

# ISSUE BRIEF

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## Disappearing Horizons: U.S.–China Relations After Shangri-La

Dean Cheng

The 11th Shangri-La Dialogue, formally known as the IISS Asia Security Summit, recently concluded, with defense ministers, military officers, and other government officials and scholars from 27 Asia–Pacific nations in attendance. Noticeably absent from the annual conference this year were senior Chinese leaders, limiting discussion of such pressing security issues as the tensions in the South China Sea.

**Threatening Words.** For this multilateral conference, the Chinese dispatched a delegation headed by Lieutenant General Ren Haiquan, vice president of the Academy of Military Sciences (AMS) of the People’s Liberation Army (PLA). This is a far cry from previous years, when the Chinese defense minister or other more senior officers led the way and China was applauded

for an apparently more transparent approach to regional security.

In failing to send any senior officials to the Shangri-La conference, Beijing is reinforcing a message of growing antagonism toward the U.S. and its allies, as reflected in a series of comments in the Chinese state-run media and from regular Chinese commentators. On the eve of Chinese Vice Premier Li Keqiang’s visit to Australia, a retired senior Chinese officer, Song Xiaojun, proclaimed that Australia needed to find a “godfather” and had to choose between the United States and the People’s Republic of China. Song helpfully added that Australia “depended on exporting iron ore to China ‘to feed itself,’” implying that the wrong choice could have economic as well as security consequences.<sup>1</sup> This echoes China’s curtailment of exports of rare earth minerals to Japan after the 2010 spat over the Senkaku/Diaoyutai islands.

Meanwhile, Chinese papers have accused the U.S. of creating tensions in the region. A column in *People’s Daily*, the state-run official Chinese newspaper, charged the U.S. with “muddying the waters” over the South China Sea.<sup>2</sup> And on the eve of the Shangri-La Dialogue, a *People’s Daily*

editorial warned that territorial disputes over the South China Sea were issues between China and its neighboring states: “They are none of America’s business, and China will not allow the US to insert itself.”<sup>3</sup>

**China’s Reasoning.** In this light, the Chinese decision to downgrade its participation in the Shangri-La Dialogue is troubling. Rather than take advantage of the opportunity to interact with other top military leaders, the Chinese made clear that there would be only the most limited engagement possible.

It is possible that the decision to downgrade attendance at Shangri-La was due to the impending Chinese leadership transition. Not only is the top civilian leadership going to be overhauled (with General Secretary Hu Jintao and Premier Wen Jiabao stepping down in favor of Xi Jinping, Li Keqiang, and possibly Wang Qishan, among others), but most of the top military leadership, the Central Military Commission (CMC), will also be retiring. Only a few officers are likely to remain, including General Chang Wanquan, director of the General Armaments Department, which is responsible for weapons development and China’s space program; Admiral Wu Shengli,

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**The Heritage Foundation**  
214 Massachusetts Avenue, NE  
Washington, DC 20002  
(202) 546-4400 | [heritage.org](http://heritage.org)

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commander of the PLA Navy; and General Xu Qiliang, commander of the PLA Air Force.

Thus, it is possible that the senior Chinese military leadership did not want to attend Shangri-La for fear of making misstatements or being challenged by other attendees. Yet, General Liang Guanglie, the Chinese minister of defense, visited the U.S. and participated in an Association of Southeast Asian Nations (ASEAN) conference in advance of the Shangri-La conference. This would suggest that alternative factors are at work. The spate of negative editorials and comments raises the possibility that Beijing is implicitly posing a choice to the region: America or the PRC.

This is problematic, as East Asia as a whole would prefer not to choose between Beijing and Washington for both security and economic reasons. No one in the region would benefit from the tensions of a new Cold War, and the interlinking economies would almost certainly be hurt. Yet, by arguing that China should draw a line, or that Australia (and presumably other states) should choose a “godfather,” it is Beijing—not Washington—that is forcing such a choice on East Asian states.

In this situation, the United States has a golden opportunity to expand its range of relations. The ongoing focus on the Pacific enunciated by Secretary of Defense Leon Panetta is a good, albeit limited, first step. Expanding U.S. military interactions, including a broader range of

exercises and visits, is an important step. But many nations ask, rightly, where the forces to support the much-heralded “Asia pivot” will come from, especially as the prospect of budget sequestration looms, exacerbated by President Obama’s promise to veto any spending bill that eliminates the defense spending cuts.

**U.S. Should Expand Interactions with Asia.** The United States should capitalize on the fumbling Chinese foreign policy to underscore its heightened interest in the region. Rarely do competitors provide the kind of opportunity that Beijing is presenting Washington at this moment. To this end, the United States should pursue several initiatives.

*Build the range of interactions.* The Chinese challenge to the U.S. is clear: Beijing is arguing that the U.S. does not belong in the Asia-Pacific region. Washington’s response should highlight that it not only belongs, but is also integrated into the very fabric of the region. This should incorporate a broad range of interactions, not only military ones. The signing of the U.S.–Korea Free Trade Agreement (KORUS) offers one avenue. The United States should move rapidly on the Trans-Pacific Partnership (TPP), as broader economic ties with the region will benefit the U.S. in the ongoing recession and provide real links between the two sides of the Pacific. The growing reliance on space offers another; the United States, in conjunction with other

major Asian space powers such as Japan, India, and South Korea, and other interested states should create a dialogue on space issues of common concern. These efforts should be open to all interested parties, leaving it to the Chinese to attend or boycott as they see fit.

*Promptly expand the current range of military interactions.* The United States should be sending a message throughout the Asia-Pacific region that its military presence will be growing. While the Administration has talked about shifting the balance of naval assets from 50-50 between Pacific and Atlantic to 60-40, this is not projected to be complete until 2020, and depending on how defense cuts sort out, it could still result in fewer assets in the region. Yet, even now, the U.S. could engage in a more robust range of military exercises, port visits, and military diplomacy. In particular, given the important and often predominant political role that ground forces play in many Asian nations, there should be a larger range of U.S. Army contacts with Asian militaries. As the U.S. military draws down its role in Afghanistan and Iraq, more active duty and National Guard forces will be available for joint exercises with local militaries, both in the low-intensity (humanitarian assistance/disaster relief) and high-intensity (heavy force maneuvering) realms.

*Preserve the fleet.* The U.S. Navy, at 282 ships, is already some 30 ships below the minimum required by Navy planners. Shifting the ratio

1. Philip Wen, “Chinese Official: It’s Us or America,” *The Age* (Australia), May 15, 2012, <http://www.theage.com.au/opinion/political-news/chinese-official-its-us-or-america-20120515-1yp5f.html#ixzz1wwGybkD> (accessed June 6, 2012).
2. Zhong Sheng, “US Should Not Muddy the Waters Over South China Sea,” *People’s Daily*, March 20, 2012, [http://www.china.org.cn/opinion/2012-03/20/content\\_24941973.htm](http://www.china.org.cn/opinion/2012-03/20/content_24941973.htm) (accessed June 6, 2012).
3. Ding Gang, “Drawing a Line in the South China Sea for America,” *People’s Daily Overseas Edition*, June 1, 2012, <http://politics.people.com.cn/GB/70731/18044858.html> (accessed June 6, 2012).

merely provides the Pacific Fleet with the minimal assets for its ongoing missions, while shortchanging the Atlantic Fleet. The projected cuts in Navy shipbuilding as envisioned in future-year defense plans only raise further questions about America's ability to defend its interests in the western Pacific. The choice is stark: Fund additional Navy capability, or

accept ever greater risk, paid for with the lives of American service members.

**An Opportunity to Recommit.**

The PRC has succeeded in mismanaging its foreign policy toward Asia over the past several years. Chinese assertiveness toward its neighbors, especially on territorial issues, has squandered good will and a general

receptiveness to Beijing. The United States should seize this opportunity and, consistent with the so-called Asia pivot, commit the resources necessary to strengthen its ties to the region.

*—Dean Cheng is Research Fellow in Chinese Political and Security Affairs in the Asian Studies Center at The Heritage Foundation.*