to step in on behalf of embattled capitals in the region.
At the same time, noncombat ships empower Beijing to exert low-grade but unremitting pressure on rival claimants to South China Sea islands and waters. Constant patrols can probe weaknesses in coastal states' maritime-surveillance capacity while testing their political resolve. Keeping disputes at a low simmer, moreover, grants China the diplomatic initiative to turn up or down the heat as strategic circumstances warrant.

And if all else fails, Beijing can still employ its navy and shore-based assets as a backstop to the civilian agencies. That China—unlike its weaker rivals—has the option of climbing the escalation ladder only amplifies the intimidation factor in places like Scarborough Shoal or the Spratly Islands. As noted above, the mere possibility of naval coercion may induce an opponent to back down in a crisis. Innocuous in themselves, peacetime patrols carry significant weight when backed by real firepower. Indeed, the larger naval balance that tilts increasingly in China's favor would likely cast a long shadow over Southeast Asian capitals as they contemplate their options. The interplay between Chinese military and non-military forces thus augments Beijing's strategic leverage.

Sporadic acts of coercion and intimidation may not produce outcomes as visible or decisive as a battlefield victory. A series of showdowns may pass without an end in sight or any tangible gain for China. But, the cumulative effects of a continuing stalemate could induce strategic fatigue that in turn advances China's aims. Short of a shooting war, Chinese provocations are too slight for the United States to intervene militarily. Saying below the escalation threshold adds maneuver room to test U.S. steadfastness while solidifying its own claims.

As China pushes and probes, regional expectations that Washington should do something would inevitably mount even as weaker nations look for signs of wavering U.S. resolve. The prospects of recurring confrontations with little hope of direct U.S. intervention could weigh heavily on Southeast Asian capitals. Applied with patience and discipline, such a strategy of exhaustion could gradually erode regional confidence and undermine the political will to resist.

But this attritional approach I have outlined is only a snapshot of Chinese seapower today. It is possible that Beijing's application of graduated pressure is merely a stopgap measure, buying China time to build up the capacity to dictate events at sea. Recent trends suggest that both the military and non-military services will continue to bulk up on a steady diet of new hardware and manpower.

Twenty years of virtually uninterrupted double-digit hikes in the defense budget have afforded China the resources to develop options beyond those dedicated to a Taiwan contingency, an all-consuming preoccupation until recently. Analysts have detected military buildup in staging areas assigned to the Southeast Asian theater of operations. Beijing also appears to be pushing naval construction along multiple axes simultaneously, laying down hulls for warships of every type.

Similarly, the maritime-enforcement services are recruiting new manpower while taking delivery of decommissioned naval vessels. Furthermore, Chinese shipyards are turning out state-of-the-art cutters like sausages. Many are capable of sustained patrols in the farthest reaches of the China seas, assuring that Beijing can maintain a visible presence in waters where it asserts sovereign
jurisdiction. Indeed, Haijian 84, one of China’s most modern law-enforcement vessels, occupied the epicenter of the Scarborough Shoal imbroglio.

To be sure, China still lacks adequate military means to make the South China Sea a Chinese lake. Sea control that more or less permanently excludes rival navies from these waters remains beyond its reach, if indeed that is the goal.

Nevertheless, even a modest increase in Chinese seapower could perceptibly tip the regional balance of power in Beijing’s favor in peacetime contingencies not involving the U.S. Navy. Some local players, notably Vietnam, have embarked on naval modernization programs, but they are unlikely to keep pace with China. Over time, left unopposed by powerful outsiders such as the United States, Japan, or Australia, even small-scale shows of Chinese maritime power over Southeast Asian fleets might start to win grudging acquiescence to Beijing’s foreign policy preferences. Such consent, however reluctant, would deliver a severe blow to the foundations of regional order.

The foregoing analysis underscores the predicament of many Southeast Asian states if they faced China on their own. Not surprisingly, many regional capitals look to the United States to balk Chinese advances. They recognize that American primacy in maritime Asia will be the crucial arbiter of Chinese ambitions. Washington, for its part, has delivered very public pronouncements about its own stake in Asian waters. The Obama administration’s pivot or rebalancing to Asia sought to reassure audiences in the region that the United States will not abdicate the stabilizing role it has long played.

Fortunately, there is still time to maximize this convergence of interests and organize an effective response. China is at least a decade from amassing the type of preponderant seapower that can keep the United States out of the South China Sea while running roughshod over Southeast Asian states. In the meantime, Washington can adopt measures to ensure that regional submission to China’s wishes is not a foregone conclusion.

First, Washington and its allies should actively help Southeast Asian states help themselves. Local actors must possess some indigenous capability to cope with Chinese encroachments at sea. The U.S. transfer of 1960s’ vintage coast guard cutters to the Philippines is a modest step in the right direction. The timing of the deliveries turned out to be fortuitous: the first Philippine vessel to respond off Scarborough Shoal was flagship BRP Gregorio del Pilar, the former USCGC Hamilton. But, hand-me-downs are not enough to meet Manila’s needs. More modern and capable platforms are necessary to match China’s vessels. Japan’s recent offer of twelve brand new patrol boats to the Philippines is another encouraging sign that outside powers are seeking to right the regional balance of power.

Second, the United States should encourage the development of a region-wide effort to keep track of China’s maritime forces. Unmanned aerial systems, for instance, could furnish a common picture of the nautical domain on a more-or-less permanent basis to coastal states surrounding the South China Sea. By tapping into such technologies, an information sharing arrangement that make Asian waters both figuratively and literally more transparent would go a long way to shore up regional confidence and deterrence. It is worth noting that Tokyo has been
doing a signal service on behalf of the region by publicly reporting detailed accounts of Chinese naval transits through international straits and other activities near Japanese waters.

Third, the United States should draw up plans that would enable the U.S. military to rapidly deploy units armed with maritime-strike capability, such as anti-ship cruise missile batteries, on friendly or allied soil. Possessing the option to surge defensive forces onto allied territory at short notice would reassure U.S. allies in peacetime while substantially bolstering the U.S. capacity to act effectively in times of crisis. American reinforcements would steady nerves while stiffening the resolve of local defenders. The United States should also encourage allies and friends to develop or strengthen their own maritime-strike options.

Finally, the U.S. Navy should revisit prevailing assumptions about its ability to command the global commons. Years of post-Cold War permissiveness induced an airy confidence that made it seductively easy to take sea control for granted. Arguably, the last time that the U.S. Navy fought a serious foe was at Leyte Gulf in 1944. As China marches to the seas, a far more lethal nautical environment lies in store. For a service long accustomed to uncontested waters, coming to terms with risk to the fleet will be an ever urgent priority.

These steps would help construct a layered and interconnected defense posture that begins with the local actors themselves. As frontline states, they must be empowered to perform as first responders to Chinese moves at sea. Information sharing among the coastal states would underscore the shared stakes in the maritime commons while promoting collective action. A network of players alert to Beijing’s maneuvers stands a far better chance of deterring, and, failing that, reacting more quickly to Chinese actions. The United States, for its part, would provide a strategic backstop to Southeast Asian partners with low-profile, small-footprint military assets that pack a punch and serve as potent symbols of American commitment to the region.

Raising the costs of—and risks to—Chinese assertiveness in the South China Sea would complicate Beijing’s calculus while inclining Chinese leaders to think twice before they act. Inducing Chinese caution, moreover, would apply a brake to Beijing’s momentum at sea, brightening the prospects for restoring equilibrium to the region and for retaking the strategic initiative.
Chairman Ros-Lehtinen. Ms. Glaser, thank you.

STATEMENT OF MS. BONNIE GLASER, SENIOR FELLOW, FREE-MAN CHAIR IN CHINA STUDIES, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Ms. GLASER. Madam Chairman, Ranking Member Berman, distinguished members, thank you for inviting me to appear before your committee today to provide testimony on China as an emerging power in the South China Sea. The territorial and maritime disputes in the South China Sea pose a major test of China’s peaceful rise. In my written testimony, I list numerous examples of recent destabilizing activity in the region. And I conclude that there is a negative action-reaction cycle in the South China Sea. However, it is important to note that China’s claims, policies, ambitions, behavior, and capabilities are significantly different from those of other actors.

China’s 9-dash line claim is expansive and vague. Beijing resists engaging in multilateral discussions on the territorial and maritime disputes in the region, preferring bilateral mechanisms where it can apply leverage over smaller, weaker parties.

China’s behavior in the South China Sea is deliberate and systematic. Its actions are not the unintentional result of bureaucratic politics and poor coordination. The clear pattern of bullying and intimidation of other claimants is evidence of a top leadership decision to escalate China’s coercive diplomacy. This has implications not only for the Philippines and Vietnam, the primary targets of China’s coercive efforts, it also has broader regional and global implications.

First, China’s propensity to flout international laws and norms is worrisome, and it sets bad precedents. The result of Beijing’s refusal to abide by its verbal agreement with Manila to withdraw all of its ships from the lagoon in the area around Scarborough Shoal is that a new status quo has been established that favors Chinese interests. No country has publicly condemned this action, and this has set a dangerous precedent.

Second, China’s increased willingness to employ economic leverage to coerce countries to modify their policies in accordance with Beijing’s wishes is a worrying trend. China’s move to quarantine imported tropical fruit from the Philippines to pressure it to cede control over Scarborough Shoal was a flagrant breach of international norms. And this follows Chinese blocking of rare earth minerals to Japan in retaliation for Tokyo’s detention of the captain of a Chinese fishing trawler in 2010.

If China’s economic coercion continues to go unchallenged, undoubtedly such tactics will be used again and again. And a growing number of nations in the world whose economies are increasingly dependent on trade with China are vulnerable to such pressure. Third, China’s unwillingness to undertake serious diplomacy to resolve disputes should be a cause for concern, along with its rejection of a rules-based framework that would restrain the actions of all parties. In the future, China will not only be a major economic power, but also a major political and military power. Beijing calculates that time is on its side, and it does not want to be constrained by binding agreements.
It is my estimation that China’s pattern of assertive behavior on issues related to sovereignty will continue after the Chinese leadership transition takes place for the following reasons: First, legitimacy. Because the party bases its legitimacy in large part on nationalist credentials, no Chinese leaders will take early steps to curb domestic pressure to firmly defend Chinese sovereignty territorial integrity. Second, personality. Xi Jinping is widely believed to be highly self-confident. He is likely to stand up for Chinese interests in the international arena, especially those deemed to be China’s core interests, which include issues related to sovereignty. And third, interests. Beijing has drawn the conclusion that Deng Xiaoping’s policy toward managing the South China Sea disputes has failed. A new, tougher policy will likely emerge after the leadership transition.

Finally, I would like to offer a few policy recommendations. The Obama administration has rightfully enunciated a set of principles to guide behavior in the South China Sea. It is important that the U.S. hew closely to these principles and censure any party that acts contrary to them. Being objective and fair will give credibility to the U.S. policy. Secondly, the U.S. should urge all claimants to the South China Sea to bring their maritime claims in conformity with the U.N. Convention on the Law of the Sea. It should then encourage joint development agreements to extract resources. Third, the U.S. should continue to press China and ASEAN to initiate negotiations on a code of conduct that contains a dispute settlement mechanism. Once the process of negotiation begins, it is likely to have a calming effect that will defuse tensions. Fourth, it is imperative that the U.S. continue to strengthen our economic, diplomatic, and military engagement in East Asia. The rebalancing of U.S. strategic priorities to Asia is essential to ensure that the peace and stability that has prevailed in the region for the past two decades endures. And finally, the United States should ratify the U.N. Convention on the Law of the Sea to increase the effectiveness of U.S. efforts to pursue a rules-based approach to managing and resolving disputes over maritime jurisdiction. Thank you, Madam Chair.

Chairman ROS-LEHTINEN. Thank you very much.

[The prepared statement of Ms. Glaser follows:]
Bonnie S. Glaser  
Senior Fellow, Freeman Chair in China Studies,  
Center for Strategic and International Studies  
September 12, 2012  
Beijing as an Emerging Power in the South China Sea  
House Committee on Foreign Affairs

Madam Chairman, Ranking Member Berman, distinguished members, thank you for inviting me to appear before your committee today to provide testimony on China as an emerging power in the South China Sea.

The South China Sea encompasses a portion of the Pacific Ocean stretching roughly from Singapore and the Strait of Malacca in the southwest, to the Taiwan Strait in the northeast. The United States has a great deal at stake in the South China Sea. China, Taiwan, Indonesia, the Philippines, Vietnam, Malaysia, and Brunei assert overlapping sovereignty claims over land features and adjacent waters in the South China Sea. Failure to peacefully manage and ultimately resolve these conflicting claims could result in spiraling tensions and military conflict.

The waters of the South China Sea are among the world’s primary trade arteries. Over half of the world’s merchant fleet, by tonnage, sails through those sea-lanes each year. In addition, the South China Sea region contains an abundance of fish and potentially contains significant quantities of oil and gas resources strategically located near large energy-consuming countries.

Skirmishes took place periodically in the South China Sea from the mid-1970s to the mid-1990s. A decade of relative quiescence followed, but tensions have flared since 2007, with a marked increase in incidents and provocations. The main causes of growing tensions are 1) rising interest in surveying and exploiting the South China Sea’s oil and gas deposits; 2) intensified competition for fish as fish stocks in close proximity to coastlines are depleted; 3) the May 2009 deadline for submission of claims by coastal states of extended continental shelf rights beyond 200 nautical miles to the UN Commission of the Limits of the Continental Shelf; and 4) growing nationalistic pressures on governments to defend their territorial and maritime claims.

Below are some examples of destabilizing activity in the region in the past few years:

- China challenged, and in some cases threatened, foreign oil companies, including American companies, investing in Vietnam’s offshore oil and gas blocks
- China detained hundreds of Vietnamese fishermen and allegedly shot at Vietnamese fishing boats near the Chinese-held Paracel Islands
- Chinese maritime surveillance ships cut the cables of Vietnamese oil exploration ships conducting seismic surveys within Vietnam’s 200-mile exclusive economic zone (May and June 2011)
• The China National Offshore Oil Corporation (CNOOC) offered oil exploration leases in nine blocks located within Vietnam’s EEZ and overlap with blocks offered for development to foreign energy corporations by state-owned PetroVietnam (June 2012)
• Vietnam initiated military surveillance flights over the Spratly Islands (June 2012)
• China’s military announced the commencement of combat-ready naval and aerial patrols to the Spratly Islands to “protect national sovereignty and [China’s] security development interests.” (June 2012)
• China dispatched a flotilla of 30 fishing trawlers escorted by a 3,000 ton Fishery Law Enforcement Command ship to disputed waters in the Spratly Islands (July 2012)
• Vietnam’s National Assembly adopted the Law of the Sea of Vietnam covering the country’s baseline, internal waters, territorial sea, contiguous zone, EEZ, continental shelf, the Paracel and Spratly archipelagos and other claimed areas (June 2012)
• In response to Vietnam’s action, China upgraded the administrative status of Sansha city on Hainan Island (June 2012) and established a military garrison on Woody Island (July 2012)
• The Philippines Navy dispatched a frigate to Scarborough Shoal to investigate the presence of eight Chinese fishing boats (April 2012)
• Responding to the Philippines action in Scarborough Shoal, China a) deployed at one point nearly one hundred surveillance ships, fishing boats, and utility craft in the lagoon; b) extended its annual unilateral fishing ban to cover the waters around Scarborough Shoal; c) quarantined tropical fruit imports from the Philippines; d) failed to abide by a verbal agreement reached with Manila to withdraw vessels from the lagoon; and e) roped off the mouth of the lagoon to prevent other fishermen from entering (April – August, 2012)
• Beijing used its influence with Cambodia, the current ASEAN chair, to prevent reference to the Scarborough Shoal and EEZ issues in the text of the joint communiqué at the annual meeting of ASEAN foreign ministers, which led to a failure of ASEAN to issue a final communiqué for the first time in the organization’s 45-year history.

It is evident from the above that there is a negative action-reaction cycle underway in the South China Sea. However, it is important to note that China’s claims, policies, ambitions, behavior, and capabilities are significantly different from those of other actors. China’s nine-dashed line claim based on initial discovery, historical records, and international law is expansive and vague. Beijing refuses to engage in multilateral discussions on the territorial and maritime disputes in the region, preferring bilateral mechanisms where it can apply leverage over smaller, weaker parties. China rejects a role for the International Court of Justice (ICJ) or the International Tribunal on the Law of the Sea (ITLOS) in resolving the territorial and maritime disputes in the South China Sea. Although Beijing has agreed to eventually enter into negotiations to reach a Code of Conduct for the South China Sea, Chinese officials have recently stated that discussions can only take place “when conditions are ripe.” Instead, Chinese officials emphasize the
2002 Declaration on the Conduct of Parties in the South China Sea, which has no dispute resolution mechanism and is not legally binding.

China’s behavior in the South China Sea is deliberate and systematic; its actions are not the unintentional result of bureaucratic politics and poor coordination. In fact, the spate of actions by China in recent months suggests exemplary interagency coordination, civil-military control and harmonization of its political, economic and military objectives. The clear pattern of bullying and intimidation of the other claimants is evidence of a top leadership decision to escalate China’s coercive diplomacy. This has implications not only for the Philippines and Vietnam, the primary targets of China’s coercive efforts, but also has broader regional and global implications.

First, China’s propensity to flout international law and norms is worrisome and sets bad precedents. The result of Beijing’s deliberate refusal to abide by its verbal agreement with Manila to withdraw all its ships from the lagoon and the area around Scarborough Shoal is that a new status quo has been established that favors Chinese interests. China is maintaining regular patrols and preventing Filipino fishermen from fishing in those waters. No country has publicly condemned this action. This has set a dangerous precedent.

Second, China’s increased willingness to employ economic leverage to coerce countries to modify their policies in accordance with Beijing’s wishes is a worrying trend. China’s move to quarantine imported tropical fruit from the Philippines to pressure it to cede control over the Scarborough Shoal was a flagrant breach of international norms. Chinese customs officials cited baseless claims that the fruit was infested. The Philippines economy suffered immediate harm since the country exports nearly one third of its banana crop to China, as well as papayas, pineapples, mangoes, and coconuts. In addition, Chinese travel agencies cancelled tourist charter flights to the Philippines on the grounds that the safety of Chinese tourists was endangered.

This episode is but one example of China’s growing penchant to use economic coercion. In September 2010, Beijing blocked shipments of rare earth minerals to Japan in retaliation for Tokyo’s detention of the captain of a Chinese fishing trawler in an incident near the Senkaku Islands. Later that year, following the announcement that the Nobel Peace Prize would be awarded to Chinese dissident Liu Xiaobo, China took a series of steps to punish Norway, even though the decision to whom to award the prize is made by the Nobel Committee, which is independent from the Norwegian government. China froze FTA negotiations with Norway and imposed new veterinary inspections on imports of Norwegian salmon that resulted in 60% cut in salmon imports in 2011 from Norway even as the Chinese salmon market grew by 30 percent. Beijing also halted normal diplomatic interaction with Norway, which has yet to resume.

Beijing views these cases as diplomatic successes. If China’s economic coercion continues to go unchallenged, undoubtedly such tactics will be used again and again. Countries that are vulnerable to such pressure may be compelled to alter their policies in ways that are detrimental to their interests, China is thus likely to have sway over a
growing number of nations in the world whose economies are increasingly dependent on trade with China.

Third, China’s unwillingness to undertake serious diplomacy to resolve disputes should be cause for concern along with its rejection of a rules-based framework that would restrain the actions of all parties. Beijing calculates that time is on its side; it does not want to be constrained by binding agreements. In the future, China will not only be a major economic power, but also a major political and military power. Other nations, large and small, will be compelled to adapt to China’s rise and to respect China’s “core interests and major concerns.” At the same time, Beijing shows virtually no willingness to accommodate to the interests and concerns of other nations. In the absence of a Code of Conduct in the South China Sea that has teeth, tensions are likely to continue to rise. The use of military force by claimants to protect their interests with the attendant risks of escalation cannot be ruled out.

**China’s Naval Modernization and Ambitions**

Emerging world economic and political powers have usually also been rising world naval powers. China is likely to be no exception. The growing dependence of the Chinese economy on trade and imported energy will impel China to develop greater naval capabilities and over time this will likely include the ability to project power over great distances. In the near term, however, China’s priorities on disputed territories and resources, and deterring Taiwan independence will likely keep it primarily regionally focused. China’s “near seas”—the Yellow Sea, East China Sea, and South China Sea—represent areas of special strategic importance to China. These seas are regarded as a security buffer in addition to a potential source of oil and gas.

China is developing a range of naval and other capabilities in support of what it refers to as the “counter intervention” mission. The U.S. Department of Defense describes these as “anti-access” and “area denial” capabilities. The objective appears to be to acquire the means to strike, at distances far from China’s coast, military forces that might deploy or operate within the western Pacific. According to the DOD report to Congress on China’s military capabilities in 2011, China’s current and projected force structure improvements will provide the PLA with systems that can engage adversary surface ships up to 1,850 km from China’s coast. These include anti-ship ballistic missiles, conventional and nuclear-powered submarines, surface combatants, and maritime strike aircraft. In the future, these capabilities will be enhanced by newer systems including the J-20 stealth fighter and longer-range conventional ballistic missiles, UAVs, ground- and air-launched land-attack cruise missiles, and cyber warfare capabilities.⁴

China’s first aircraft carrier (a KUZNETSOV-class aircraft carrier Hull acquired from the Ukraine) began sea trials in 2011. It will provide an important training and evaluation platform, and eventually a limited capability for carrier-based air operations. Chinese military analysts have speculated the carrier will be based at China’s new naval base at Yalong on the southern tip of Hainan Island, close to the disputed Spratly and
Paracel Island groups. Efforts are underway to build China’s first indigenous carrier that could be completed and achieve operational capability after 2015 and be followed by “multiple aircraft carriers and associated support ships over the next decade.”

Although China is vigorously modernizing its armed forces, including its naval forces, it has remained reluctant to employ them. In the South China Sea, for example, China has relied primarily on civilian maritime agencies to assert and defend Chinese claims, not the Chinese navy. These agencies include the maritime police, the Border Control Department, State Oceanographic Administration, Fisheries Law Enforcement Command, and Coast Guard. Nevertheless, the PLAN has increased deployments and patrols and stands behind the white-hulled ships, ready to intervene if other means fail to protect Chinese sovereignty, security and maritime rights and interests.

**China’s Leadership Transition and Future Chinese Assertiveness**

It is my estimation that China’s pattern of assertive behavior on issues related to sovereignty will continue after the Chinese leadership transition takes place at the 18th Party Congress this autumn and the National People’s Congress next spring for the following reasons:

1. Because the party bases its legitimacy in large part on its nationalist credentials, no Chinese leader is likely to take early steps to curb the surge in pressure from various domestic sources to firmly defend Chinese sovereignty and territorial integrity. Popular sentiment in favor of a tougher Chinese stance toward the South China Sea has already been stoked. The incoming leadership will undoubtedly be aware of the risks of further stoking these sentiments, but the temptation will be irresistible because of the benefits for their legitimacy.

2. Xi Jinping, Hu Jintao’s likely successor, is widely believed to have a high degree of self-confidence—certainly far more than Hu had ten years ago when he assumed power. Whereas Hu Jintao focuses on China’s weaknesses, Xi is from a new generation that grew up in the era of reform and opening up to the outside world and believes that China is rising quickly. Confident in the belief that China’s power is growing and the gap between US and Chinese power is narrowing, Xi is likely to stand up for Chinese interests in the international arena, especially those deemed to be China’s “core interests,” which include issues related to sovereignty.

3. To some extent scholarly debate in China has been artificially repressed in the run-up to the leadership transition. Debates are likely to intensify next year over a) whether or not the U.S. is in decline and the global balance of power is shifting inexorably in China’s favor; and b) whether China’s 20 year period of strategic opportunity that began in the turn of the century is prematurely coming to an end. These debates will put additional pressure on the Chinese leadership to assertively defend Chinese interests.
4. According to informed Chinese analysts, Beijing has drawn the conclusion that Deng Xiaoping’s policy toward managing the South China Sea disputes has failed. That policy stated: a) sovereignty belongs to China; b) the disputes can be set aside; and c) joint development can be pursued. The Chinese maintain that while China has refrained from extracting oil and gas in disputed waters, other countries have not been similarly restrained. A new policy has yet to emerge and will likely be postponed until after the leadership transition. It is almost certain that the new policy will be tougher.

Policy Recommendations

The Obama administration has rightfully enunciated a set of principles to guide behavior in the South China Sea. In July 2010, Secretary of State Hillary Clinton called for “a collaborative diplomatic process by all claimants for resolving the various territorial disputes without coercion.” She stated that the U.S. opposes the use or threat of force by any claimant and insists on unimpeded commerce, freedom of navigation, and open access to Asia’s maritime commons. Clinton maintained that claimants should pursue their territorial claims and accompanying rights to maritime space in accordance with the UN Convention on the Law of the Sea. She urged all parties to reach agreement on a Code of Conduct and offered to facilitate initiatives and confidence building measures.8

It is important that the US adhere to these principles and censure any party that acts contrary to them. Being objective and fair will give credibility to U.S. policy. An exemplary even-handed statement was made by Secretary of Defense Leon Panetta at the Shangri-La Dialogue in Singapore in June. After re-stating U.S. principles, he noted that the U.S. had “made our views known and very clear to our close treaty ally, the Philippines, and we have made those views clear to China and to other countries in the region.”8

The August 3, 2012 State Department Press Statement on the South China Sea marked an unfortunate departure from this even-handed and objective approach. The Statement rightfully noted the increase in tensions in recent months, citing coercive economic actions, the use of barriers to deny access to Scarborough Shoal, and the establishment of new military garrison by China covering disputed areas of the South China Sea.8 However, by singling out China for reproach by name and not mentioning the provocative actions of other claimants, the U.S. provided Beijing with ammunition to argue that Washington has taken sides against China and undermined the U.S. stance that the South China Sea disputes should be managed based on a principled approach. There is no doubt that China’s behavior has been the most egregious of all the actors in the South China Sea, however, the U.S. damages its credibility by not acknowledging the violations of other parties.8

Going forward, the U.S. should hew closely to its principled approach to managing the South China Sea territorial disputes and maintain its longstanding position of neutrality on those disputes. At the same time, emphasis should be placed on the
shared interests of the U.S. and other nations in international norms that are threatened by China’s assertive policies.

Second, the U.S. should urge all claimants to the South China Sea to bring their maritime claims in conformity with the UN Convention on the Law of the Sea (UNCLOS). It should then encourage joint development agreements to extract resources.

Third, the U.S. should continue to press China and ASEAN to initiate negotiations on a Code of Conduct that is legally binding and contains a dispute settlement mechanism. Once the process of negotiations begins, it is likely to have a calming effect that will diffuse tensions.

Fourth, the smaller states of the region are anxious that the new type of major power relationship that is being discussed by Washington and Beijing will lead to increased U.S.-China cooperation at the expense of the interests of other countries, including the members of ASEAN. These concerns should be promptly dispelled and the U.S. should continue to promote ASEAN centrality as an anchor of regional stability.

Fifth, it is imperative that the U.S. continue to strengthen our economic, diplomatic, and military engagement in East Asia. The rebalancing of U.S. strategic priorities to Asia is essential to ensure that the peace and stability that has prevailed in the region for the past two decades and from which all regional nations have derived benefit endures.

Sixth, the United States should ratify UNCLOS to increase the effectiveness of U.S. efforts to pursue a rules-based approach to managing and resolving disputes over maritime jurisdiction.

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Chairman ROS-LEHTINEN. Dr. Cronin.

STATEMENT OF RICHARD CRONIN, PH.D., DIRECTOR, SOUTHEAST ASIA PROGRAM, STIMSON CENTER

Mr. CRONIN. Thank you very much, Madam Chair.
Chairman ROS-LEHTINEN. Bring the microphone closer to you.
Mr. CRONIN. Yes, I will. Thank you. I am pleased and honored to have an opportunity to testify on this very important and even urgent issue. If I may say a word about the Stimson Center. We are a non-profit, nonpartisan institution devoted to enhancing international peace and security through a unique combination of rigorous analysis and outreach. Stimson's approach is pragmatic, geared toward providing policy alternatives, solving problems, and overcoming obstacles to a more peaceful and secure world. I am speaking for myself, and not Stimson, but my remarks are intended to contribute to these objectives.

China's rise and its ambitions to make up for past centuries of humiliation and become the dominant power in East Asia and Southeast Asia is probably the most important geostrategic issue facing the United States in the 21st century. In the South China Sea and elsewhere, including other parts of East Asia, the maritime territorial disputes are the product of a shrinking world and a combination of natural resources that have ever increasing value because of the fast growing imbalances between supply and demand. For the United States, as well as China's neighbors, the most challenging aspect is its lack of commitment to a rules-based international system except as serves its perceived national interests. This aspect of Beijing's policies and actions is nowhere more apparent and challenging than in the case of the South China Sea, which is a locus of serious and potentially volatile maritime territorial disputes.

Of particular concern to the United States, which maintains a significant military presence in the region, is the fact that China is seeking to redefine the very definition of international waters, traditionally known as the high seas, by asserting rights of sovereignty where none exist. While the Chinese Government has negotiated and committed to numerous international agreements, based on prevailing international laws, rules and practices, its strong preference, as Bonnie has already pointed out, is for bilateral agreements based on political relationships and power disparities that favor China rather than multilateral agreements that are based on established rules and norms. These tendencies are particularly troubling in China's expansive claims in the semi-enclosed South China Sea, one of the world's most geographically and commercially important bodies. The South China Sea has globally important fisheries and undersea oil deposits and gas, which are still largely unexplored, but already vital to the energy needs and economies of five other coastal and archipelagic neighbors, Vietnam, Malaysia, Indonesia, Brunei, and the Philippines.

Since about 2009, incidents at sea involving China and several neighbors, especially Vietnam and the Philippines, have become more frequent and more serious. And I will skip describing the situation at Scarborough Shoal with the Philippines and other incidents with Vietnam in the interests of time. The single greatest ob-
stacle to resolving maritime disputes in the South China Sea is a fundamental divide between China on one side and the Southeast Asian claimants on the other over both competing territorial claims and the rights to the seas around them. Most of the current issues relate to provisions of the United Nations Convention on the Law of the Sea, commonly known as UNCLOS, as has already been mentioned.

The main purpose of UNCLOS was to bring order to a chaotic rush involving numerous coastal nations, including the United States, during the Truman administration to lay claim to offshore natural resources that was already underway. UNCLOS has served its purpose well in generating recognized EEZs, that is exclusive economic zones, and facilitating resolution of disputes in many parts of the world that has become a huge source of contention in the South China Sea.

The most controversial issue of principle in international law is China's claim to roughly 90 percent of the South China Sea on the basis of past discovery and historical use. To the consternation of every other South China Sea neighbor, and with no basis under UNCLOS or any other international law, China's maps include a so-called U-shaped line colloquially known as the Cow's Tongue because of its drooping shape. There is a map in my testimony on this with this line. And on one hand it is a subject of derision by every country, but on the other hand, the Chinese are not only—it is not only a nominal notion of their claim, but as you may know recently, China actually announced the opening of nine oil development blocks essentially where the line cuts deeply into Vietnam's economic zone in the Continental Shelf.

Chairman Ros-Lehtinen. If you could wrap up, Dr. Cronin.

Mr. Cronin. Pardon?

Chairman Ros-Lehtinen. If you could wrap up.

Mr. Cronin. Okay. I will wrap up. Thank you very much. In my statement, I talk about the negative impact on ASEAN, which I think everyone is aware, including the failure to achieve a communique, a final communique at the ASEAN meetings in Phnom Penh this summer, this July. The other thing that I have written about and would mention is simply that China's declaration of the so-called Sansha City, which is on a tiny Yongxing Island, otherwise known as Woody Island, that effectively creates an administrative zone over not only the islands of the South China Sea, but also submerged areas like the Macclesfield Bank, and of course the Scarborough Shoal.

In my testimony, there is a map showing which countries occupy which islands in the sea. So, okay, let me just wrap up then in this way.

U.S. policy implications—in my statement, I have kept remarks on U.S. policy relatively brief, thinking it might be more useful to discuss this issue in response to your questions and comments. With its rising naval power, China could, in theory, enforce its claims despite the complaints of its neighbors, but only at serious risk to other important equities, Chinese equities, starting with the desire not to unite its neighbors against it. The commitment of the United States not to be pushed out of the South China Sea, including the so-called rebalancing of U.S. military forces toward the
Asia-Pacific region, also has a deterrent effect, much as China rails against what it sees as a growing U.S. effort to contain China and deny it the fruits of its rising power status.

Chairman ROS-LEHTINEN. Thank you very much, Dr. Cronin.
Mr. CRONIN. Thank you.
[The prepared statement of Mr. Cronin follows:]

Richard P. Cronin
Director, Southeast Asia Program
Stimson Center
Washington, DC

Hearing on Beijing as an Emerging Power in the South China Sea
Before the House Committee on Foreign Affairs
September 12, 2012

I am pleased and honored to have this opportunity to testify on this very important and even urgent issue. If I may say a few words about the Stimson Center, we are a nonprofit, nonpartisan institution devoted to enhancing international peace and security through a unique combination of rigorous analysis and outreach. Stimson’s approach is pragmatic—geared toward providing policy alternatives, solving problems, and overcoming obstacles to a more peaceful and secure world. I am speaking for myself, and not Stimson, but my remarks are intended to contribute to these objectives.

Introduction and Overview:¹

China’s rise and its ambitions to make up for past centuries of humiliation and become the dominant power in East and Southeast Asia is unavoidably the most important geostrategic issue facing the United States in the 21st Century.

For the United States as well as China’s neighbors, the most challenging aspect of its rise is a lack of commitment to a rules-based international system except as it serves its perceived national interests. This aspect of Beijing’s policies and actions is nowhere more apparent and challenging than in the case of the South China Sea, which is the locus of serious and potentially volatile maritime territorial disputes.

Of particular concern to the United States, which maintains a significant military presence in the region, is that China is seeking to redefine the very definition of international waters—traditionally known as the “high seas”—by asserting rights of sovereignty where none exist. In pursuit of this policy, Chinese maritime patrol vessels have engaged in dangerous maneuvers and other forms of harassment against US naval vessels in international waters adjacent to the Chinese coast.

While the Chinese government has negotiated and committed to numerous international agreements based on prevailing international laws, rules and practices, its strong preference is for bilateral agreements based on political relationships and power disparities that favor China rather than multilateral agreements that are based on established international rules and norms.

¹ This statement draws extensively from recent work by Richard Cronin, Director (and lead co-author) and Zachary Dubel, Research Associate in Stimson’s Southeast Asia Program.
These tendencies are particularly troubling in China’s expansive claims in the semi-enclosed South China Sea, one of the world’s most geographically and commercially important bodies of water. The South China Sea has globally important fisheries and undersea oil and gas deposits that are still largely unexplored but are already important to the energy needs and economies of five other coastal and archipelagic neighbors—Vietnam, Malaysia, Indonesia, Brunei and the Philippines.

Because the territorial disputes have prevented exploration, the actual value of the undersea hydrocarbons – of which some 60-70 percent are thought to be in the form of natural gas – vary wildly. One Chinese estimate suggests potential oil resources as high as 213 billion barrels of oil (bbl) – a veritable new Persian Gulf – while a mid-1990s estimate by the US Geological Survey estimated the sum total of discovered reserves and undiscovered resources in the offshore basins of the SCS at 28 billion bbl. In fact, while nobody knows how valuable these resources may be, every claimant has high expectations.

Of even more immediate relevance, the South China Sea is home to large and highly coveted fish populations. Chinese patrol boats have increasingly harassed or seized fishing boats operating in the contested area. Vietnam and other countries have sometimes done the same, but China now has far more naval and civilian patrol capability which it sometimes deploys in an aggressive manner in support of its perceived interests.

**Centrality of China to Current Disputes and Tensions in the South China Sea**

Most if not all of the other countries have also made claims that are at least partly at variance with UNCLOS rule, but China is the revisionist power. Most of the countries of the South China Sea littoral have disputes over maritime boundaries or territorial claims of one kind or another, but apart from those involving China, none of the disputes have seriously threatened regional peace and stability. China is an extreme outlier in several important categories of disputes and the combination of its rising economic and military power and assertiveness has made the South China Sea a potential flashpoint of conflict.

China’s claim to most of the South China Sea based on a long history of visits, discovery, fishing and sometimes occupation and administration is the single most contentious factor. Under UNCLOS “historical waters” claims are valid only for some specific bays and other small semi-enclosed bodies of water. For all practical purposes Beijing appears to view the sea that is shared by China and eight neighbors as a contemporary version of the Roman’s mare nostrum (“Our Sea” in Latin), now the Mediterranean Sea. Increasingly, Beijing has been attempting to use its rising economic and military power to make its dominance a reality.

Since about 2009 incidents at sea involving China and several neighbors—especially Vietnam and the Philippines—have become more frequent and more serious. Some
incidents have involved cutting the cables of Vietnamese owner or chartered oil and gas exploration vessels, the cutting of nets, arrests of crews and sinking of fishing boats on the part of several countries, including the loss of life in a few cases. The potential for unintended escalation has become more frequent and the positions of all of the involved countries have hardened.

**UNCLOS and the Rise of East Asian Maritime Disputes**

The single greatest obstacle to resolving maritime disputes in the South China Sea is a fundamental divide between China on one side and the Southeast Asian claimants on the other over maritime territorial claims and the rights to the sea areas around them. Most of the current issues relate to provisions of the United Nations Convention on the Law of the Sea, commonly known as UNCLOS.

The South China Sea disputes involve both the delineation of EEZs and continental shelves as well as claims to islands, atolls, shoals, reefs and submerged banks by China and one or more of four Southeast Asian countries as well as Taiwan. Also at issue are traditional rights which are not specifically addressed by UNCLOS of both regional and extra-regional countries, including the United States, to freedom of navigation and military operations in waters over continental shelves and the EEZs.

UNCLOS was completed in 1982 after nine years of deliberations and came into force on November 14, 1994 following additional negotiations and changes and the accession of the 60th state (Guyana) the previous year. UNCLOS consolidates several previous international treaties that were also negotiated under United Nations auspices.

The main purpose of UNCLOS was to bring order to a chaotic rush involving numerous coastal nations to lay claim to offshore natural resources that was already underway. UNCLOS has served its purpose well in generating recognized EEZS and facilitating the resolution of disputes in many parts of the world, but it has become a source of contention in the South China Sea.

Despite its major role in initiating and shaping the treaty, the United States has not yet ratified it. Nonetheless, three successive US administrations have formally supported its principles. China, along with some 161 other countries and the EU has acceded to the convention, but Beijing “cherry picks” the parts that are advantageous to it and opposes or misconstrues the rest. (The treaty, which currently is on the US Senate’s agenda, enjoys the support of a bipartisan majority but as in the past, a few implacable opponents have succeeded in blocking a vote.)

**China’s Nine-Dashed Line**

The most controversial issue of principle and international law is China’s claim to roughly 90 percent of the South China Sea on the basis of past discovery and historical use. To the consternation of every other South China Sea neighbor and with no basis under UNCLOS or any other international law, China’s maps include a so called U-
shaped nine-dashed line, known colloquially as the "cow’s tongue" because of its drooping shape. (See map) China has never explained the exact meaning of the line, which was originated by the pre-1949 Chinese Nationalist Government, but it is shown on all Chinese maps. China attached a map showing the nine-dashed line as an appendix to a 2009 protest to UNCLOS in response to continental shelf claims submitted by Malaysia and Vietnam, but without comment.

The nine-dashed line in particular totally undercut the main purpose of UNCLOS, which was adopted in 1982 and came into force in 1994, principally to bring order to a growing tendency of countries to assert economic rights to their continental shelves.

In recent years Chinese officials in private and Chinese scholars in public have tried to make the line as palatable as possible, sometimes implying that it just indicates the outer boundary of its claims to islands and other features. These efforts have been undercut by bellicose statements by senior PLA officials. Even more provocative, on June 23, 2012 China offered nine blocks for bidding by international oil and gas companies that off the coasts of Central and Southern Vietnam. The blocks follow the curve of the nine-dashed line where it cuts deeply into Vietnam’s EEZ and continental shelf, and overlap four blocks already offered for bids.

Specific Maritime Territorial Disputes
The area China claims under its nine-dashed line overlays disputes over specific “features” in the sea itself. The four main areas of contention include the Paracels and Spratlys island groups, the Macclesfield Bank, and Scarborough Shoal (or Reef). All of these islands, atolls, reefs, and banks are claimed by more than one party.

The mostly uninhabited Paracel Islands are also claimed by Vietnam, but they are now entirely controlled by China, which seized them from the weakening government of South Vietnam in a small naval and infantry engagement in 1974. China also seized Johnson South Reef from united Vietnam in 1988.

Both actions involved many Vietnamese casualties inflicted by superior sized and armed Chinese forces, and are likely to long remain a sore point in Vietnam’s attitude towards China. A Chinese film of the 1988 attack in the Spratlys has been widely circulated on YouTube, and shows Vietnamese sailors being mowed down while standing in waste deep water by Chinese gunboats.¹

Few natural islands and other features in either the Spratlys or Paracels constitute “terra firma” under UNCLOS and can generate their own territorial waters, let alone a 200 n mile EEZ. The islands do not have any natural fresh water sources beyond purified rainwater, and subsequently are difficult to classify as naturally habitable. This means that, under Article 121 of UNCLOS, they would likely not qualify as able to project an exclusive economic zone of their own, but rather would be entitled only to 12 mile territorial seas at most.²

**The Paracels**

The Paracels are host to important commercial fisheries and are widely believed to have major undersea deposits of oil and gas. They sit astride the most direct sea line of communication between Northeast and Southeast Asia and the oil rich Persian Gulf area and European markets. The Paracel islands and rocks do not have any natural fresh water sources beyond purified rainwater, and subsequently are difficult to classify as naturally habitable. This means that, under Article 121 of UNCLOS, they would likely not qualify as able to project an exclusive economic zone of their own.

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¹ See for instance, “China’s massacre in Spratly islands [real footage 1988].”
http://www.youtube.com/watch?v=blzZfIp8Smc&feature=related
² Part VIII, Article 121, Regime of islands, specifies that:
1. An island is a naturally formed area of land, surrounded by water, which is above water at high tide.
2. Except as provided for in paragraph 3, the territorial sea, the contiguous zone, the exclusive economic zone and the continental shelf of an island are determined in accordance with the provisions of this Convention applicable to other land territory.
3. Rocks which cannot sustain human habitation or economic life of their own shall have no exclusive economic zone or continental shelf.
The Spratlys

The number of islands and bodies that collectively make up the Spratlys varies depending on what definition is used to determine what land feature is counted, as many of the features are only above the ocean surface for limited time or are constantly below the waterline, such as the numerous reefs. Thus estimates vary considerably, but of these approximately 50 are occupied by one of the five claimant states, though this occupation does not necessarily mean a continuous presence. Many islands host garrisons, but others are only subject to occasional visitation and patrol by soldiers of the occupying state in order to reinforce claims, so there is a little ambiguity in what features are actually occupied.

The Spratlys group is also claimed in entirety or parts by Vietnam, Malaysia, the Philippines, to which they are closest, and Taiwan. Of all of the five claimant states to the Spratlys, Vietnam holds the lion’s share of occupied islands. (See Appendix I – Occupation of the Spratlys)

However, relatively few of these occupied features have any portion above water at high tide, a requirement under UNCLOS for the establishment of a territorial sea. Altogether, the total amount of land that is consistently above the water surface is less than 5 km². While some sources claim that small rocks and other naturally occurring portions of otherwise low-water features, such as Johnson South Reef, are above water even at high tide, these reports are disputed, both in terms of their accuracy and how meaningful they might be in any event.

The map below shows the locations and ownership of land features in the Spratlys with at least some portion of land above high tide:
In the Spratlys, only Taiwan, the Philippines, and Vietnam control islands of any substantial size. The Chinese and Malaysian controlled features with land above high tide are limited to small rocks. Of all of these features only the Taiwanese Itu Aba Island (or Taiping Island) is known to have a natural source of fresh water, and thus arguably the only island in the Spratlys potentially capable of fulfilling the requirement of being able to independently sustain human habitation to establish a 200-mile EEZ.

Macclesfield Bank and Scarborough Shoal

The South China Sea is dotted with several clusters of hundreds of small atolls, low-lying reefs and submerged reefs, shoals and banks. These areas are treacherous to shipping because many of the features are surrounded by deep water. Because of their underwater topography the shoals and banks are rich fishing grounds and have been used by fishers
from China, the Philippines and other Southeast Asian countries for centuries and perhaps millennia.

The Macclesfield Bank is a 6,500 square kilometers area of mainly submerged reefs and shoals circumscribed by a broken outer reef, lying east of the Paracels and north of the Spratlys. The bank, which is a rich fishing ground, is claimed by the Philippines as part of its Zambales Province and by China and Taiwan.

Scarborough Shoal is very large triangular shaped atoll with a rim of reefs and small rocks covering an area of 150 square kilometers that encloses a shallow lagoon covering some 130 square kilometers, one of the world’s largest. Fishers from several littoral South China Sea countries have fished and sometimes sought shelter within the lagoon for centuries.

China’s Declaration of Sansha “City”

Having become more and more assertive during the past few years in contesting its claims through the use and threat of force, China has now upped the ante by announcing the creation of the new municipality of Sansha (or “Three Sands”) in the South China Sea. The “Three Sands” name of the new prefecture refers to the three most important disputed geographic features of the South China Sea—the Paracels and Spratlys island groups, and the completely submerged Macclesfield Bank that China calls, respectively as the Xisha, Nansha and Zhongsha islands. Sansha will, at least nominally, assume administrative control over the former county-level administrative office based on Hainan Island, its southernmost province.

The governmental seat of this new prefecture-level city is based on what it calls Yongxing Island, some 350 kilometers (220 miles) southeast of Hainan Island. The island, which was uninhabited apart from some fishermen until China deployed military personnel and some civilians is known on international charts as Woody Island and to Vietnam as Phu Lam Island.

The total area claimed by the city itself simultaneously makes it one of the smallest and largest cities in the world. The total land amount of land is less than 15 square kilometers—just half again the size of tiny Smith Island in the Chesapeake Bay. The island is so small that a 8,900 ft. long (2,700 m) airstrip, which the Chinese military completed in 1990 sticks out nearly half the width of the island into its surrounding coral reef and the sea itself. However, the water area claimed by Sansha approaches nearly 2 million square kilometers—about one fourth larger than the Gulf of Mexico.

China’s establishment of Sansha Municipality directly conflicts with the claims of one or more of four other countries—Brunei, Malaysia, the Philippines, and Vietnam, and overlaps entirely with those of Taiwan.

China’s Sansha declaration set of a fire-storm of criticism as well gasps of astonishment at the audacity of Beijing’s latest move. While the declaration of Sansha City
undoubtedly will increase tensions in the region, it may not result in any meaningful increase in Chinese firepower in the South China Sea. According to the Chinese Ministry of Defense, the responsibilities for the Sansha garrison will be defense mobilization, militia reserves, guarding the city, and disaster relief, and that "whether a military establishment has combat forces or not depends on its military tasks."

The responsibility for maritime defense, however, remains with the separate Xisha (Chinese for the Paracels) garrison under the South Sea Fleet of the PLAN, as it has for years. Subsequently, it appears as though the bulk of this new garrison will likely be administrative and logistics staff-hardly a sign of China embracing the military option for dispute settlement. Instead you have a move that sounds imposing, and would also help solidify China's claim to administration of the islands it controls, but ultimately may not lead to any real increase in the number of Chinese guns in the South China Sea.

The Scarborough Shoal Incident Involving China and the Philippines

With regard to disputes with the Philippines, China has increased pressure by sending PLA Navy vessels to the area around the disputed reefs. On the night of Wednesday, July 8, in the midst of a row over South China Sea disputes at the annual ASEAN Foreign Minister’s meetings in Phnom Penh a PLA frigate ran hard aground near Half Moon Shoal, just 60 miles off the nearest Philippines coast. The frigate had every right to be there but in the context of recent incidents over fishing rights the presence of the ship appeared provocative and it could hardly have run aground in more embarrassing circumstances.

Apart from the desire to avoid a serious military clash that might escalate, the main check on China’s assertiveness in supporting its claims is the desire not to alienate its neighbors, especially in Southeast Asia, where it seeks friendly relationships to support economic integration. At several points in the past China backed off in asserting its claims in the face of a united ASEAN front. In 2002 Beijing joined with the ASEAN in adopting a Declaration on the Conduct of Parties in the South China Sea (DOC) regarding the non-use of force in maritime disputes but continued to resist proposals for a more specific regional Code of Conduct.

How much importance China continues to give to this concern is increasingly doubtful. After years of “smile diplomacy” and the promotion of investment and preferential trade agreements, China’s assertiveness in advancing its maritime claims has created consternation and disarray among the ten countries of the Association of Southeast Asian Nations (ASEAN), five of which have maritime disputes with China.

No event demonstrates the polarization of Southeast Asia over China's assertive promotion of questionable maritime territorial claims more than the unprecedented failure of the ASEAN foreign ministers to adopt a final communique at their annual meeting in Phnom Penh in July 2012 because of differences over the South China Sea disputes. For the first time in its 45-year history the consensus-obsessed ASEAN countries could not
agree on the language of the normally bland document. Cambodia, the host government and China’s best friend in Southeast Asia, balked at the demand by Vietnam and the Philippines for a reference to the uneven confrontation between Chinese and Philippines ships at Scarborough Shoal in the Spratlys.

Because of Cambodia’s insistence that mention of the South China Sea confrontation could not be included in the communique the delegates left without issuing one. It is hardly unusual for ASEAN to avoid mentioning controversial issues, but it unprecedented for any issue to cause the failure to achieve a least-common-denominator consensus on a final communique. This fracture in ASEAN may have far-reaching repercussions for the South China Sea dispute, not the least which will be a continuing inability for the ASEAN claimants to work through the regional organization to persuade China to join in any sort of code of conduct.

Growing US Involvement in Southeast Asian Disputes

US attitudes and policy towards maritime disputes have shifted markedly since the 1995 confrontation over China’s construction of a makeshift structure on Mischief Reef some 70 miles (113 km) off the coast of the Philippines island of Palawan. At that time, the Clinton Administration spoke against the use of force but took no position on the conflicting claims.

A combination of concerns about China’s challenge to the American core interest in freedom of navigation and increasingly serious incidents involving Chinese incursions into the EEZs of Vietnam and the Philippines have caused the US policymakers to implicitly take sides.

The hardening US attitude can be dated approximately from the March 2009 incident in which five Chinese vessels carried out dangerous maneuvers against the US Navy’s ocean surveillance ship the Impeccable during operations some 75 miles off China’s Hainan Island. The Impeccable was well outside China’s territorial sea but within its EEZ, which the United States regards as a lawful military activity under both UNCLOS and long-standing international norms. In addition to being viewed as a provocative intelligence gathering activity the Impeccable in effect was directly challenging China’s legally unsustainable policy of seeking to control foreign military activity in its 200 n. mile EEZ.

Incidents at sea in mid-2011 involving Chinese maritime patrol vessels and geological survey ships deployed by Vietnam have sharply ratcheted up long-standing tensions over conflicting maritime territorial claims in the South China Sea. Reports attribute incidents of deliberate cable and net cutting and the seizure of fishing boats and catches to armed vessels of the central government’s Bureau of Fisheries Administration and the China Marine Surveillance and South Sea Command of the State Oceanic Administration.
In fact, the United States and most international law experts assert that rights granted by UNCLOS in regard to EEZs relate only to natural resources and environmental protection. UNCLOS nowhere mentions military activities except sections related to rights of "innocent passage" in the 12 n. mile territorial sea.

**Impact on US Policy Interests and US-China Relations**

Both Beijing and Southeast Asian capitals saw the Obama Administration’s broader “reengagement” with Southeast Asia via the 2009 Lower Mekong Initiative (LMI) and the more recent announcement of a “pivot,” now couched as a “rebalancing of US military power towards Asia and the Pacific as inherently geopolitical. Whereas Beijing strongly criticized the move as intended to counter China’s rise, the ASEAN countries generally welcomed US reengagement, if only as an opportunity to diversify their relationships and benefit from any competitive bidding for their favor.

Although the United States has long stated that it takes no position on the conflicting claims, Beijing has interpreted statements by US officials in support of UNCLOS principles for determining maritime territorial claims, calls for restraint by all parties, and recent naval exercises with the Vietnamese and Philippines navies as unmistakably “taking sides.” On July 11, 2011, during an official visit to PLA headquarters by Adm. Mike Mullen, chairman of the US Joint Chiefs of Staff, China’s top military leader, General Chen Bingde, bluntly criticized the timing of small-scale US naval exercises with the Philippines navy a few days before his arrival and a “low-level” exercise with Australian and Japanese naval forces of the coast of Brunei during the visit, and planned exercises with Vietnam.

Chen’s complaints about planned exercises with the Vietnamese Navy in particular underscore China’s concern about deepening security ties between the United States and Vietnam. Such exercises are not new — the ones with the Philippines are held annually — but Chen criticized the timing of the exercises in the midst of the first military-military visit to China as “extremely inappropriate.”

**Still Not Another Cold War**

Because of their significant bilateral economic interdependence and mutual interests, China’s rising power and assertiveness and US foreign policy resistance and military “rebalancing” are not likely to match the all-encompassing intensity and dangers of the Cold War with the former USSR. Nonetheless, the number of dangerous incidents at sea has been increasing along with the growth of nationalistic passions in maritime Asia. The parties have only grown further apart.

Meanwhile, the interests of China’s neighbors have become increasingly aligned with those of the United States because of the natural affinity of our interests and positions. This development may be a geopolitical plus for the United States and also opens the way

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for greater US military access in Southeast Asian waters, other equally important US interests with China are being negatively affected. The gains for US alliance and partnership relationships in maritime Asia may be offset by increased risks of being drawn into conflicts that are not of American choosing and/or US broader global interests.

Still, there is no getting around the fact that China is forcing the issue and in a way that the US can only avoid conflict by acquiescing to Chinese dominance of some of the world’s most important sea lanes and, the current global economic slump notwithstanding, its fastest growing economies and emerging financial center of gravity. All of the other stakeholders including the United States either have signed UNCLOS or otherwise subscribe to its principles. China is odd-man out, having signed UNCLOS but rejected its basic principles and cherry-picked benefits that suit its interests, such as the creation of EEZs.

Prospects

The motivations for China and its neighbors to assert or defend their maritime territorial claims are tangible and are not going to disappear. But at the same time, the disputes limit the possibilities for developing the subsea oil and gas resources and sustainably managing fisheries that cross EEZs and areas of conflicting claims.

Regarding its island claims, China finds itself in a weak position under international maritime law which requires “continuous and effective acts of occupation.” By one recent account Vietnam occupies 23 islands and reefs in the Spratlys compared to nine by the Philippines, seven by Malaysia, one by Taiwan and only seven, all of them reefs that cannot support normal habitation, by China.

The presumed political limits on China’s flexibility also argue strongly against compromise. First, the Chinese government and population are broadly seized with the feeling that China was taken advantage of by the western colonial powers in the 19th Century and that the UNCLOS bears US fingerprints. Second, the Chinese PLA leadership appears to equate asserting Chinese claims forcefully as in keeping with its growing military capabilities and rising power status. China’s prevailing mercantilist policy of seeking to acquire, develop, and lock up resources rather than relying on international markets also limits its willingness or ability to reduce the extent of its claims.

Some analysts also see China’s greater assertiveness as shaped in part by Communist Party politics leading up to the October 2012 Party Congress. We are even now witnessing the amazing story of the disappearance from the public view of China’s presumptive new premier and party leader, Vice President Xi Jinping, who has not been seen since September 1. Xi failed to appear for scheduled meetings with Secretary of State Hillary Clinton and Denmark’s Prime Minister. Rumors abound that Xi is seriously ill or that in light of internal turmoil over the Bo Xilai scandal the planned leadership transfer may be on hold.
That said, none of the claimants can develop resources easily in the contested zones alone. In general, the multinational oil and gas companies are more technically capable than national companies, but are also the most sensitive to political, economic and legal risk. China has successfully bullied multinational oil and gas companies from exploiting blocks offered by Vietnam but Vietnamese naval forces have also escorted Chinese survey ships out of waters that it claims.

With oil demand in China and Southeast Asia expected to double by 2025, the presumed subsea deposits in the disputed areas will become increasingly attractive, and the future sustainability of critically important fisheries is also gravely at risk.

Possible Models for Managing Specific Disputes

There some indicators that suggest the possibility that the most serious disputes could be managed even if resolving them is very unlikely. One encouraging indicator is the 2000 Boundary Agreement between Vietnam and China over the Gulf of Tonkin, which they share.

The Tonkin Gulf agreement marked limits of the territorial seas, contiguous zones and exclusive economic zone of both China and Vietnam. Furthermore, the agreement also followed precedents of proportionality in determining these borders when islands are in question. Specifically, Vietnam’s Bach Long Vi Island, in the middle of the gulf, was attributed a 25% of normal effect on delimiting the boundary, while the more coastal Con Co Island, another Vietnamese island, was given a 50% effect.

For seabed resources that straddled the border between the two states, the agreement included a provision stating that the two states would jointly develop those resources on a negotiated “equitable” basis. The Chinese National Offshore Oil Corporation (CNOOC) and PetroVietnam entered into joint exploration agreements based on this principle in 2007, though no development projects have yet to come from this.

The agreement on boundaries entered into effect in 2004 with mutual ratification by both the Chinese and Vietnamese, and coincided with a parallel agreement on fishery management that was ratified on the same day. This fisheries agreement was intended to allow for successful co-management of fish stocks that crossed the newly created maritime border in order to prevent depletion of those resources. Though there have been clashes between fishermen and fishery administrations of both sides and frictions in the South China Sea continue to test their relationship, the Joint Patrols of the Gulf of Tonkin have continued since 2005.

Some observers have noted that the basic principles of the Gulf of Tonkin fisheries agreement have the potential to be expanded by China and Vietnam to waters outside of the Gulf itself. The Gulf of Tonkin agreement does show that the Chinese leadership recognizes the legitimacy of international law in delimiting maritime zones, but only
when they themselves want to sit at the bargaining table, which is something they aren’t willing to do for the South China Sea at present.

While the Gulf of Tonkin could be a useful precedent for cooperation between the two biggest claimants in the South China Sea, its usefulness in expanding into the sea itself is limited. Most importantly, the agreement did not require solving issues of sovereignty over any islands; it simply delimited the border between the two states following the time-honored tradition of dividing enclosed seas along the median line between the two shores.

**Joint Marine Seismic Undertaking (JMSU)**

A 2004 agreement for exploration of part of the Spratlys area involving China, the Philippines and eventually Vietnam ultimately failed because of a domestic political backlash in the Philippines, but could still represent a viable approach to equitably co-developing disputed areas. I say equitably, because no country is likely to agree to co-developing its own EEZ or continental shelf without at least implicit recognition of its rights in any agreement for sharing product of revenues.

The JMSU involving the Chinese National Offshore Oil Company (CNOOC), the Philippines National Oil Company (PNOC), and eventually PetroVietnam was intended to promote cooperation by setting aside issues of sovereignty for mutual economic benefit. It involved exploratory surveys of the seabed off of the Philippines to lay a framework for potential future joint development. By early 2005, Vietnam had also joined the undertaking, creating a trilateral agreement between the three largest players in the dispute.

However, by 2008 the project had come to a halt when the issue again became embroiled in Filipino domestic politics. At the time, Filipino President Gloria Arroyo and her husband Jose Arroyo, long haunted by allegations of corruption and misconduct, were accused of accepting bribes from Chinese companies for favorable deals. Though the deals in question were unrelated to the JMSU, the trilateral survey inevitably became entangled with the scandal, partly due to its nature as another business deal with China and partly due to the terms of the deal. Though the original spirit of the agreement was to shelve issues of sovereignty in order to reap the economic benefits of joint development, the area covered by the agreement was viewed by many to be unnecessarily favorable to the Chinese as a significant portion of the survey area was within Filipino waters that were not contested by China or Vietnam.

**Possible Impact of China’s Introduction of the HYSY 981 Drilling Rig**

The introduction of China’s first semi-submersible deep sea drilling HYSY 981 has generated considerable alarm but also has the potential to be a positive development for the region. This can only be the case if this new technological capability makes CNOOC more attractive as a development partner for some of China’s neighbors who remain dependent on international oil and gas companies for exploiting their subsea resources.
and When speaking about Filipino plans to develop the natural gas fields around Reed Bank, Philex Petroleum chairman Manuel Pangilinan said recently that, "a gas field will need major expenditures and the help of international oil firms that have the technical capability and financial resources."

Assuming the state of China-Philippines political relations allowed, the most difficult aspect of negotiation between Filipino and China energy companies would be whether the terms of such an agreement were sufficiently balanced to avoid enflaming Filipino national sentiments and eliciting accusations of betrayal as in the JMSA agreement. Equally important, China would have to willing to abandon its insistence that it has indisputable sovereignty over the areas of proposed cooperation, or both countries would have to agree to disagree about sovereignty, possibly by declaring that nothing in the agreement prejudiced the final settlement of the territorial dispute.

Broad Alternatives

There are two broad alternatives to the current impasse in which the risk of conflict is ever present and the prospect of developing and managing the fisheries and undersea resources is seriously constrained. Realistically, UNCLOS principles cannot resolve the disputes so long as China insists on a different set of principles for claiming maritime boundaries and it and several other claimants reject the submission of their disputes to international arbitration. In one alternative future, current trends lead to serious regional polarization, the interruption of regional economic integration and other positive shared aspirations such as the ASEAN Community. The other future is one in which the maritime disputes—especially those between China and its neighbors—are surmounted rather than resolved through the cooperative and equitable development of resources without resolving the underlying disputes.

US Policy Implications

With its rising naval power China could, in theory, enforce its claims despite the complaints of its neighbors, but only at serious risk to other important equities, starting with the desire not to unite its neighbors against it. The commitment of the United States not to be pushed out of the South China Sea also has a deterrent effect, much as China rails against what it sees as a growing US effort to contain China and deny it the fruits of its rising power status.

The actual resolution of the South China disputes is a long term proposition, if at all, that will have to await either a more harmonious region, at best, or a successfully hegemonic China, at worst. For the near term, the United States can best contribute to peace and multilateral cooperation for sustainable resources management and development by maintaining the framework to carry out a carefully modulated policy of insisting on US maritime rights, supporting multilateral regional institutions—especially ASEAN and the ASEAN Regional Forum (ARF)—and pursuing positive engagement with both China and its neighbors.
The United States can play a constructive role in capacity building in particular to help strengthen the Philippines’ capacity for patrolling its waters. This is not an easy task given the scant budgetary resources available to the Philippines even for the operation and maintenance of its coast guard and naval vessels and patrol aircraft.

The United States would increase the credibility of its voice and influence by acceding to UNCLOS. As it has done already, the US should support the broad principles of UNCLOS and the importance of a rules-based international order without taking sides in the specific disputes. Broad engagement with China that takes into account the full range of both countries shared interests as well as differences is critically important, but it appears that this must largely wait on events in that country, particularly the apparently seriously troubled leadership transition.
### Appendix I – Occupation of the Spratlys

**All Occupied Features in the Spratly Islands**

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## Occupied Features in the Spratly Islands Above Water at High Tide

*Jutics* – Only Small Rocks Above Water

* = Disputed

<table>
<thead>
<tr>
<th>Names of Occupied Islands in the South China Sea</th>
<th>China</th>
<th>Japan</th>
<th>Malaysia</th>
<th>Philippines</th>
<th>Vietnam</th>
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<tbody>
<tr>
<td>Quarteron Reef</td>
<td>-Tu Aba Island</td>
<td>-Erica Reef *</td>
<td>-Commodore Reef</td>
<td>-Amboyena Cay</td>
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<td>Fiery Cross Reef</td>
<td>-Luisa Reef</td>
<td>-Flat Island</td>
<td>-Canada Reef</td>
<td>-Barque</td>
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<td>Gaven Reef</td>
<td>-Mariveles Reef</td>
<td>-Lankiam Cay</td>
<td>-Central</td>
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<td>Johnson South Reef *</td>
<td>-Swallow Reef *</td>
<td>-Loaita Island</td>
<td>-London Reef*</td>
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<td>Whitson Reef *</td>
<td>-Nahshin Island</td>
<td>-Northeast Cay</td>
<td>-Collins Reef</td>
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<td>-Thaiu Island</td>
<td>-West York Island</td>
<td>-Discovery</td>
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<td>-Spratly Island</td>
<td>-East London Reef</td>
<td>-Great Reef</td>
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<td>-Tennent Reef</td>
<td>-Namaity Island</td>
<td>-Pearson Reef</td>
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<tr>
<td></td>
<td>-West London Reef</td>
<td>-Peley Reef *</td>
<td>-Sand Cay</td>
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<td></td>
<td>-Sin Cowe Island</td>
<td>-Southwest Cay</td>
<td>-Sir</td>
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*Swallow Reef – The island here is mostly man-made and subsequently not a legitimate source of maritime zones, though some claims say that prior to this there was a small rocky island/outrigger above water at high tide.*
STATEMENT OF MR. PETER BROOKES, SENIOR FELLOW, NATIONAL SECURITY AFFAIRS, THE HERITAGE FOUNDATION (FORMER DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR ASIAN AND PACIFIC AFFAIRS)

Mr. BROOKES. Thank you, Madam Chairman, members of the committee. Thank you for the kind invitation to appear today. It is great to be back in the committee room after an absence. I want to commend the committee for holding this timely hearing today. It is very important. I am glad you are here doing that. The views I express today are mine, and do not reflect those of any of the organizations I may be associated with, including the Heritage Foundation. Based on the thoughtful testimony so far, I feel like everything has been said, but not everybody has said it. With that in mind, let me make a few points which I think will complement my written testimony.

First, I would suggest that China is not an emerging power. Outside the United States, it is the major or dominant power in the South China Sea. We should fully recognize that. As a major power, China has arrived. China is developing a navy and air force, including missiles, that will be able to assert China's claims in the South China Sea. Their aircraft carrier, of which there may eventually be a number, their ballistic missile programs, stealth fighters, destroyers, and submarines. Absent significant U.S. basing in Southeast Asia, China's aircraft carrier program, when fully operational, I think could be a game changer. While China will seek to assert its claims peacefully, Beijing could easily militarize the situation.

In any case, other regional players already know of China's growing military capabilities and will be deterred by them. I think the Chinese actions in the South China Sea put the matter of China's peaceful rise into serious question. The question, of course, is what to do about it. Here are some ideas which go beyond my written testimony. It is my sense that friends and allies in the region need diplomatic reassurance about our enduring presence in the region. I sense we are trying to do this. The question is about its effectiveness. Do they really believe it? I sense people are really, really nervous about the American presence, future presence in the region, as well as the rise of China. But my real concern is our ability to project force into the South China Sea with the looming budget cuts and sequestration that face us in January under the Budget Control Act.

You all know the numbers. I don't need to tell you about the defense budget and the effects on our force structure and what they might be, especially for our Navy, especially as a Navy veteran. With budget cuts and other global commitments and obligations, that powerful pivot we talk about may be little more than a pirouette. Diplomacy is always more effective when backed up by a strong national defense. We also must take steps to distance ourselves from the notion that America is in decline, especially in Asia. Unfortunately, in some corners I think that is the perception. Strong American leadership is required, whether we are talking about Asia or anywhere else in the world. Of course, any and all
of these actions meant to stem perceptions of the Sun setting on America in the Pacific will be helped by returning this Nation to economic vitality, which undergirds our political and military power. Thank you, Madam Chairman. I look forward to your questions.

Chairman ROS-LEHTINEN. Thank you very much. Thank you for excellent testimony.

[The prepared statement of Mr. Brookes follows:]
Beijing as an Emerging Power in the South China Sea

Testimony before the Committee on Foreign Affairs
United States House of Representatives

September 12, 2012

Peter Brookes
Senior Fellow
The Heritage Foundation
My name is Peter Brookes. I am a Senior Fellow at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

The following serves as my written testimony in support of this hearing on “Beijing as an Emerging Power in the South China Sea”:

With reduced political tensions across the Taiwan Strait between Beijing and Taipei and the military balance having firmly shifted in the direction of the mainland, Beijing feels it can turn its attention to some of the other regional challenges it faces, including those in the South China Sea.

It is doing so for several reasons. The first is that the People’s Republic of China (PRC) believes, based on its wide-spread diplomatic recognition in the international community, it has rightfully inherited the sovereignty claims in the South China Sea—known widely as the “9-” or “11-dashed line”—from the Republic of China, whose own claim reportedly dates back to the late 1940s. (It is worth noting that Taipei retains its claim to the South China Sea, too, dating from the same Kuomintang (KMT) cartographic work from the 1930s.)

Second, being the world’s largest energy consumer, Beijing is also deeply interested in the oil and natural gas which may lie beneath the South China Sea seabed. According to some estimates the energy resources beneath the seabed may be substantial. The PRC’s interest in fishing rights in the South China Sea is also strong.

Third, Beijing is concerned about the security of its sea lines of communications (SLOC) in the South China Sea that carries its commerce in energy, natural resources and goods. China’s anxiety about this is sometimes referred to as the “Malacca Strait dilemma,” noting its concern about the vulnerability of its seaborne trade, which transits the world’s busiest waterway and often sails through this major maritime chokepoint that connects the Pacific and Indian Oceans.

Fourth, some in the Chinese elite view the United States as a declining power, which will ultimately be replaced by the PRC in the region and atop the international system. While the United States has been engaged over the last ten years in the Middle East and South Asia, the PRC has sought to fill perceptions of a growing power vacuum in Asia, especially in South East Asia.

Lastly, China has made great strides in developing the tools of national policy and power necessary to become more assertive in the South China Sea, based on its increasingly powerful economy, political stature, and military might, especially its navy.

For these reasons, it is not surprising that we—and others—are facing Chinese challenges in the South China Sea.
If unchallenged, Beijing’s assertiveness will have potentially wide-ranging repercussions in the region—and beyond. First, Chinese actions in the South China Sea could threaten freedom of the seas in a region vital to international commerce, affecting the global economy.

Second, acquiescing to Chinese claims could impinge negatively on the security of allies and friends in East Asia, undermining American interests. Third, a failure to provide the necessary leadership to meet the China challenge will have an effect on our international standing in both East Asia and globally.

Finally, acceding to Chinese claims in the South China Sea will undermine widely-accepted navigational and sovereignty guidelines, contained in such documents as the Law of the Sea Treaty, setting a troubling legal and practical maritime precedent.

Perhaps the issue which has emboldened Chinese behavior in the South China Sea the most is developments involving the Chinese military—or People’s Liberation Army (PLA). China is developing the capabilities to project power seaward with the advent of modern surface, subsurface, air and missile platforms. Though China has chosen to demonstrate resolve over its claims in the South China Sea using state civilian rather than military assets, regional players are well aware of the growth in strength of the PLA-Navy (PLAN) and other power projection forces. PLA developments will lead to additional arms purchases by regional powers and could lead to an arms race involving states that are capable of competing.

Interestingly, while the PLA has hewed closely to a comprehensive military modernization program which highlights asymmetric capabilities such as cyber and ballistic missiles, it also appears willing to challenge the United States on one of its long-standing naval strengths: the aircraft carrier. Though a fully-capable Chinese aircraft carrier with an embarked air wing may be in the future, it would eventually provide Beijing with a significant power projection platform to assert its interests along its periphery—and maybe eventually beyond.

While the PLAN is still inferior to the US Navy, there are questions about that assessment in the out-years due to defense budget cuts, especially the impending sequestration mandated under the Budget Control Act. Under this scenario, it is reasonable to wonder whether our maritime forces will be able to meet its global commitments—and the rise of China—even with the rebalancing of U.S. forces envisioned by the Obama administration.

Of course, the PLA operates under the direction of the Chinese civilian leadership, which is involved in its once-every-decade transition. Despite this, it is unlikely that Chinese policies in the South China Sea will change dramatically in the short-term. While avoiding a military conflict, Beijing will continue to assert its claims in the South China Sea using political, economic, legal, and
rhetorical persuasion. This likely policy consistency is based on a couple of reasons.

First, the new leadership will face some of the same significant domestic challenges Beijing’s current leadership faces and may be unwilling to take risky moves abroad that would undermine its credibility at home. Second, it is likely that the current civilian leadership, while stepping down from more visible positions, will retain influence over the activities of the PLA through the Central Military Commission (CMC).

In the end, Chinese policies and activities in the South China Sea have the potential to set a troubling precedent if Beijing is not effectively opposed. In the absence of any Southeast Asian nation capable of opposing Chinese assertiveness, a weak US response will enhance the chances of China achieving its apparent goal of hegemony over the strategic South China Sea. The Chinese could potentially realize this end state without the use of force. Of course, misperception and miscalculation could lead to a major crisis with significant, but unintended, consequences.

Further, how the issue is dealt with will also have an impact on the disputes that exist in the East China Sea, involving other major powers with more capable militaries that could increase the opportunity for armed violence. While Beijing’s machinations in the South China Sea undercut its self-promoted notion of a peaceful rise, the results Beijing is hoping for—that is, acquiescence to the PRC’s claims—may well outweigh the bad public relations, resulting in further emboldening additional Chinese behavior of this sort elsewhere on matters of importance to U.S. interests.

*Peter Brookes is a Senior Fellow for National Security Affairs at The Heritage Foundation. He is also a Commissioner with the U.S.-China Economic and Security Review Commission. Brookes served as a Deputy Assistant Secretary of Defense for Asia and Pacific Affairs during the President George W. Bush administration. Among other foreign policy and national security positions, he worked as a Professional Staff Member with the House International Relations Committee and as an officer in the U.S. Navy.*

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Chairman Ros-Lehtinen. I will begin the question and answer segment. Our Defense Department issued an annual report on military and security developments in the People's Republic of China. And it discussed in detail the construction of this new naval base in the South China Sea. And our report states that the base is large enough to accommodate the mix of nuclear power attack and ballistic missile submarines and advanced surface combatants, including aircraft carriers.

Submarine tunnel facilities at the base could also enable deployments from this facility with reduced risk of detection. So I ask the panelists, could the continued Chinese naval build-up in the South China Sea and the Western Pacific eventually limit our U.S. Navy ability to patrol these waters, which would, of course, adversely impact the security and economic well-being of the American people and our allies in the Asian and Pacific region?

And secondly, about the U.S. allies' naval confrontation with China, looking at what has just been happening recently, in April Chinese maritime surveillance vessels began a 10-day standoff with a Philippine coast guard cutter in the South China Sea. Then in July, Chinese patrol boats had a similar confrontation with the Japanese coast guard in the East China Sea. And last December, the captain of a Chinese fishing boat, illegally poaching in the Yellow Sea, killed a South Korean coast guard officer.

So if a naval confrontation between Chinese vessels and a U.S. treaty ally such as the Philippines, Japan, or South Korea ever results in an exchange of gunfire, what are the treaty obligations of the United States Navy to come to the assistance of these allies? We will begin with the professor.

Mr. Yoshihara. Thank you for those questions. Let me focus my attention on your first question about the Chinese naval buildup in the South China Sea. I think it is very important to note as a premise that the South China Sea is sort of a strategic pivot. It is a body of water that connects the Western Pacific and the Indian Ocean. It is at the junction of these two very important oceans that supports trade between Europe, Middle East, and East Asia, as well as trans-Pacific trade. So having command or having the capacity to control events in the South China Sea would give China tremendous amounts of strategic influence and power. Here are a couple of things that motivate China to, in fact, continue this build-up.

First of all, having a naval base in Sanya on Hainan Island gives China an additional naval option with their nuclear attack submarines. These nuclear attack submarines can be used, for example, to break out into the Western Pacific to deter U.S. naval operations and air operations and other military operations related——

Chairman Ros-Lehtinen. I going to interrupt you there, Professor, just to give the others a chance, if I may. Thank you. Ms. Glaser.

Ms. Glaser. Yes. First, I would say briefly the United States overall will face Chinese growing military capabilities a less permissive environment. It will be more costly for the United States to exercise the kind of sea control we have now in the future. And we will have to think through what is the best way to address that.
The capabilities that China is deploying in Hainan is just among those capabilities.

There are, of course, many more: Development of ballistic and cruise missiles, anti-satellite weapons, et cetera. Regarding your second question, I am not an attorney, and the interpretation of the law is important when we look at treaties. But administration officials of course have made clear that we do have treaty obligations to Japan in the case of the Senkakus.

We remain neutral, of course, on the sovereignty over those islands. But we do recognize that the Japanese have administrative control over those islands. And so if the islands were attacked, the United States, my understanding, is obligated under Article 5 of that treaty. It is a bit less certain I think in the case of the Philippines. There isn't the same language in the treaty that refers to administrative control.

Chairman Ros-Lehtinen. Thank you. I will just interrupt you there a second.

Ms. Glaser. Can I just finish just this sentence?

Chairman Ros-Lehtinen. Yes.

Ms. Glaser. Sorry. I was just going to add if the Philippines’ naval forces were attacked, regardless of where they were, I do believe that we would have an obligation to come to their defense.

Chairman Ros-Lehtinen. Thank you. Dr. Cronin, a minute.

Mr. Cronin. I will just leave the military issues to the military experts, except to say that obviously, the U.S.-China military balance, if you will, is a distinct issue, but it is also connected to the politics of the region and our relationships with not only China, but with our allies and partners. Thank you.

Chairman Ros-Lehtinen. Thank you. Mr. Brookes.

Mr. Brookes. We face the tyranny of distance in the Pacific. And if we don't have the correct number of platforms——

Chairman Ros-Lehtinen. Tyranny of distance.

Mr. Brookes. Tyranny of distance, that is right, when people talk about that because it is such a big theater. If we don't have the numbers of platforms needed to project that power, if we don't have the basing for refurbishment and replenishment, we can't be a player. On the treaty, I would suggest that you ask the Congressional Research Service to tell you that. I have always operated under the belief that all of our treaty obligations, including those of NATO, require us to go through our constitutional processes of each country before any action would be taken, military or otherwise.

Chairman Ros-Lehtinen. Thank you very much. I am pleased to yield to Mr. Berman for his question-and-answer period.

Mr. Berman. Thank you very much, Madam Chairman. Dr. Cronin near the end of his testimony seemed to be saying that China's activities in the South China Sea sort of are constrained by its desire not to see all of its neighbors united against it. I would like the panelists to react to that. I look at it, and I am wondering does China really have that constraint on them these days, or do they not think that they can pretty much do what they want to do here because of some combination of their military power and their economic power and their political power is going to keep that from happening? I am curious.
Ms. Glaser, perhaps you or others could just react to this constraint that presumably exists on China’s behavior.

Mr. YOSHIHARA. Just very briefly, at least in terms of certain segments of China’s strategic community, there is a belief that China’s time has come, that China has already risen, and that it is time to shed this notion that China should keep low until it becomes powerful enough. I think there are those in China’s strategic community that believe that China is already powerful enough. And some of the disturbing statements that we have heard that small powers had better listen to big powers are thinly veiled sort of, you know, threats to the smaller states that the power that China has accrued has increasingly given it the capacity to essentially coerce and intimidate its neighbors.

Mr. BERMAN. Is that an open question in China, or is that a strategy that has been now incorporated?

Mr. YOSHIHARA. It certainly is an active debate. I think there are those who have said that Chinese actions today are really jumping the gun, and that China should slow down and seek to walk the dog back. But there is clearly an active component of that debate that says that China should push forward.

Ms. GLASER. Yes, Congressman Berman, very good question. Thank you for that question. I agree with Dr. Yoshihara in some regards, but I believe that the resource question here is very critical. The Chinese believe that other countries in the region are developing these resources in what the Chinese view as disputed areas. And they are no longer going to tolerate it. The leadership does have to balance the growing nationalist sentiments against the longer term need to have good relations with its neighbors. But I think that the Chinese believe that if they can intimidate the United States, and I would agree with Mr. Brookes that they see the United States as weak and potentially in decline, they can compel their neighbors to accommodate to China’s rise and to respect Chinese core interests. And I do believe that we need to stand up to that, and the nations in the region need to stand up to that.

Mr. BERMAN. But does that provide an opening for a strategy of joint resource development, something that the U.S. could seek to encourage and facilitate?

Ms. GLASER. Absolutely. And I mentioned that in my oral remarks. I do believe that resource development by all the countries, all of the claimants, would be a very, very good outcome. But the preconditions are that there must be a setting aside of sovereignty claims. And at the moment, that appears to be quite difficult. If we can get all of the claimants first to agree to set aside sovereignty and begin to put forward some good models of resource development—and there are a few that already exist, for example—but none that include China, then perhaps China could be brought along. But I think joint resource development would be a very positive outcome.

Mr. CRONIN. Thank you, Congressman Berman.

In the interest of time, I didn’t round out my full statement, which is in my written statement, but it would seem at this point yes, China is sort of losing, running amuck and losing a sense of
the politics of the region and what kind of relationship it wants to have with its neighbors.

But I also think this is a very peculiar time right now. This has been a summer of many different voices in China, many different power centers being active. And now we have this very strange situation of the presumed next premier and party leader disappearing.

Mr. Berman. It is a bad back. Everybody can understand that.

Mr. Cronin. A bad back, right.

I mean, a lot of things are going on in China's politics right now. And one of the things, the international crisis group, a point that they have made and others have made, there are like seven different agencies and departments involved in making and carrying out Chinese policy in the South China Sea, maritime policy. There is a big coordination issue there.

Now, having said that, you know, it does look like this is receding right now in terms of China's concerns, that is relations with its neighbors. However, there are a couple of practical issues, I think, that do argue for the possibility of joint development. And one is, for instance, all of the countries understand the issue, including China, of fishery depletion and the need to do something about that. And China imposes unilaterally fishing bans and the neighbors don't like that. But in general, the neighbors have a common interest in that.

The other thing is the oil and gas. You can't just barge in and get the oil and gas out without big problems. Just if I could to say, one thing about setting aside sovereignty, which Bonnie has mentioned, yes, the problem so far, though, is there have been three or four different initiatives with co-development, including one with the Japanese. And in every case, the issue is China keeps insisting—in other words, China is saying to its neighbors what is mine is mine; what is yours, we can co-develop because it keeps insisting on the sovereignty issue.

Mr. Berman. Got it. Mr. Brookes.

Mr. Brookes. In Beijing's mind, the South China Sea is not disputed; it is Chinese territory. I mean, this goes back to when they would have their historic claims, they would base this on the Republic of China's claim going back to the 1930s and maps that were developed then, and even in the 1940s. They are hoping for acquiescence.

These fishery ships, these maritime patrol vessels are basically wolves in sheep's clothing. They will militarize the situation if they have to. But my view is they are trying to prevent counterbalancing because this falls into everybody's fears about China. And so what they are doing is if people will give, they will take. What they really don't want is major powers and the United States to seriously counterbalance against China's efforts in Asia, East Asia generally.

Chairman Ros-Lehtinen. Thank you, Mr. Berman.

Mr. Kelly, the vice chair on the Subcommittee on Asia and the Pacific is recognized.

Mr. Kelly. Thank you, Madam Chair. And thank you all for being here today.
On August 6, Taiwan's President Ma issued an East China Sea Peace Initiative which calls upon all the parties to—the chair will dispute—in the East China Sea, to put aside their differences, embark on a peaceful dialogue and cooperate to develop natural resources in the area. We will start with you, Mr. Brookes, how do you assess President Ma's initiative?

Mr. Brookes. I was actually in Taiwan last week. He also made a trip to the Diaoyutai Islands, which some people consider to be somewhat provocative. I have looked at this East Asian Peace Initiative, and he basically says put sovereignty aside and let's try to co-develop these sort of things. China and Taiwan's claims are basically the same, going back to the Republic of China. I think any good idea should be looked at.

The question is whether the Chinese are willing to work along with them, or work with them. In fact, I understand the Chinese have actually approached the Taiwanese about working together because their claims are the same.

I think we should look at any opportunity. Unfortunately, I am a bit skeptical about the possibilities of negotiations based on what we have seen through ASEAN most recently. Efforts at code of conduct, China's unwillingness to work multilaterally and preference for bilateral talks.

Mr. Kelly. Thank you.
Dr. Cronin, any feeling on that?
Mr. Cronin. Again, that is out of my area.
Mr. Kelly. Okay. Ms. Glaser?
Ms. Glaser. Thank you for the question, Congressman. I also was just in Taiwan a couple of weeks ago, and discussed this proposal with President Ma and his advisers.

I would agree with Peter that any good proposal should be looked at. But truthfully, it is quite difficult for Taiwan to be an actor regionally, or in the international community if there is to be a code of conduct that will guide behavior in the South China Sea, Taiwan is likely to be excluded, and that is really quite unfortunate.

I think the most useful thing that Taiwan could do would be to bring this nine dash line, which was originally an 11 dash line, created in 1947 by the Republic of China, if they could bring their claim into accordance with international law, it would set a model for the mainland, and I think that then the ASEAN countries perhaps would be more willing to work with it because they would see Taiwan as a constructive actor in a very important way.

Mr. Kelly. Doctor, anything different?
Mr. Yoshihara. I actually see the China's sort of very, very expansive claims as part of its strategy. It is trying to move the ball forward by making all kinds of extravagant claims, whether it is historic or whether the entire South China Sea is a territorial sea. So I think it would be very, very difficult to negotiate on that basis.

Mr. Kelly. My question, I guess, would be okay, so everybody does come to the table, the reality of that really working, and who would broker it? Who would be the arbiter? Who would sit down and work this out? Because the feeling I am getting is it is nice to talk about things in settings like this, but the reality of it is it is the toughest guy in the neighborhood kind of runs the policy for the neighborhood. I know we tiptoe around these different things be-
cause we sometimes don’t think it is politically correct. I don’t think there is any question about what China’s intentions are and where they are going.

Mr. Brookes, thanks for saying it is not an emerging power; it is a power. And I would also suggest that with our continuing loss of sovereignty and our own debt, we have weakened ourselves to the point where it is hard; it is hard to police the world when you are not the strongest guy in the world. And when you do resolution after resolution, we have become kind of a toothless tiger who continues to say what we are going to do and then backs off in the end.

I am concerned, though, and you hit on it, because without a dynamic and robust economy, we cannot continue our presence in the world. It is just that simple. Now, sequestration is going to lead to the smallest Navy since 1915, the smallest ground force since 1940, the smallest Air Force in our history. That is not Mike Kelly saying it, that is Secretary of Defense Panetta. I just think at some point, we better wake up and smell the coffee. We are well past the midnight hour in this country to continue to talk about our role in the world when we have a diminished influence because we really don’t have the ability at times to do what we say we are going to do.

Now, having said all of that, where do we go with this? Seriously, where do we go with this? I don’t see any reason for China to negotiate with anybody. Why would they? If they hold a lot of your debt and they are the strongest player in that area in the world, who would influence the Chinese?

Mr. Brookes. I think the point here is that we have to work with like-minded powers in the region. We are just talking about the South China Sea today, but we have disputes in the East China Sea and the Sea of Japan. I think, once again, diplomatic reassurance, economic strength, and the ability to project military power into the region, and working with our friends and allies are the only things that can do it.

I think the thing that China most fears is counterbalancing against it. And right now I think China has pursued a divide-and-conquer sort of strategy. That is why they were successful in the last ASEAN meeting where they were able to prevent the South China Sea issue from being drawn up. But I think that we have to show leadership. We have to gather our friends and allies, and we have to oppose China on a number of fronts.

Mr. Kelly. Doctor? I am really concerned about this. I think our ability to build coalitions is dwindling very quickly, when our allies continue to question our ability to really show up and help them on the day that they need the help.

Mr. Cronin. Well, if I may, Congressman, I still don’t think anybody in the region, and I will speak from what I know from people I have talked to in Southeast Asia, that believes that the U.S. isn’t the strongest power still. And I don’t think there is anybody in the U.S. military that doesn’t believe that we are greatly, by multiples, stronger than China at this point in time. Whether or not they are a rising power, a current power, have been a power, I wouldn’t want to trade the U.S. Navy and Air Force for any existing force.

Mr. Kelly. I am not suggesting that. But I am suggesting this: If we ever go into a fair fight, shame on us. When we have the abil-
ity to be greater than anybody else in the world and defend ourselves better than anybody else, to go into it and saying we just want to be on an equal basis, believe me, I don't want them to come out of the locker room. I don't want them to get on the bus to come to even play the game.

Chairman ROS-LEHTINEN. Thank you, Mr. Kelly, thank you Dr Cronin.

Before I recognize Mr. Faleomavaega, I would like to recognize our distinguished guests. We have 12 members of Parliament from Indonesia, Kyrgyzstan and Mongolia who are in attendance as part of the House Democracy Partnership, so we welcome all of you. Please stand. Welcome. Thank you.

With that, Mr. Faleomavaega, the ranking member of the Subcommittee on Asia and the Pacific is recognized.

Mr. FALEOMAVAEGA. Thank you, Madam Chair.

I always have tremendous reluctance when we discuss this important issue concerning China because it is not as simple as we make it to be. I always try to remind my colleagues that when China became an independent nation in 1949, there were 400 million Chinese living in China. It took us 226 years to reach a population of only 320-some million. So now we are dealing with a country that is 1.3 billion people. So if you want to look at it from that perspective, I think we have to be a little more soul-searching in terms of what we are trying to do in handling this important nation.

I want to ask Dr. Yoshihara, we currently operate the largest military command in the world. It used to be called CINCPAC but it is now Pacific Command. It stretches from Madagascar, the entire Indian Ocean and the entire Pacific Ocean, and it goes all of the way to Central and South America, with about 220 ships and 240,000 Marines, Army and military personnel and is administered by a four star admiral out of Pearl Harbor.

It is my understanding, and correct me, Dr. Yoshihara, maybe the others can correct me on this, the United States currently has over 700 military installations both in and outside the United States. My understanding is that China does not have one military base anywhere outside of China. Now, I don't know if that balances. I liked Mr. Brookes' comment about counterbalancing. We used to think of the Monroe Doctrine—remember the Monroe Doctrine? Any country that dares come to our hemisphere of influence, get out. And now this pivoting, new—and I don't consider it new foreign policy that we have, that we are now trying to contain China. China just barely got this aircraft carrier from the Ukraine. We have 11 aircraft carriers. What are we doing with them? So to suggest that we are becoming a declining world power, I beg to differ with this assertion.

Dr. Yoshihara, is Admiral Mahan's theory still relevant today? The country that controls the seas controls the world, just as the British have proven it to be in their history?

Mr. YOSHIHARA. Certainly the Chinese think so. The Chinese read Admiral Mahan's theory. I have an entire bookshelf that has multiple translations of his works in China. And we really only have one. And the only reason why that one is in print is because of the Naval War College. So there is a real intellectual shift and
enthusiasm for Mahan's theory, and in particular this notion that
wealth begets power, power begets more wealth.

As to your point about U.S. naval power, yes, it is true. On
paper, the United States is much more powerful than China. But
I think if you look at our global—the range of operations that we
have to conduct around the globe, we are stretched thin. And the
prospects of our shipbuilding patterns to increase are fairly low.
And of course, we have to fight the tyranny of distance, which was
just mentioned.

Mr. Faleomavaega. So are you suggesting that we should reduce
the $500 billion reduction that President Obama suggested for the
10-year period of our defense budget? Do you think that maybe our
defense budget needs to be part of the overall deficit reduction
process that we should be going through as a country?

Mr. Yoshihara. I would suggest that in the environment which
we will be facing in the China seas, it is going to be much tougher
to maintain presence and to maintain our operations. So we need
to have redundancy, and we need to have the capacity essentially
to take greater risk in China's maritime domain.

Mr. Faleomavaega. Ms. Glaser?

Ms. Glaser. Yes, thank you, Congressman. I agree with you we
shouldn't make the Chinese 10 feet tall; but we do have to, I think,
be aware that the Chinese take advantage of what they see as U.S.
weakness when they see it. We can look back in the period in the
Vietnam War when the United States pulled out. We can also look
at when the U.S. withdrew from Clark and Subic bases in the Phil-
ippines.

Mr. Faleomavaega. My time is running out. I would love to con-
tinue that dialogue.

Here is the problem: The 10 ASEAN countries are weak mili-
tarily. They are looking to the United States for help. The point
here is are we going to be able to do this? In my humble opinion,
we have got some very serious problems. We are literally the po-
licemen of the world, if you want to put it that way. And I want
to ask Mr. Brookes, is this what we should be doing continuously?
We fought two world wars. We got into Vietnam and Korea. For 10
years we have been in this quagmire in Iraq and Afghanistan. So
what does this do with our overall defense posture? Is it really de-
fending the interests of our people?

Mr. Brookes. Quickly, I guess I have 10 seconds, that is the pur-
pose of our national defense, to protect and advance American in-
terests. Now, we can disagree on what those interests are. But I
think that is where we should be.

Mr. Faleomavaega. I am sorry, Madam Chair, my time is up.

Chairman Ros-Lehtinen. Thank you very much, Mr.
Faleomavaega. Mr. Turner of New York is recognized.

Mr. Turner. Thank you, Madam Chair.

Just a brief question, if you would, on North Korea. It has al-
ways been the tool or the surrogate of the Chinese since 1950.
What is that relationship right now? Is it strained with continued
North Korean irrationality? What do we see going forward? Dr.
Yoshihara, if you would?

Mr. Yoshihara. That is not my area, so I will defer to the other
panelists.
Ms. GLASER. Thank you, Congressman, I will be happy to comment. I talk to a lot of Chinese about their relationship with North Korea. There were some signs of strain in the immediate aftermath of the death of Kim Jong-il. We have seen a warming trend in the relationship. There are suspicions on both sides, and the North Koreans in particular feel uncomfortable about their excessive dependence on the Chinese. The Chinese are not happy with North Korea’s nuclear program. But at the end of the day, they prioritize stability. The Chinese are going to continue to maintain that relationship. It is a mutually dependent one. And the North Koreans will also continue to maintain that relationship. I think fairly soon, after the 18-party Congress in China, we will likely see the visit by the new North Korean leader, Kim Jong Un, to Beijing.

Mr. CRONIN. I think, Congressman, if you asked the Chinese, they would say they wished that North Korea was a tool or surrogate for them. But Bonnie is right, definitely there is a power relationship there. The status of North Korea is a buffer as far as China is concerned. But they are not exactly a country that can easily be manipulated by anybody, unfortunately.

Mr. BROOKES. I think in many ways North Korea serves China’s purposes strategically. It serves as a buffer state, as Rich just mentioned, and I think there is a reluctance on the part of the Chinese, despite the problems that North Korea has provided for them, to allow a unification of the Korean peninsula. I think they are very concerned about a powerful Korea. They have some history as well. There is a lot of history in Asia, as we know, some of it very unpleasant. And I think they are worried about a united Korea that might be a friend to the United States and having American troops, perhaps U.S. Troops north of the 38th parallel. Remember what happened in 1950 with that.

So I think there is a strategic element there as well. I mean, you can’t change geography; geography is destiny. The Korean peninsula is attached to China, and they have strong strategic concerns about what happens there.

Mr. TURNER. Is there still a degree of trust? The North Koreans seem often irrational.

Mr. BROOKES. I would say that North Korea is quite rational in its own way. We see the world through a different paradigm, through a different lens, but they have been very successful in maintaining that repressive state for many, many years despite deprivation. Their rational may not be your rational; but they do have a thought process and a certain logic to what they do. And they have been successful in many ways in pursuing that.

Mr. TURNER. Would it be fair to say that you anticipate no change in that relationship in the foreseeable future?

Mr. BROOKES. I think we are all trying to find out what is going to happen with the new North Korean leader. There is always talk of reform. But every time I hear that, I say we have seen this movie before.

I was in North Korea in 1988 as a Hill staffer for this committee, actually. And there were the same sort of little openings going on and private markets and things like that, but it was eventually shut down. So the last thing that they want to do is lose control, and regime survival is their highest calling, as it is with the Chi-
nese communist party. So I think they might do some things. This is a young leader, but I sense power is probably what will most drive him.

Mr. TURNER. Anything to add? Otherwise, I yield back the balance of my time.

Chairman ROS-LEHTINEN. Thank you, Mr. Turner. Mr. Connolly of Virginia is recognized.

Mr. CONNOLLY. Thank you, Madam Chairman, and welcome to our panel. My friend from Pennsylvania, Mr. Kelly, is so articulate and so persuasive, he almost persuaded me that we are a third-rate power in the world. And then I listened to my friend, Mr. Faleomavaega, and I was reminded that actually we are the ones with global reach. We are the ones with 11 carrier groups. And we are the ones that spend more money on any basis you want to measure it by than anybody on the planet in terms of defense.

So, Dr. Cronin, you were trying to respond and you ran out of time to Mr. Kelly's assertions that we were apparently in decline, and he cited a number of statistics that he attributed to Secretary of Defense Panetta. I think Mr. Panetta was warning that if these trends continue, that may be where we end up. I hardly think Secretary Panetta was saying that our Air Force is now at the level of 1915 and our Navy at 1940 and so forth. Would you comment briefly to clear up the prowess, or lack thereof, of the United States military in the world?

Mr. CRONIN. Well, thank you. I don't think I can clear up that entirely because it would get involved in arguments about forces and force structures and capabilities, et cetera. But definitely, I don't think many people, including the Secretary of Defense, think that the United States is in any way in decline. And more as a political economist, I don't believe the United States economically is in the kind of decline that some people despair about. So I think we still have resilience. We certainly have military capabilities. The 1940s, let's say a 1940 F-4 fighter, you could buy a lot of them today for the same money as a top of the line front line aircraft. But which one would you rather have? It is a different world.

So I do think that the Secretary of Defense has been concerned, very concerned about the sequestration issue, and with good reason. But overall, I am not a declinist. I think that there are questions about sustainability in the long term, but I don't see any sign of a growing weakness on the part of the United States.

Mr. CONNOLLY. And if you might permit me an editorial comment, if sequestration is the crisis some of our colleagues make it out to be, and I am certainly concerned about it, then surely we would not have taken a 5-week recess in August, and surely, we are not prepared to take a 7-week, 4-day recess starting next week because it is a crisis. But that is a different matter.

Ms. Glaser, I wonder if you can comment, we have sort of focused on what is our responsibility and what are our strengths and what are China's strengths. But what is the responsibility of countries in the region of the South China Sea? What is Japan prepared to do? What are the Philippines prepared to do? What is Vietnam prepared to do when they believe that their sovereignty has been encroached upon? Ms. Glaser, and I see Dr. Yoshihara is also prepared to comment.
Ms. GLASER. I will be brief and leave some time for my colleague. I think you are absolutely right, that the countries in the region do have obligations as well. One obligation they have is to have greater situational awareness in their waters. This is something that the United States is trying to assist the Philippines in doing. Right now we are helping them, for example, by intelligence sharing. We are actually also helping them to develop the capability to do that by themselves. We have also transferred a cutter to the Philippines. They have an obligation to maintain that equipment now that they have acquired it.

The other thing that I would say is that all of these countries in ASEAN have the obligation to work together, to be more proactive and to agree how they are going to cope with the pressure that China is putting on them, because if they are not united, the Chinese will easily be able to divide them and win in this game.

Mr. CONNOLLY. Before Dr. Yoshihara comments, Mr. Brookes made the point, and I thought a very insightful one, the Chinese are counting on acquiescence, and it seems to me the key in the region is not to acquiesce. That requires intestinal fortitude. The United States can be part of that strategy, but the idea that we are the substitute for that strategy is just not going to work.

Ms. GLASER. Absolutely.

Mr. CONNOLLY. No matter how strong we are or the Chinese are weak. Dr. Yoshihara.

Mr. YOSHIHARA. Absolutely. We need to make the regional partners basically the first responders to Chinese encroachments and maneuvers at sea. And I think our help with the Philippines is a good start, but it is really a very modest move. What we need to do is to give the Philippines more capabilities that would give them the capacity both to monitor, but also to challenge Chinese movements at sea.

With regard to Japan, I think the keyword is resilience. The capacity essentially to withstand a first Chinese strike, for example, and enable the alliance to rapidly recover and retake command of the commons, for example. I think those are the kinds of things that are not only necessary, but, in fact, imminently doable in financial terms.

Mr. CRONIN. If I could, one of the problems with the Philippines, of course, is we can try to help them build their capacity, but they can’t afford to operate what we want to give them or sell to them at cut-rate prices.

When it comes to acquiescence, there is a certain element here that needs to be kept in mind, and that is that China can push and China can bully and China can try to dominate, but at some point they back countries into a corner. And I would give Vietnam as an example. They are not going to acquiesce. I am a Vietnam veteran. It is quite a turn of the world to see our evolving relationship with the Vietnamese right now. There are some problems with it, but nonetheless, they have joined the TPP talks, they are talking to us about weapons acquisition, et cetera. But even more than that, if you look, you can find on YouTube a Chinese film of their attack on Vietnam’s forces in the Spratlys in 1988. It is a brutal thing to watch. They mow down the Vietnamese standing in waist-deep
water on a reef. But if you look at that and you see what the Vietnamese have done with that film, they are not going to be pushed out. Again, you can’t just go drill on someone else’s continental shelf or EEZ without big problems because drilling is a much more vulnerable activity. Fishing, that is a different matter.

Mr. CONNOLLY. Thank you. Thank you, Madam Chair.

Chairman ROS-LEHTINEN. Thank you very much, Mr. Connolly.

Mr. Rohrabacher, the chairman of the Subcommittee on Oversight and Investigations is recognized.

Mr. ROHRABACHER. Wasn’t it the Paracel Islands that the Vietnamese and the Chinese had to face off and not the other islands?

Mr. CRONIN. I am sorry, sir?

Mr. ROHRABACHER. Wasn’t it the Paracel Islands that you were talking about?

Mr. CRONIN. Well, in 1974, China attacked the waning South Vietnamese Government and captured some important reefs on the Paracels, which gave them control of the Paracels. In 1988, they attacked, I think, it was Johnson Reef in the Spratlys.

Mr. ROHRABACHER. So it was the Spratlys. So the video you were talking about——

Mr. CRONIN. That was on the Spratlys in 1988.

Mr. ROHRABACHER. Oh, it is. I have seen that video.

Mr. CRONIN. Yes. It is pretty rough, isn’t it?

Mr. ROHRABACHER. Yes, it certainly is.

Dr. Yoshihara, you mentioned that we have seen double digit hikes in military spending in shipbuilding on the part of China over this last decade or two, while at the same time, American shipbuilding is going down and our Navy is shrinking. Don’t you think there is another dynamic to what is going on here? The fact is, how is China paying for those ships? We have seen decades where we have sat and watched the most historic transfer of wealth and power from one country to another, from the United States to China, and we were told that we had these trading rules and these rules of economy because it would promote a more peaceful world. They would become more benevolent as they became more prosperous. Is what we are saying now is that theory that has been proven totally wrong, and in fact, that money that was transferred, the wealth that was created in China by our investment, by the permitting of the technology transfers, et cetera, now hasn’t that resulted in a less peaceful world and a more risky world?

Mr. YOSHIHARA. Right. I think one of the enduring assumptions underlying U.S. policy toward China has been that long-term engagement, both economic, diplomatic, and otherwise will essentially sort of mellow out the Chinese regime.

Mr. ROHRABACHER. Tame the dragon?

Mr. YOSHIHARA. That it will gradually change China from within. That has been a consistent policy, I think, across all administrations. But now what I think we are beginning to hear is whether this is really more of feeding the beast? I think the point about that is that this resource mismatch is beginning to put pressure on us. We like to talk about the pivot and the rebalance. We have to keep in mind that the pivot or the rebalance is really a redistribution of existing forces; right? This is not really a major buildup on
our part overall; whereas China has the deep pockets to keep building across the board, all kinds of capabilities that can go to sea and take to the air.

Mr. ROHRABACHER. And their deep pockets was what I was trying to stress, comes from the fact that we have accepted economic policies that resulted in this massive transfer of wealth. It is no surprise that this has happened. I mean, some of us have been talking about it for decades. I have been here for two decades talking about this. We are giving them, they are using all of our R&D. They are stealing it, or our own companies are investing there and building high-tech companies and providing them what they need to develop more wealth for their society. And like you say, instead of taming the dragon, we have been feeding the beast.

Let me see what I have here. I am sorry, but I been running back and forth between two hearings today.

Do you think that the Chinese, at this point, unless the United States, and we are talking about this pivot to the Pacific, if we don’t show our military strength and are unwilling to actually have some of these confrontations, like in the Spratlys, will that lead to an even more dangerous world? Or are we talking about maybe the United States shouldn’t be confronting this greater Chinese Navy? Whoever wants to answer that.

Ms. GLASER. Congressman, I think it is very important for the United States not just to have a military presence, but also the economic and the diplomatic engagement. I would say especially economic. We really need to expand our economic relationships with these countries to move forward with TPP. We are being marginalized by all of the other countries negotiating very low quality FTA agreements.

Mr. ROHRABACHER. Let’s note that we have engaged and we have encouraged our businessmen to invest in a dictatorship, the world’s biggest human rights abuser, while other countries like the Philippines and other countries that are democratic, have been struggling along. That type of skewed value system is coming back to haunt us now.

Thank you very much, Madam Chair.

Chairman ROS-LEHTINEN. Thank you very much, Mr. Rohrabacher.

Mrs. SCHMIDT. Thank you. As this discussion continues, I become more concerned, and I need more education on the issue. My concern is understanding China is a long-term thinker, and so it will create a strategy in the region so that it can overtake it at a time when the rest of the world is least prepared to act. What I am saying is we are seeing, with President Ma of Taiwan, a more cozying up of a relationship with China. You saw that with the Beijing Olympics and being able to have air flights from Taiwan to China to make it easier for those that were going over there. Now you are seeing it with the waterways, trying to resolve those issues. And you are also seeing a much more direct link to economic ties where Taiwanese businessmen are actually setting up factories in China. That is one pivot there.

But then you are also looking at the neighborhood and its inability, or its ability, to be able to handle its own affairs against China,
including military affairs. Do they have enough military strength, military smarts, military capabilities? Also, what is their economic relationship in the area and how much of a tie do they have to China?

Then you look at the United States and our indebtedness to China beyond the issue of sequestration, which may reduce our military overall strength, both in the short and the long run. My concern is that with all of these issues coming to attention here in this committee, what is our best way forward out of this in the 3½ minutes that I have left. And I probably would like to start with Mr. Brookes, because you have the military expertise, and then go on down the line.

Mr. BROOKES. Thank you. As I mentioned previously, I think one of the things is we have to provide diplomatic reassurance to our friends and allies in the region that we are going to have an enduring presence there. I think people are very nervous, not surprisingly so, and I think there are questions about the durability of American commitment in that part of the world considering there are so many other commitments; Iran, for instance, and the Persian Gulf and the issues there. And of course, our ability to project power, as you have talked about, the defense cuts that are looming. I mean, this is a big theater. We have talked about how many aircraft carriers we have, but they are not just operating in the South China Sea, they are operating around the world because America is a global power with global interests.

But once again, and this is getting a little bit beyond my portfolio, but I think we need to revitalize our economic strength here at home, which will allow us to have that the diplomatic influence, diplomatic power, as well as being able to build a military capable of supporting or protecting and advancing American interests.

Mrs. SCHMIDT. Let me add to it. I know that there is an economic dance between the U.S. and China because they could call in the loan at any time, and yet they need our goods and services over there at the moment to satisfy their emerging middle class. But at some point, they may pull that trigger which will undercut our ability to operate as a superpower; am I correct in that?

Mr. BROOKES. I have a different view of that. I think it is very unlikely that China will call the debt because since their currency is not convertible, they have to buy American dollars. When Chinese firms repatriate profits back to China, since they can’t trade them, they have to trade them for RMB or yuan, and the Chinese have to buy something with it. So they can buy goods, American goods, agricultural, things like that, or they have to buy American debt. So I don’t think that sort of threat is something that—it would probably collapse the American economy. I am not an economist, so this is a general—and I don’t think that is in China’s interest, considering we are a large export market of theirs. So I think it is a standoff.

Mr. CRONIN. Yes, thank you, if I could.

On the issue of the debt, I think, and Peter started to go that direction, that it is actually a relatively small part of the total debt. There is no way to really call it in. The problem the Chinese have is something that we used to call a dollar trap. That is, you sell Treasury bonds and the value of the U.S. dollar goes down, and so
you are cutting your own throat. The other point is, more basic, and it is, really, this is our policy, don't blame it on China, China is saying we buy stuff from them and they are saying okay, here, take our dollars and buy more. And the way they do that is by buying U.S. debt. And we are going along with that. So you want to blame Penneys, you want to blame Sears, you want to blame Costco, whoever, or the U.S. Government for those policies.

But the other point is, and I think more important, is that China has a lot of problems, and China's manufacturing is falling. Exports are falling. Exports, in general, are falling. They have this huge domestic political issue. And the benefits of China's wealth have not been spread much beyond the coast and the military. So it is a very skewed and unbalanced political and economic system, and I think it is far less sustainable in the way that it is going right now than our economy for all its problems.

Thank you.

Ms. GLASER. I will just briefly speak, if I could, Congresswoman, to the military issue.

Regardless of how much power projection capability we have, we do face a growing anti-access area denial threat. It will be more difficult for the United States, more costly, for us to operate in a conflict close to Chinese shores. As a result, we do need to take steps to improve the survivability of U.S. forces in the zones of potential conflict to prepare to operate effectively from greater ranges in the event that we have to do that.

We have to encourage regional states to develop their own anti-access area denial capabilities. And then we have to work with the states in the region to develop asymmetrical capabilities and operations to counter these threats. Thank you.

Mr. SMITH [presiding]. The Chair recognizes himself for 5 minutes.

Ms. Glaser, you note that China's behavior in the South China Sea is deliberate and systematic. Dr. Yoshihara, you said that China's recent assertiveness in the South China Sea is the harbinger of things to come. And China has a coherent strategy approach, including the rise of an intellectual military complex. And, Mr. Brookes, you said that some in the Chinese elite view the U.S. as a declining power, and the perceptions are growing regarding America's lack of capabilities.

My first question is, how well or poorly in your opinion has the Obama administration understood this ominous threat? Has there been a difference at the Pentagon versus the Department of State, and have we responded in an adequate way to this, as you put it, this ominous—this harbinger of what is happening? Whoever would like to start.

Mr. YOSHINARA. I believe that the pivot and the rebalancing is a good start. What it does is it signals our resolve. It also bolsters the confidence of our allies and our partners and friends in the region. But I think more can be done.

As I said, the pivot and the rebalancing is really largely a redistribution of existing forces. When we send the littoral combat ship to Singapore, for example, that is actually read potentially as a sign of weakness on the part of the Chinese because they know that the littoral combat ship is not a ship for high-end conventional
combat. And so some of our actions actually could be seen as a weakness and potentially more of a provocation than as a reassurance.

So I think we need to be thinking about maintaining our resilience, maintaining our capacity to survive the anti-access zone and to essentially conduct operations continuously.

Let me just add one other point. I think we need to show the Chinese that the open commons is a good thing for China because if China's neighbors adopted the same policies that the Chinese are implementing now, the biggest loser is China because of China's own tyranny of geography which is that it is close to choke points, and China cannot escape those choke points. And so what we need to do is demonstrate our confidence in the region by continuing our freedom-of-navigation operations to show that this is something that the Chinese can do too. So when the Chinese conduct freedom-of-navigation operations, we won't make a fuss about it and say this is potentially a win/win situation if we all have a stake in maintaining the open commons. Thank you.

Ms. Glaser. Thank you, Congressman. I think that the Obama administration in its first year in office was perhaps a little bit naive about China and expected that the Chinese would step up and take a bigger role in helping to solve problems such as global warming and global proliferation of WMD. I think that the Chinese proved that they were not willing to work too closely with the Obama administration in some of these areas.

I think that after that, the U.S. did get tougher. I would really commend the State Department and Secretary Clinton, I think that she has done an enormous amount of work, put in great effort, going to the region and trying to engage with all of these countries and demonstrate U.S. commitment. But our staying power is still in doubt.

One of the most difficult challenges is that if we are too tough with the Chinese, then smaller states in the region get worried because they don't want to see U.S.-Chinese competition in their back yard. They don't want to be forced to choose between the U.S. and China. So it is a very difficult balancing act for the United States.

Mr. Smith. Let me ask a second question if nobody else wants to touch on that one.

I have held a number of hearings, and you said it yourself, Ms. Glaser, that China's propensity to flout international law and norms is worsening, and it sets bad precedents. Nowhere is that more apparent than in human rights. And, unfortunately, there has been a poor record in my opinion on the part of the Obama administration toward China on being consistent, transparent, and very aggressive in promoting fundamental human rights. With that said, and then that carries into the law of the sea and all of the other kinds of flouting that we see going on.

One of the hearings I had last year around this time, we had Valerie Hudson who wrote a book called "Bare Branches." That book is an insight into what the terrible consequences of population control will be in a whole host of areas. We know on trafficking it is a huge problem with the missing girls. But when it comes to instability at home, and the willingness and even the perceived necessity of projecting power, which the Chinese are creating the ca-
pability to do, and already have it, is another worrisome detail. Maybe you can shed some light on this, the State Department and the Pentagon, do they understand this instability? They have an economy that could implode soon because of the workers and the number of young people vis-à-vis older, and the missing girls. Huge, huge problems of instability. How is that playing? Do they understand it?

Mr. Cronin. Well, I can't speak for whether they understand it or not. I would say that the most distinguishing feature of the last 2 years is that the State and Defense have been so close together on how they perceive the world and how they approach it from a policy point of view.

I share your feeling, frankly, that China is a huge—has a huge internal problem. So I am actually not a fan of the idea that they will get richer and become more middle class and then their political system will change. So I do think China remains a very dangerous situation, if you will, creates a very dangerous situation. And has an unpredictability that we have to worry about which is why we need to keep our powder dry and why we need to, I think as Bonnie pointed out, there are certain particular strategic military responses that we have to make to China's growing capabilities, but we can do that. And I guess I am a little more confident that we can take care of that. Thank you.

Mr. Smith. Mr. Brookes, you talked about in my last question, and I know I am out of time, about the aircraft carrier and that Beijing has a significant power projection platform to assert its interest along its periphery. How far does that periphery go, in your opinion? And you in your testimony, Dr. Yoshihara, you talked about the anti-ship ballistic missile and the other tools and weapons that Beijing has. Does anybody remember the Sheffield and the Exocet that took it out in the Falkland Islands. I read your testimony very carefully, Doctor. The last big sea battle was back in World War II. Do we have an undo sense of bravado and capability when other things could very seriously undermine it? Can you speak to, again, the aircraft carrier issue and the fact that they have other things?

Mr. Brookes. China's power projection capability continues to expand. Once they put an aircraft carrier to sea, and my understanding is they have several others that are being looked at, and they have a fully operational air wing. It is just like ours. They still have that capability. And then when they put more, their ballistic missile capability is increasing significantly. They supposedly have a capability to take out a large, high-value target like and aircraft carrier with a land-based ballistic missile. That is very troubling. I think the range is about 1,000 miles is what we are speculating at this point. They can cover the South China Sea. In fact, some people have speculated in the Department of Defense that some of the platforms that they are building are able to cover the South China Sea.

The other issue, of course, is it is starting with the South China Sea. We can't ignore what is happening in the East China Sea where they have claims as well. So we have to look at it holistically and not just limit ourselves to what is going on down there.
Mr. YOSHIHARA. If I may quickly comment, the Chinese actually have written extensively about the Falkland Islands War and trying to learn lessons from that particular conflict. One of the takeaways from that particular conflict was that it was a close-run thing. If the Argentineans had actually struck more ships, if they had been a little bit more aggressive in their use of their missiles and their aircraft and more ships were sunk, Britain would have been in a lot of trouble. And so I think this is a lesson that they are learning, that if they put our ships at risk at the same rate, for example, then we may be compelled to sort of back down.

So again, I think we are cognizant of this challenge. We are exercising and thinking more about how to assert sea control and also to operate in a sea-denied environment. So I think we are moving in the right direction, but I think more work needs to be done.

Mr. SMITH. You did talk about littoral ships being deployed. Are you concerned that the Pentagon is buying aluminum ships? It is buying some steel, but some aluminum as well? I mean, that is what the Sheffield was. One Exocet missile took it out, and it burned like a Roman candle.

Mr. YOSHIHARA. Right. I don't know sort of the technical aspects of it. But again, as I mentioned, the Chinese—some Chinese do not seem to take the littoral combat ship very seriously. They see that as more as a sign of weakness than a sign of strength.

Mr. SMITH. Thank you.

The Chair recognizes Mr. Duncan, the gentleman from South Carolina.

Mr. DUNCAN. Thank you, Mr. Chairman.

One thing about sitting this far down on the dais is that most of the gritty questions have been asked. I think we have beat the issue up pretty good today about understanding that China is a presence that is exerting its influence all over. I believe that is gunboat diplomacy, and I think we are witnessing that in modern times.

I think Ms. Glaser is correct, we don’t need to make the Chinese out to be 10 foot tall. That is a great comment.

But in basic grade school playground-style bullying, we are seeing the biggest player on the playground, so to speak, using its size and strength to exert their influence and try to get its way. I think the way to counter that and the way that we have been able to counter that is with the United States' strength both economically and militarily. So I just want to lend my voice to really the concern over sequestration and what that is going to do to the United States military. That has been brought out by a number of my colleagues today.

I want to go back real quickly to my concern over the United States debt. We hit a milestone of $16 trillion in debt. I just want to remind the folks on the panel today that Proverbs is pretty clear in 22:7 that the borrower is servant to the lender. At what point in time will our debt be so large, and so large to one creditor that we are doing their bidding, so to speak? I think we have to be aware of that.

The Chinese are building temporary structures in the Spratlys—pole buildings. They are driving T posts in atolls, putting signs up that it is Chinese territorial waters, I believe to try to claim the
natural resources that everyone believes are there. The Philippines, the Filipinos are very, very concerned about that. They believe those resources are theirs, and they hope to garner that resource at some point in time. So we have talked about all of this. I guess the question I have for the panel, give me some solutions. What can we do? What should be done? I think the last question earlier I guess what Mrs. Schmidt was asking, you all answered that. Give me some solutions, Mr. Brookes.

Mr. Brookes. I thought some of the things that have been said here today would be very constructive. I have tried to do it at the macro level, but some of the things Bonnie talked about were important. In other words, to make sure that we have the capabilities for the threats that we face, we need to mobilize our allies and friends to be able to deal with the potential for Chinese aggression.

And another important thing is, of course, unfortunately, there are some stumbling blocks along the way, such as the capabilities of some of the potential partners in Southeast Asia and Japan. They have some treaty issues that would potentially prevent them from operating alongside others under collective self-defense in the South China Sea.

But I think we have to do a strong effort, and I imagine it is probably being done, for people to understand, even in northeast Asia, that what happens in the South China Sea is going to affect them. Japan, I am not sure if this is still true, some 80 percent of their energy is imported and passes through the South China Sea area. If this becomes a Chinese lake effectively, I think there will be significant problems potentially down the road for Japan and Korea. So I think working together with allies and pooling our defense capabilities, and having a strategy is a basic thing that needs to be done.

Mr. Duncan. Dr. Cronin.

Mr. Cronin. One thing to think about is that these structures that they are building are very vulnerable. So it is not a case that they are building up something that is some impregnable thing. I think in this case we should keep in mind, and work with our allies and friends on the issue of the rule of law and the fact that those structures under the U.N. conference on the Law of the Sea, they are entitled to nothing but a 500-yard safety zone. In other words, they are on Philippines EEZ, some of them, on their economic zone, so they shouldn’t be there. But technically, they have a right to be there so long as they don’t try to exploit the resources. Well, obviously, they have more reason. It is not that they are going to follow those rules, if they have to, if they can avoid it. But I do think that there is a combination——

Mr. Duncan. They are not a signer to any sort of U.N. treaty like that?

Mr. Cronin. Pardon?

Mr. Duncan. Even if China is not a signer, a signatory party to any sort of treaty?

Mr. Cronin. They signed it but with the reservation that their nine dash line and all of their claims precede.

Mr. Duncan. Gave them an out?

Mr. Cronin. Right. But with the other countries, though, there is an affinity now between the U.S. and all of the other countries
in the region which China has created. And that affinity is that all of the other countries accept sort of a rules-based international order. I think there are two different poles on this issue. One is the sort of very practical matter of what do you do about somebody sitting on an atoll and building this structure. But other is the issue of not what kind of world that we want, but what kind of world do the other countries in the region want? And so, you know, was it Bismarck who said politics of war is politics by other means. Well, politics is still a factor here, and relationships are a factor here. So, I think the United States has to take a strong position on these issues.

China doesn’t want an escalated conflict. That would totally create a problem.

Mr. DUNCAN. Let me give Ms. Glaser a chance to answer.

Mr. CRONIN. So they are trying to get what they can without paying a price.

Ms. GLASER. Thank you. I will be brief and concrete.

First, I think, we do need a code of conduct. The 2002 declaration on the conduct of parties in the South China Sea that was signed is not legally binding. It is voluntary. It has some useful provisions, but they are just not mandatory. We need a code of conduct that has a dispute settlement mechanism so if we have an incident like Scarborough Shoal, there is some panel, there is some way that the dispute can by diffused and resolved.

Second, a mechanism on cooperating on fishing would be very, very useful. There is a serious problem with fish depletion. People are fishing further from their shores. Fishermen, their livelihood is being affected. So enabling fishermen to fish in these disputed waters I think would be useful.

Finally, I will repeat what I said earlier, that I think there is a need for every claimant to define its territorial and maritime claims clearly. The Chinese are the most egregious in this regard, though there are some others that are not completely clear. And then agree to set aside these disputes and find models of joint development. Brunei and Malaysia, for example, are engaging in a joint oil development project, and we need to have more of these. If ASEAN can do this effectively, I think China can be brought into those kinds of arrangements.

Mr. DUNCAN. Dr. Yoshihara.

Mr. YOSHIHARA. Yes, I think we can think creatively. In fact, we can think asymmetrically about the problems. In fact, we can turn the tables on the Chinese by, I think, developing and focusing on our own anti-access forces in the region. We have heard from the panelists that China is not 10 feet tall. So, therefore, we should focus on some of their structural weaknesses, and they are weaknesses that they cannot repair in time. And there are two weaknesses—their anti-submarine warfare capability and their mine countermeasure capability. These are areas that they have always been very bad in, and they will not have the resources to fix those areas rapidly enough.

Those areas happen to be our strengths. Our submarine force is one of the best in the world. And in fact, Japan has already made a decision to increase it submarine force by over 30 percent. That
is how worried the Japanese are, and we should, I think, be also focused on submarine warfare.

And I would suggest that with the second element, that we need to revisit offensive mine warfare which we employed very effectively during World War II. These are the kinds of high-end military capabilities that, again, would seek to deter the Chinese from taking on potentially dangerous, destabilizing actions.

Mr. DUNCAN. Thank you, Mr. Chairman. I yield back.

Mr. SMITH. The Chair recognizes Mr. Kelly for one final question.

Mr. KELLY. Thank you, Mr. Chairman.

Mr. Brookes, I know there has been some conversation, not an awful lot, but about the Law of the Sea. And I know there is differing opinions on good, bad, indifferent and what it would be. This is a treaty that while we have been involved, we have never ratified. President Reagan was one of the ones who said he did not want to do it. Mr. Cronin, you kind of like it. This could probably be a whole panel discussion. Just plus and minuses.

Mr. BROOKES. I oppose it, and the reason I oppose it is the international seabed authority. I have no problem with the navigational matters, and we abide by those matters as a standard maritime practice. But I am opposed to the international seabed authority which is this U.N. body which is based in Kingston, Jamaica, and the effects that might have on our extended continental shelf. But I have no problem with the maritime guidelines and territorial——

Mr. KELLY. So that is your main objection?

Mr. BROOKES. That is my objection.

Mr. KELLY. Very good. I will say this. Because some of the conversation over our debt, I have actually had the unique experience of actually running a business in the private sector, which a lot of my colleagues have not. The relationship to debt to equity, are you kidding me? It is not an issue? Only in this town do we really believe that debt is not an issue in our ability to sustain our way of life and our form of government. This has become incredibly amazing to me, that we sit back and think that you can just keep borrowing and borrowing and borrowing, and it really doesn't matter. And I know why the Chinese invest. Of course, we are still the best investment in the world. I don't think anybody is putting money in Greece right now.

So a lot of this stuff is just kind of common sense. But what bothers me is if we really do believe that not controlling, not having sovereignty, control of our debt is not important, we have been asleep for way too long, way, way too long. This is just practical economics. This is economics 101. I hate to phrase it that way, but I have been amazed in my 20 months here that there is somehow a disconnect between the amount of money that you owe and your future and your sustainability. So that is something that is incredible.

Now, the other thing I want to say, we quote a lot of people today, and there was a Spanish philosopher, Santayana, who says, "Those who cannot remember the past are condemned to repeat it." This is not a new issue in the world, what we are seeing happening. And I am very much concerned that somehow we believe that if we just pull the covers up over our head, that we will get past the midnight hour, and the skies will be blue again and the
sky will shine and everything will just be hunky dory. It not going
to work that way. I think, Ms. Glaser—oh, it is Doctor, you say,
“Fortunately, there is still time to maximize the convergence of in-
terests and organize an effective response. China is at least a de-
cade away from amassing the type of preponderant sea power that
keep the United States out of the South China Sea.”

Now, my references early on to Secretary of Defense Panetta deal
with 10 years away. There is kind of a convergence that is hap-
pening. In 10 years, you say China could be at that rate. In 10
years, the Secretary of Defense says that we will have the smallest
Navy since 1915, the smallest ground force since 1940, and the
smallest Air Force in our history. There is in the future a coming
together with history and the facts of the past. And I really am
concerned, as we look into the future, that we somehow seem to
think that we can have a blind eye to what is happening and think
it is going to be all right. We have seen this happen before. There
is countless examples throughout history. And to sit back now and
think that somehow we can wish this away. I will tell you this: In
my lifetime, what I have experienced in this part of the world, they
are wired differently than we are. Okay?

Playing nice is fine. But a lot of people consider our kindness as
weakness. And when the United States stops being the strongest
player in the world, our allies stop looking to us because we really
can’t protect them. So a lot of the things that we see coming I think
are absolutely essential that we recognize what the new dawn is
bringing. And to sit here and think that we don’t have to address
that. It is great to have these discussions in a panel like this. In
the real world, if you don’t come to some really strong conclusions
and some strong responses to it, you are doomed.

I thank you all for being here today. I really do. And I don’t know
how long it is going to take before we wake up. There is things
happening around the world, we have just seen it the last couple
days, this is absolutely crazy what is going on. And we continue to
think it is going to be all right. It is not going to be all right. We
need to be the strongest player in the world, not because we wasn’t
to take over the world, but that we are the only ones that can pro-
tect the rest of those out there that are weak. So I thank you all
for being here. Mr. Chairman, thank you for indulging me.

Mr. SMITH [presiding]. Thank you very much, Mr. Kelly. Let me
just conclude, and perhaps you might want to speak to this very
briefly, but the issue of China’s motive. We know there is a profit
motive, there always is, the need for oil, the need for scarce re-
sources. But I have been struck for years by the hearkening back
to the opium wars that I hear all the time. I watch China’s channel
ever in Washington and I am amazed how many documentaries
there seem to be on that. When the big censorship issue was very
front and center, it has not abated one bit, but now it is no longer
Google, it is others, if you typed in torture, you got the horrific
atrocities committed by Japan against Chinese citizens. Nothing
about their systematic use of torture, of course. And you got some-
thing about Guantanamo. But that is all you got. And it seems to
me that Japan really needs to have a great deal of concern, which
as you pointed out, Doctor, they are beefing up their expenditures
for defense. But perhaps you could take it and write back, because
it is late, but the issue of motive. This is not—you know, a democratic China we have no fear of. But a dictatorship that controls the propaganda machine and does so as effectively and adroitly as Beijing does, we have reason to be concerned. And especially when they bring up these pasts as if they were yesterday. Your thoughts? Does that drive them?

Mr. BROOKES. I think we have to be conscious of history. You can deny it, but you can't escape it. That is all I would say on that. And we have to be understanding of other cultures. I think it is critically important to get a sense of where they are coming from, and to better understand and to increase the chances for peace and stability.

Ms. GLASER. I would share your concerns about essentially the victim mentality in China, this looking back at the period where they were exploited. This is a function, in large part, of education in the Chinese system. So it is access to information and the lack of it, absolutely. And then it is also education in the schools. I have heard 5-year-old children singing anti-Japanese songs. Surely they don't really know what they mean, but they grow up to understand that. And they watch these documentaries on TV. So the nationalism is really stoked by the government. And I think that is really quite dangerous.

Mr. YOSHIHARA. If you read mainstream Chinese scholars about what China wants to be when it grows up, there is a growing school of thought that China does, in fact, want to be a world power, if you are talking about motives. Many of them say they like the system run by the United States, this liberal international order. But all of them say, I think with the caveat, that yes, they like the system—after all, China has benefited most from it—but that they would like to change this from within when they get strong enough, because China was not present at the making. And that they want to make the rules change so they benefit China because the rules currently benefit the United States.

So if you want to think broadly about what China really wants when it becomes a world power, those are the kind of things that I think we should be looking out for. And China's claims over the EEZ, I think, is part of this pattern of eroding and changing the rules that have underwritten this current liberal international order.

Mr. CRONIN. Yes, I agree. I think that it is easy enough to say remember history, but history has different interpretations. And so we need to put each other—it is helpful for us to put ourselves in the other countries' shoes only to understand where they are coming from, how does their mind work? How do they process these issues? And I think really the most important thing the United States can do, and particularly relatively cheaply, is try to understand where these guys are coming from, what is driving them. And also, to remember that we have got some problems with our alliance relationships as well. I mean, the Japanese, you can criticize the Chinese for bringing up history, but go talk to the right wing in Japan and you will find that, you know, some of them haven't learned anything since World War II. So that is also a problem. But I do think understanding the other party, the enemy, however you want to call it, is vital. And understanding ourselves
and being honest with ourselves about what we want and what we are willing to pay for.

Mr. SMITH. On that note, thank you so very much for your extraordinary testimony and incisive comments. The hearing is adjourned.

[Whereupon, at 12:06 p.m., the committee was adjourned.]
APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD
FULL COMMITTEE MEETING AND HEARING NOTICE  
COMMITTEE ON FOREIGN AFFAIRS  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20515-0128  

Ileana Ros-Lehtinen (R-FL), Chairman  

September 10, 2012  

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held in Room 2172 of the Rayburn House Office Building (and available live via the Committee website at https://www.house.gov)  

DATE:  
Wednesday, September 12, 2012  

TIME:  
10:00 a.m.  

SUBJECT:  
Beijing as an Emerging Power in the South China Sea  

WITNESSES:  
Toshi Yoshihara, Ph.D.  
Professor  
John A. Van Beuren Chair of Asia-Pacific Studies  
U.S. Naval War College  

Ms. Bonnie Glaser  
Senior Fellow  
Freeman Chair in China Studies  
Center for Strategic and International Studies  

Richard Cronin, Ph.D.  
Director  
Southeast Asia Program  
Stimson Center  

Mr. Peter Brookes  
Senior Fellow  
National Security Affairs  
The Heritage Foundation  
(Former Deputy Assistant Secretary of Defense for Asian and Pacific Affairs)  

By Direction of the Chairman  

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-5821 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.
COMMITTEE ON FOREIGN AFFAIRS
MINUTES OF FULL COMMITTEE HEARING

Day  Wednesday     Date  9/12/12     Room  2172 RHOB
Starting Time  10:06 a.m.   Ending Time  12:06 p.m.
Recesses  (5:00) (5:30) (10:00) (10:30) (10:00) (10:30)

Presiding Member(s)
Rep. Ileana Ros-Lehtinen

Check all of the following that apply:
Open Session ☐  Electronically Recorded (taped) ☐
Executive (closed) Session ☐  Stenographic Record ☐
Televised ☐

TITLE OF HEARING:
Beijing as an Emerging Power in the South China Sea

COMMITTEE MEMBERS PRESENT:
Attendance sheet attached.

NON-COMMITTEE MEMBERS PRESENT:

HEARING WITNESSES: Same as meeting notice attached? Yes ☐  No ☐
(If "no," please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record)
Rep. Burton (SFR & QFR)
Rep. Polemiope (SFR)
Rep. Cornwell (SFR)
Mr. Yoshikara (Response to QFR)
Ms. Glaser (Response to QFR)
Mr. Cronin (Response to QFR)

TIME SCHEDULED TO RECONVENE
or
TIME ADJOURNED 12:06 p.m.

Jean Carroll, Director of Committee Operations
Hearing/Briefing Title: Beijing as an Emerging Power in the South China Sea

Date: 9/12/12

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Last year, Chairman Ron DeL理工大学 and I introduced H. Res. 352 calling for a peaceful resolution of the South China Sea dispute. In response to protracted tension in the region, we re-introduced this legislation as a bill, rather than a resolution, to show how serious this matter is to us. The text of our legislation is the same but includes updated information to reflect the escalation of China’s aggressive actions in the South China Sea.

I appreciate Ranking Member Berman’s support, too. The Chairman and Ranking Member’s leadership on this issue sends a strong signal that the U.S. stands with our friends and allies in the region — including the Philippines and Vietnam — and that we will not turn a blind eye to China’s aggression.

Although not a party to these disputes, the United States has a national economic and security interest in ensuring that no party uses force unilaterally to assert maritime territorial claims in East Asia, including in the South China Sea, the East China Sea, or the Yellow Sea.

The South China Sea contains vital commercial shipping lanes and points of access between the Indian Ocean and the Pacific Ocean, and provides a maritime lifeline to Taiwan, Japan and the Korean peninsula. While China, Vietnam, the Philippines, Taiwan, Malaysia, and Brunei have disputed territorial claims, China claims most of the 648,000 square miles of the South China Sea — more than any other nation involved in these disputes. China’s claims are so outrageous, for example, that if enacted, Vietnam would become a landlocked country, and this is neither right nor fair.

While I stand on a record of being fair when it comes to U.S.-China relations, I have grave concerns about China’s expansive territorial claims in the South China Sea, which have no basis in international law. From cutting the cables of Vietnamese boats, to firing shots at fishing vessels from Vietnam and the Philippines, to announcing that it will conduct oil exploration within 200 nautical miles of the continental shelf and exclusive economic zone of Vietnam to the establishment of a prefecture-level government in the city of Sansha, in an area that is also claimed by Vietnam, to its recent announcement that it has begun ‘regular, combat-ready patrols’ in the South China Sea, I consider China’s actions to be provocative.

Only last year, Chinese Major General Peng Guang Qian stated that ‘China once taught Vietnam a lesson. If Vietnam is not sincere, it will receive a bigger lesson’ and ‘if Vietnam continues to
act rough, play with the knife, sooner or later it will get cut."

In my opinion, China's Major General owes Vietnam an apology. Remarks like this are offensive, inflammatory, and uncalled for, and the China I know is better than this. On June 22, 2011, in reference to the South China Sea dispute, Chinese Vice Foreign Minister told reporters that 'I believe the individual countries are actually playing with fire, and I hope the fire will not be drawn to the United States.'

I also hope the fire will not be drawn to the United States. This is why I join Secretary Clinton in calling upon China to work collaboratively and diplomatically to resolve these disputes without coercion, threat, or intimidation and, above all, without the use of force.

As a world power, China has a shared interest in promoting peace. So I urge China to refrain from unilateral provocations and immediately enter negotiations with ASEAN on a legally binding code of conduct.

I also urge my colleagues to support H.R. 6313 and I call upon the House leadership to schedule it for floor action.
Like many of my colleagues, I am concerned with the increased territorial incidents in the South China Sea and would like to see a peaceful, practical, and fair resolution. The bill (H.R. 6313) before the Committee states that the Secretary of State should, among other things, "reaffirm the strong support of the United States for the peaceful resolution of maritime territorial disputes in the South China Sea, the Taiwan Strait, the East China Sea, and the Yellow Sea and pledge continued efforts to facilitate a collaborative, peaceful process to resolve these disputes." The bill also urges the Secretary of State to "condemn the use of threat or force by naval, maritime security, and fishing vessels from China..." and "support the continuation of operations by the United States Armed Forces in support of freedom of navigation rights in international waters and air space in the South China Sea" and its nearby waters.1

I would like to hear the panel's view on H.R. 6313 and how the bill fits into the U.S. strategy for the South China Sea and surrounding maritime areas. Will, for example, Beijing see the passage of this bill as a manifestation of U.S. strength, U.S. meddling, or both? The United States has repeatedly expressed a "national interest in the maintenance of peace and stability, respect for international law, freedom of navigation, and unimpeded lawful commerce in the South China Sea" and "support [for] ASEAN's5 efforts to build consensus on a principles-based mechanism for managing and preventing disputes."6 Does this position adequately address national interests?

Related to that, I would like to hear the panel's thoughts on what the U.S. position should be in the South China Sea from a grand strategic level. In other words, what are the major objectives that you recommend the U.S. ought to meet vis-à-vis these territorial disputes and what concrete steps can the U.S. take to meet them? I know, for example, that some analysts recommend the United States ratify the United Nations Convention on the Law of the Sea (UNCLOS) Treaty. What are other concrete steps the United States can take with regard to this issue?

Last, an assessment on China's point of view would be useful. According to one China expert, Minxin Pei, "China wants to resolve the dispute, but only on its terms." Mr. Pei goes on to describe how China would go about this—by "achieving uncontested regional dominance."7 Is this China's ultimate endgame? And is it a fallacy to assume that China is acting as a monolithic entity, in light of the multiple Chinese agencies, often referred to as the "nine dragons" that oversee maritime issues in China? An April report by the international Crisis Group describes these "nine dragons" and states that "China's current approach remains characterised by numerous ministerial-level actors and law enforcement agencies with no effective coordinating authority and no high-level long-term policy."8

These are a few of the issues surrounding the territorial disputes in the South China Sea and other maritime areas adjacent to the East Asian mainland. I look forward to hearing our panel's thoughts on how U.S. policy can contribute to a fair and peaceful resolution while maintaining U.S. interests.

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1 Specifically, the East China Sea, the Taiwan Strait, and the Yellow Sea.
2 Association of South East Asian Nations.
4 Both quotes from Minxin Pei, "Beijing plays divide and conquer to win in South China Sea," The National (July 17, 2012).
Representative Burton - Questions to be submitted for the record. Committee on Foreign Affairs. Full Committee Hearing: "Beijing as an Emerging Power in the South China Sea" 9/12/12.

1) We have recently seen controversy arise on the issue of sovereignty between China and the Philippines, and between China and Vietnam in the South China Sea. The formulation of the Code of Conduct of the South China Sea faces many challenges due to the lack of consensus among the disputed parties. I have noticed that Taiwan also claims sovereignty over the South China Sea and Taiwan effectively controls Dongsha Island and Taiping Island, the two largest islands in Pratas and Spratly respectively. However, in recent dialogues regarding the South China Sea, Taiwan has not been included. The lack of Taiwan's participation in these dialogues is a critical loss to the peaceful resolution to these issues. In the future, how can we ensure that Taiwan is included in these negotiations?

2) As tensions continue to escalate in the East China Sea, I noticed that Taiwan's President Ma Ying-jeou has recently proposed an "East China Sea Peace Initiative." The initiative calls on all parties to show restraint, shelve controversies and settle these disputes in a peaceful manner. It further urges all concerned parties to strive for a consensus on a code of conduct in the East China Sea, and encourages these parties to establish a mechanism for cooperation on exploring and developing resources in the region. The United States should support President Ma's initiative for peace and stability in the region. How can we facilitate this? And could we apply this initiative to the South China Sea?
Response to Representative Dan Burton's Questions Submitted for the Record
House Committee on Foreign Affairs
"Beijing as an Emerging Power in the South China Sea"
9/12/12

I thank Representative Burton for his important and timely questions regarding Taiwan's potential role in the maritime disputes over the East and South China Seas.

Taiwan is a U.S. friend of longstanding. The United States values Taiwan because it is a vibrant democracy, which lends credibility to President Ma’s peace proposal. As an economic powerhouse, Taiwan helps underwrite the region’s dynamism, wealth, and stability. In strategic terms, Taiwan is a literal and figurative cork in China’s bottle, riveting Beijing’s attention on the cross-strait statement. Given Taiwan’s all-around importance, we should always be receptive to Taipei’s initiatives.

Unfortunately, it seems unlikely that Taiwan, even with U.S. support, would be permitted to play a constructive role in either maritime dispute. However worthy and sincere Taipei’s proposals might be, Beijing would likely find them problematic. Allowing Taiwan any diplomatic space would confer legitimacy to the island that China would find intolerable—unless, of course, Taipei is being used to advance Beijing’s interests by proxy. A key complicating factor is that Taiwan’s claims parallel China’s claims. To the extent that these Taiwanese claims come at the expense of other stakeholders, including that of Japan regarding the Senkakus, they do not necessarily advance regional stability. Indeed, Tokyo would rightly worry that the peace proposal pits China and Taiwan against Japan.

If the East China Sea dispute genuinely arises from differences over resource exploitation, then perhaps some elements of President Ma’s proposals would ease tensions. In my view, however, the growing frequency in Sino-Japanese confrontations at sea is a symptom of the larger great power competition between Beijing and Tokyo. In Chinese eyes, Taiwan is at best a marginal player. Specifically, this maritime disagreement is about the long-term strategic use of the East China Sea. Beijing sees this body of water, which lags the shores of China’s key economic centers, as a strategic buffer against potentially hostile outside powers. It is also a strategic avenue through which Chinese naval and maritime forces must transit to break out of the long chain of islands—stretching from the Japanese home islands to the Philippine archipelago—that encloses the East and South China Seas. Despite many intermediating factors, the East China Sea is an arena ripe for zero-sum competition.

This same zero-sum logic applies to the South China Sea. As a junction of the Indo-Pacific region, the South China Sea is strategically and operationally valuable to China. From there, Chinese naval forces could swing westward to the Indian Ocean to defend critical sea lines of communication or they could break out eastward to the Western Pacific to impede U.S. power projection. In this context, it is not surprising that Beijing has built Sanya naval base—home to underground submarine facilities—on Hainan Island. To complicate matters further, some Chinese strategists view virtually the entire South China Sea as China’s territorial seas. In other words, they believe that Beijing exercises full sovereignty over those waters, dubbing them “blue
national soil.” Such overreaching, dubious claims do not provide a sound basis for negotiations, especially if they impart any legitimacy to China’s position.

Finally, Taiwan has bigger fish to fry: the defense of the home island. Given China’s growing military advantage over the island, Taipei can no longer take for granted sea control and air superiority around the island in a cross-strait confrontation. Taiwan’s leaders must think more creatively and asymmetrically about its ability to blunt Chinese military coercion. Foreign policy initiatives of the kind that President Ma has proposed require hard power to back them up. But, the reality is that the military balance has already tilted in China’s favor. Bulking up Taiwan’s military capabilities should thus take priority over any peace overtures. Accordingly, the United States should assist Taipei in developing anti-access capabilities that would severely complicate Chinese campaign plans. Above all, Washington should help the island deprive Beijing the most destabilizing types of military options that feed Chinese ambitions for a quick, decisive victory.

Dr. Toshi Yoshihara
John A. van Beuren Chair of Asia-Pacific Studies
U.S. Naval War College
Representative Burton - Questions to be submitted for the record. Committee on Foreign Affairs. Full Committee Hearing: "Beijing as an Emerging Power in the South China Sea" 9/12/12.

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Given that Taiwan controls several key islands and also claims sovereignty over the South China Sea, I agree that Taiwan should have a role to play in any multilateral discussions that pertain to the region, including its resources and management of disputes. It is difficult to include Taiwan, in large part because China has an effective veto. This is also the case with Taiwan’s participation in international organizations. In the absence of support from Mainland China, it is impossible for Taiwan to gain meaningful participation in any international organization that requires sovereignty to join. The United States can do two things. The US can publicly call for discussions on a COC to include Taiwan and it can encourage ASEAN members to do the same. Taiwan can also make its voice heard by putting forward its ideas for the other nations to consider. The fact that Taiwan’s claim—the nine-dashed line—has not been brought into line with international law (UNCLOS), makes it very challenging for Taipei to gain support from other nations. Taiwan can better position itself to be included in any discussions going forward if it publicly explains its position—which land features and adjacent waters it claims. This would also set a model for China to emulate. Taiwan is a country that shares US interests in acting in accordance with international laws and norms; it should do the same in the South China Sea.

2) As tensions continue to escalate in the East China Sea, I noticed that Taiwan’s President Ma Ying-jeou has recently proposed an “East China Sea Peace Initiative.” The initiative calls on all parties to show restraint, shelve controversies and settle these disputes in a peaceful manner. It further urges all concerned parties to strive for a consensus on a code of conduct in the East China Sea, and encourages these parties to establish a mechanism for cooperation on exploring
and developing resources in the region. The United States should support President Ma’s initiative for peace and stability in the region. How can we facilitate this? And could we apply this initiative to the South China Sea?

This initiative on its face is useful, but in reality Taiwan will accomplish more through quiet discussions with Tokyo about sharing the fishing resources around the Senkaku/Diaoyu Islands. Japan is not very enthusiastic about the ECOSPI proposal and the U.S. is unlikely to take any positions that directly challenge Japan. I think the U.S. can, and should, say that it welcomes any initiative from any regional player that is constructive, and that the ECOSPI is an example of such a proposal. However, I doubt that the US can do more than that. I believe that such a proposal for the South China Sea would be even more helpful than in the East China Sea. In the South China Sea, every party accepts that sovereignty is disputed. As I noted in my response to the answer above, in order for Taipei to be seen as constructive and have a positive impact, it will need to clearly define its nine-dashed line claim.

Bonnie Glaser
Responses of Richard Cronin, Director of the Stimson Center’s Southeast Asia Program to Questions submitted by Representative Burton, 9/13/12

Representative Burton - Questions to be submitted for the record. Committee on Foreign Affairs. Full Committee Hearing; "Beijing as an Emerging Power in the South China Sea" 9/12/12.

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Response:
The unfortunate reality for Taiwan is that it is never included in such international dialogues, including the ASEAN Regional Forum (ARF) due to Beijing's objections. Taiwan might improve its standing with the ASEAN countries by offering to negotiate its claims to all but Dongsha Pratas Islands and Taiping Island in the Spratlys, both in the South China Sea. Unfortunately that too appears to be a non-starter given public sentiment and party politics in Taiwan and the unwillingness of many if not all Southeast Asian countries to offend the PRC or get involved at all with cross-Strait issues.

2) As tensions continue to escalate in the East China Sea, I noticed that Taiwan's President Ma Ying-jeou has recently proposed an "East China Sea Peace Initiative." The initiative calls on all parties to show restraint, shelve controversies and settle these disputes in a peaceful manner. It further urges all concerned parties to strive for a consensus on a code of conduct in the East China Sea, and encourages these parties to establish a mechanism for cooperation on exploring and developing resources in the region. The United States should support President Ma's initiative for peace and stability in the region. How can we facilitate this? And could we apply this initiative to the South China Sea?
Response:
Japan’s Interchange Association, Tokyo’s equivalent of the American Institute in Taiwan, has
called for engaging in fisheries talks to help ease tensions over the territorial dispute, which
appears consistent and perhaps directly responsive to President Ma’s initiative. The United
States should rhetorically support such talks. But only Beijing and Tokyo have the power to ease
tensions on the larger territorial issue.
[NOTE: Material submitted for the record by the Honorable Dan Burton, a Representative in Congress from the State of Indiana, is not reprinted here due to length limitations but is available in committee records.]