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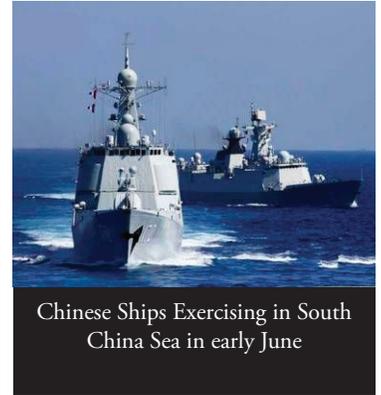
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**Summary**

Tensions in the South China Sea continue to simmer as the claimants appear no closer to finding resolution to their overlapping territorial claims. Policymakers in China and Southeast Asia seem unwilling or unable to compromise or establish a binding code of conduct. Beijing's success last year in changing the status quo around Scarborough Shoal may have established a blueprint for how to push other claimants back with minimal force. Other claimants, especially the Philippines and Vietnam, are unlikely to let Beijing keep repeating that success with the same tactics. As pressure builds around Second Thomas Shoal and friction continues around other islets, the potential for the volatile situation to become violent increases and the frustration engendered probably reduces the kind of mutual respect necessary for negotiation.

These four essays outline the context for the next round of South China Sea tensions, most likely centered on the Second Thomas Shoal. Ian Storey finishes his two-part essay that updates developments in the area and argues that a breakthrough to reduce tensions is unlikely. The ongoing friction, however, expands the gap between China's professed intentions and its actions to protect its expansive claims in the South China Sea. Bonnie Glaser and Alison Szalwinski provide an in-depth assessment of the rising tensions at Second Thomas Shoal and the specific issues at stake, suggesting a further test for regional actors and their policies in the event of a second Scarborough Shoal-type incident. In the third essay, Justin Goldman examines how the Philippines is responding to Chinese pressure and how Manila is reshaping its defense policy to better face down China. Willy Lam finishes the collection by addressing the implications of Xi Jinping's aggressive, or at least self-confident, new foreign policy for the South China Sea.

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## The South China Sea Dispute (Part 2): Friction to Remain the Status Quo

By Ian Storey

China's policy toward the South China Sea dispute remains fundamentally unchanged under the leadership of President Xi Jinping. Over the past six months, Beijing has tried to reassure neighboring countries of China's peaceful rise, but also its determination to uphold its territorial and jurisdictional claims in the maritime domain. While China views these two positions as being in harmony, countries across the Asia-Pacific region are dismayed at the apparent contradiction between them. This article examines China's diplomatic signaling, its military activities in the South China Sea, and Southeast Asian, U.S. and Japanese views of the dispute. It ends with the prediction that the status quo will continue throughout 2013 and 2014. Although the prospect of major conflict is slight, there will be no resolution of the dispute, friction among the disputants will continue and efforts to better manage the problem are likely to prove ineffective. This article builds on the assessment of developments in the South China Sea since January elaborated in Part 1 of this two-part essay ("The South China Sea Dispute (Part 1): Negative Trends Continue in 2013," *China Brief*, June 7).

### China's Message of Reassurance and Resolve

During the first six months of 2013, China's new leadership sent out a clear and consistent two-part message regarding its stance over maritime disputes: China's intentions are peaceful but Beijing will respond assertively to provocations that challenge China's territorial and sovereignty claims.

That uncompromising message was delivered at all levels. In late January, six weeks before his appointment as president, Xi Jinping, General Secretary of the Communist Party of China, reportedly told senior party officials that while his government remained committed to "peaceful development" it would "never sacrifice our national core interests" or "swallow the 'bitter fruit' of harming our sovereignty, security or development interests" (Xinhua, January 29). In April, at the opening of the Boao Forum on Hainan Island, Xi concisely reiterated that message:

"On the basis of firmly upholding its sovereignty, security and territorial integrity, China will maintain good relations with its neighbors and overall peace and stability in our region" (Xinhua, April 18).

A few weeks earlier, Premier Li Keqiang had told reporters that "China has an unswerving commitment to peaceful development and unshakeable determination to safeguard its sovereignty and territorial integrity" and that there was no contradiction between these two pledges; indeed, he went on, "they are essential to regional stability and world peace" (Xinhua, March 17).

In May, during a meeting with his Indonesian counterpart Marty Natalegawa in Jakarta, newly-installed Foreign Minister Wang Yi expanded on this message in the context of the South China Sea dispute. Wang restated China's sovereignty claims over the Spratly Islands, as well as the government's "determination to safeguard its national sovereignty and territorial integrity." He added that, although China remained committed to maintaining peace and stability in the South China Sea, implementing the 2002 ASEAN-China Declaration on the Conduct of Parties in the South China Sea (DoC), and resolving disputes peacefully on a bilateral basis, it would also remain "vigilant" against "potential disturbances of some countries for their own interests"—a veiled reference to Vietnam and the Philippines. On a more positive note, however, Wang also indicated that Beijing was ready to start discussions on a code of conduct (CoC) (Ministry of Foreign Affairs, May 2).

The following month, at the annual Shangri-La Dialogue in Singapore, the head of the Chinese delegation, Lieutenant General Qi Jianguo, delivered a speech replete with platitudes on China's "peaceful development." Qi also stressed, however, that China's willingness to engage in dialogue on disputed areas did not denote "unconditional compromise," and that Beijing's "resolve and commitment to safeguarding core national interests always stands steadfast" [1]. In the Q&A session that followed, Qi brushed aside pointed questions regarding regional anxieties over Chinese assertiveness in the South and East China Seas, affirming that it was China's right to conduct naval patrols in both areas to "exert sovereign power."

## The Disconnect Between Words and Deeds

China's words of reassurance were, however, wholly undercut by its actions in the South China Sea from January onwards. As part of a policy to strengthen its claims in the area, Beijing undertook a series of measures that rattled the nerves of neighboring countries.

On January 1, China issued a new official map which for the first time marked in detail the more than 130 islands, reefs and shoals in the South China Sea that Beijing claims (Xinhua, January 1). The map also shows the so-called "nine-dash line" in the same format as the country's national borders, though there is an element of ambiguity as the key designates the color scheme as "border/undetermined border."

Within the nine-dash line, the PLA Navy (PLAN) conducted a number of high-profile maneuvers designed in part to send a clear message of resolve to the Southeast Asian claimants. From January 31 to February 8, for instance, a Chinese guided missile destroyer and two frigates from the North Sea Fleet held "combat readiness" exercises in the Spratlys "related to expelling ships that infringe on China's territorial waters" (Xinhua, February 8). In late May, for the first time since 2010, PLAN vessels belonging to all three fleets conducted an exercise in the South China Sea (*South China Morning Post*, May 27).

More noteworthy was a 16-day patrol by a flotilla of four Chinese warships consisting of the advanced amphibious landing ship *Jinggangshan*, a destroyer and two frigates. On March 26, the task force conducted simulated amphibious landings near the disputed James Shoal, a mere 50 miles off the Malaysian coast. China's media reported that during the voyage naval personnel pledged to "defend the South China Sea, maintain national sovereignty and strive toward the dream of a strong China" (*South China Morning Post*, March 28; "South Sea Fleet Exercises Shine Spotlight on Tensions," *China Brief*, March 28). The exercises demonstrated China possessed the military capabilities to enforce its sovereignty claims at the outermost limits of its nine-dash line. The mission was given the highest-level stamp of approval when, on their return to Sanya naval base on Hainan Island, President Xi inspected the ships and reportedly urged the sailors to be "better prepared" for military conflict

(*South China Morning Post*, April 12).

According to Malaysia's foreign ministry, the Royal Malaysian Navy (RMN) was unaware of the presence of the PLAN warships at James Shoal, but this was later contradicted by the chief of the navy, Admiral Abdul Aziz Jaafar, who said the flotilla had been tracked by the RMN (*Jane's Defence Weekly*, April 17). At any rate the presence of a powerful flotilla of Chinese warships at James Shoal—possibly for the first time since 1987—unnerved Malaysia's security establishment. Malaysian academic Tang Siew Mun argued the exercise had undermined Sino-Malaysian relations and may even have "sowed the seeds for Malaysia to rethink its China strategy" (*New Straits Times*, April 16).

That the exercises also took place so close to Brunei—this year's ASEAN Chair—cannot have been mere coincidence. The Brunei government, however, did not comment on the incident. Both Malaysia and Brunei tend to downplay tensions in the South China Sea, and the dispute is not a major bilateral irritant in the same way as it is between China and Vietnam and the Philippines. However, as the PLAN expands its presence southwards, overlapping claims may generate greater friction in both Sino-Malaysian and Sino-Bruneian relations.

In May, Chinese naval activities at Second Thomas Shoal in the Spratlys spooked the Philippines. On May 8, a Chinese frigate and two China Marine Surveillance (CMS) vessels had arrived at the shoal apparently to escort a flotilla of Chinese fishing boats. The Philippine government protested their presence as "illegal and provocative" (*Washington Post*, May 21). The shoal lies 120 miles northwest of Palawan Island, close to Chinese-occupied Mischief Reef, and within the Philippines' claimed 200 nautical miles EEZ. In 1999, the Philippines occupied the shoal by deliberately running aground a WWII-era landing ship on it. Approximately a dozen Filipino Marines are stationed on the rusting hulk. The concern in Manila was that China intended to seize the shoal by blockading it and forcing the Marines to withdraw. The frigate and fishing boats later departed, but the CMS vessel remains on station at the time of writing. During the incident the Philippine press drew attention to a television interview given by Major General Zhang Zhaozhang, a professor at China's National Defense University, in which he described measures to "seal and

control” Scarborough Shoal as a “cabbage strategy” consisting of an outer layer of PLAN warships and an inner layer of civilian maritime agency vessels (*Philippine Star*, May 31). Zhang indicated that this strategy was being employed at Second Thomas Shoal.

A more peaceful demonstration of China’s determination to uphold its sovereignty claims was the visit by a Chinese cruise ship to the Paracel Islands in April. The four-day cruise, which was restricted to Chinese citizens, carried 300 passengers, mainly government officials. The cruise is scheduled to run one or twice a month.

Vietnam—which does not recognize China’s 1974 occupation of the Paracels—criticized the voyage as a violation of the DoC (*International Herald Tribune*, April 30). In his keynote address at the Shangri-La Dialogue, Vietnamese Prime Minister Nguyen Tan Dung alluded to the disconnect between China’s words and deeds when, without actually mentioning China, he stated “Somewhere in the region, there have emerged preferences for unilateral might, groundless claims, and actions that run counter to international law and stem from imposition and power politics.” To reduce tensions in the South China Sea, Dung urged ASEAN and China to “strictly implement” the DoC and “redouble efforts” to formulate a CoC. A month earlier, at the ASEAN Defense Ministers Meeting in Brunei, Vietnam had proposed a “no first use of force” agreement for the South China Sea (*Straits Times*, June 3). China has yet to respond officially to Vietnam’s initiative.

## U.S. and Japanese Views

Much to China’s chagrin, both the United States and Japan continued to voice their concerns over negative developments in the South China Sea. Chinese media commentaries repeatedly have accused Washington of “meddling” in the dispute and fueling tensions as a pretext to “contain” China. While senior Obama administration officials have stressed that the “pivot” or “rebalance” is not aimed at undermining Chinese interests or inhibiting the country’s rise, on March 12, Director of National Intelligence James Clapper conceded to Congress that China’s “uncompromising positions” over maritime disputes was partly a reaction to the pivot (Associated Press, March 15).

Nevertheless, at the Shangri-La Dialogue, Secretary of Defense Chuck Hagel reaffirmed the Obama administration’s commitment to the Asian rebalance. As part of the new strategy the first of the U.S. Navy’s Littoral Combat Ships to be “forward deployed” to Singapore, the *USS Freedom*, arrived at Changi Naval Base on April 18. Hagel also noted discussions between Washington and Manila to increase rotational deployment of U.S. forces in the Philippines, as well as increased dialogue with Vietnam, Malaysia, and Indonesia on “maritime security”—a euphemism for territorial and boundary disputes at sea. On the South China Sea, he urged the claimants to exercise self-restraint, settle their disputes peacefully using international law—including “adjudication resolution mechanisms,” a gesture of support for the Philippines’ submission to the UN in January—and agree on a CoC.

According to the *China Daily*, Japan has joined America to “fish in troubled waters” in the South China Sea (*China Daily*, May 4). Although Japan is not a claimant, it is an important stakeholder in the dispute as a major maritime trading power. As tensions have risen over the past few years, it has been more vocal in expressing its concerns [2]. Indeed, in a written speech in January, Prime Minister Shinzo Abe warned that the South China Sea risked being transformed into “Lake Beijing” [3].

Japan has been unnerved at Chinese moves to strengthen its claims in the South China Sea, and it was in this context that Abe expressed support for the UN arbitration process when Philippine Foreign Secretary Albert del Rosario visited Tokyo in May (*Philippine Star*, May 23). At Shangri-La, Japan’s Defense Secretary Itsunori Onodera voiced support for a CoC and “strong ASEAN-centered institutional architecture” as a way to reduce tensions. But he also highlighted Japan’s more proactive approach to the dispute through the provision of capacity-building support for coast guard agencies in Southeast Asia. Earlier in the year, Tokyo agreed to transfer of up to 10 patrol boats to the Philippine Coast Guard worth \$12 million (AFP, February 11). In a move certain to irritate China, Japan also is exploring the possibility of providing Vietnam with similar patrol boats provided it separates the coast guard from the armed forces (*Kyodo*, April 15).

## The Outlook for 2013–2014

The outlook for the remainder of the year and into 2014 is status quo. There almost certainly will not be a “breakthrough” that leads to a resolution of the dispute, because the political will to pursue a legal or negotiated settlement is currently absent. The focus will remain on “conflict management,” primarily through the DoC/CoC process. While it is encouraging that China and ASEAN have begun tentative talks on the CoC, it is unrealistic to expect that an agreement will be ready to sign at the ASEAN-China Summit in October. ASEAN and China must negotiate and reach consensus on a complex and contentious set of issues, a process that is likely to take several years. China’s manifest lack of enthusiasm for any kind of code, let alone a robust and effective one of the kind America and Japan want to see, suggests Beijing will be content to draw out the discussions for as long as possible and work to ensure that the final product lacks teeth. In all probability the CoC is unlikely to significantly affect the central drivers of the dispute, mitigate tensions or prevent the occurrence of incidents at sea.

As talks on the CoC proceed, the claimants will continue to uphold their claims rhetorically and through acts of administration, robustly asserting their perceived maritime rights and vigorously opposing the sovereignty-building activities of their rivals. A major conflict in the Spratlys is unlikely, but tense stand-offs at sea over energy and fishery resources could spark minor skirmishes.

At its summit in April, ASEAN maintained a veneer of unity on the South China Sea thanks to the adept diplomatic skills of Brunei. ASEAN solidarity, however, could be tested again at subsequent forums, including the ASEAN Ministerial Meeting and ASEAN Regional Forum in late June/early July as well as the East Asia Summit in October. How the next ASEAN chair, Burma, tackles the dispute in 2014 will be something to watch, because currently Burma is rebalancing its foreign relations in an attempt to reduce dependence on China and improve relations with America, Japan, India, and Europe. Naypyidaw will try to replicate Brunei’s strategy of maintaining consensus within ASEAN over the South China Sea without antagonizing China (“China’s Strategic Recalibration in Burma,” *China Brief*, April 25). Unlike Brunei, however, Beijing has greater economic and hence political leverage over Burma.

So long as the dispute remains unresolved, ASEAN unity will continue to be put under strain and this in turn poses a challenge to the organization’s aspirations to maintain “centrality” in the regional security architecture building process. Its leaders will have to grapple with the growing number of thorny problems created by as the ASEAN chair recently put it, “an increasingly complex geopolitical environment”—a polite way of describing the seemingly intractable dispute in the South China Sea and the competition between Washington and Beijing for influence in Southeast Asia.

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### Notes:

1. All of the references to statements at the Shangri-La Dialogue hosted by the International Institute for Strategic Studies in Singapore, May 31–June 2, 2013, can found online <<http://www.iiss.org/en/events/shangri-la-s-dialogue>>.
2. Ian Storey, “Japan’s Growing Angst over the South China Sea,” ISEAS Perspectives, No. 20, April 8, 2013, Available online <[http://www.iseas.edu.sg/documents/publication/ISEAS\\_Perspective%202013\\_20.pdf](http://www.iseas.edu.sg/documents/publication/ISEAS_Perspective%202013_20.pdf)>.
3. Shinzo Abe, “The Bounty of the Open Sea: Five New Principles for Japanese Diplomacy,” Speeches and Statements by the Prime Minister, January 18, 2013, Available online <[http://www.kantei.go.jp/foreign/96\\_abe/statement/201301/18speech\\_e.html](http://www.kantei.go.jp/foreign/96_abe/statement/201301/18speech_e.html)>.

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## Second Thomas Shoal Likely the Next Flashpoint in the South China Sea

By Bonnie Glaser and Alison Szalwinski

**S**econd Thomas Shoal, a low tide coral reef located 105 nautical miles from the Philippines’ Palawan Island, is likely to become the next flashpoint in

the South China Sea. The shoal—which is 15 kilometers long and five kilometers wide and is known as Ayungin in the Philippines and Ren'ai Reef in China—is a strategic gateway to deposits of coveted oil and natural gas in Reed Bank and is claimed by the Philippines to be within its 200 mile exclusive economic zone (Taipei Times, May 30).

In early May, Manila lodged an official protest over the patrols around Second Thomas Shoal of two Chinese surveillance ships and a naval frigate that it charged were blocking Philippine ships from delivering supplies to troops deployed at the shoal (*Manila Times*, June 2). In 1999, the Philippines deliberately ran aground the BRP Sierra Madre, a World War II-era landing transport ship, on the shoal to establish a presence on the island; the ship has served as a Philippine base hosting approximately 10 marines since that time. Manila claims that ships sent to the shoal carry provisions for the troops and that it has no intention to build further infrastructure on the shoal (*Malaya*, June 5; *Philippine Star*, May 22; May 17).

The former World War II vessel, however, has begun to rust out, prompting President Aquino to instruct it be repaired so that the Philippines can maintain its presence. The Philippines Department of Foreign Affairs has stated it considers Second Thomas Shoal an “integral part” of the Philippines, and that “China should pull out of the area because under international law, they do not have the right to be there” (*Philippine Daily Inquirer*, May 28). Philippine Secretary of Defense Voltaire Gazmin has declared his country “will fight for what is ours up to the last soldier standing” (*Philippine Star*, May 24).

The Chinese government, however, maintains that it has “indisputable sovereignty” over the shoal and that any Philippine attempts to send supply ships to “intensify its illegal presence and occupation of the Ren'ai Reef” are in violation of the Declaration on the Conduct of Parties in the South China Sea (DoC). Additionally, Chinese Foreign Ministry spokesperson Hong Lei asserted that the right of Chinese ships to protect China's national sovereignty by carrying out patrols around the shoal is “beyond reproach” (Ministry of Foreign Affairs, May 30; May 22).

These events come in the wake of heightened tensions last year between the Philippines and China over a standoff

at Scarborough Shoal. The episode was triggered in early April 2012 when the BRP Gregorio del Pilar, a navy frigate acquired by the Philippines from the United States, discovered eight Chinese fishing vessels illegally poaching in the shoal. After the Philippine Navy inspected the Chinese vessels, two Chinese maritime surveillance ships appeared in the shoal and positioned themselves between the Chinese fishing boats and the BRP Gregorio Del Pilar. In the subsequent days and weeks, a small number of Philippine vessels stood at an impasse with a much larger fleet of Chinese ships. At one point, the Philippine Navy had two ships facing off against 90 Chinese vessels. After quiet negotiations that were brokered by the United States, Manila and Beijing reached an oral agreement to withdraw their vessels from the area. In early June, the Philippines complied. The Chinese, however, reneged on the agreement, and Chinese government vessels have remained in the area, maintaining a continued presence around the shoal and preventing Philippine fishermen from returning. Recent reports suggest that China is building a permanent structure on the shoal (*InterAksyon*, June 6; *Philippine Daily Inquirer*, June 3).

After successfully seizing control of Scarborough Shoal, Chinese experts praised the operation as an adroit exercise of Chinese power to defend Chinese sovereignty and territorial integrity. In recent weeks, some voices have called for the application of the successful strategy to Second Thomas Shoal. Chinese Air Force Major General Zhang Zhaozhong, a nationalistic pundit who regularly appears on Chinese television talk shows, proposed a “cabbage” strategy to deal with Second Thomas Shoal in which the Chinese would surround the shoal in layers of Chinese ships, with fishing vessels in the inner layers, surrounded by civilian maritime vessels and navy ships in the outer layers. The goal of such a strategy would be to compel the Philippine marines deployed on the Shoal to abandon the grounded vessel for lack of sustenance (*Malaya*, June 5). If such an approach fails, other experts have asserted China should consider towing the BRP Sierra Madre away from the shoal—an action that carries potential for conflict considering the presence of armed Philippine marines (CCTV-4, May 31).

Although Vietnam, Brunei, Malaysia and Taiwan also assert claims in the South China Sea, this particular feature is only contested by China, the Philippines and Taiwan. Manila filed a case with the United Nations in January

to bring its territorial dispute with China to an United Nations Convention on the Law of the Sea (UNCLOS) arbitration tribunal—an action that has drawn support from the United States, the European Parliament, Japan and Vietnam, but anger from China that strongly opposes multilateral discussions on territorial issues (*Philippine Daily Inquirer*, May 28).

Washington does not take an official position on competing territorial claims in the South China Sea, but it is a treaty ally of the Philippines and, according to U.S. Defense Secretary Chuck Hagel, “stands firmly against any coercive attempts to alter the status quo.” While recently attending the Shangri-La Dialogue in Singapore, Hagel spoke with his Filipino counterpart Voltaire Gazmin on the U.S.–Philippines relationship, reaffirming the 1954 Mutual Defense Treaty between the nations. According to a Pentagon spokesman, the two “discussed deepening bilateral defense cooperation including work toward increasing rotational presence of U.S. forces in [the] Philippines to address common challenges” (*Philippine Daily Inquirer*, June 1). The United States also is helping the Philippine military to increase its maritime domain awareness in its coastal waters, including the South China Sea.

Although Washington recently has increased military assistance to the Philippines, it is less clear whether the United States is required to come to the aid of the Philippines under the Mutual Defense Treaty (MDT) in the case of aggression in the Second Thomas Shoal (*New York Times*, June 6). The MDT states in the case of an attack on either party, the other is obligated to “meet the common dangers in accordance with its constitutional processes,” but the U.S. Government has been careful to not state whether this includes an attack on marine features such as Second Thomas Shoal. In the case of Scarborough Shoal tension last year, the U.S. sent an aircraft carrier to the region in a signal of support for Manila and to deter Chinese coercion and aggression, but it did not intervene (*New York Times*, May 1, 2012) [1].

The failed negotiations to defuse tensions at the Scarborough Shoal last year and return the situation to the status quo ante have had significant consequences. Beijing evidently is applying lessons learned from that incident to the Second Thomas Shoal. From China’s perspective, the Philippines’ attempt to repair its vessel that was grounded

on the shoal over a decade ago constitutes a provocation. As in the case of Scarborough Shoal, Beijing is poised to exploit any perceived provocation with the goal of creating a new status quo that favors China. This strategy also was applied by China in the East China Sea in September 2012, when the Japanese government purchased three of the Senkaku/Diaoyu Islands from a private Japanese citizen. Regular Chinese patrols around those islands—including within the 12-mile territorial waters—have contested Japanese administrative control effectively, establishing a new status quo that is to Beijing’s advantage. Repeated U.S. declarations that the Senkaku/Diaoyu Islands are covered under the scope of the U.S.-Japan Mutual Defense Treaty have not deterred Beijing from conducting almost daily sea patrols to assert Chinese sovereignty.

China is betting that the United States will be unwilling to intervene to preserve Manila’s presence on Second Thomas Shoal. That calculus probably is correct. Washington will continue to speak out against the use of coercion to change the status quo unilaterally, but it is unlikely that U.S. Navy ships will engage directly with Chinese government maritime vessels or the Chinese Navy over rocks and shoals in the South China Sea. That does not mean, however, that there are no risks in the current standoff.

The Philippine Navy is substantially inferior to the emerging blue-water Chinese navy and lacks the capability to defend its presence on Second Thomas Shoal in the event that China is determined to dislodge its marines. Nevertheless, Manila may put up a fight. The potential for a military skirmish between the two sides will increase under either of the following scenarios:

- (1) if China blocks provisions from being delivered to the Philippine forces on the shoal, Manila could seek to air drop supplies from a helicopter. Chinese interference in the operation could result in an exchange of fire and potential loss of life;
- (2) if the Philippines were to attempt to erect structures, as China is reportedly doing on Scarborough Shoal, the Chinese would likely seize the opportunity to publicly accuse the Philippines of provocation and commence their “cabbage” strategy or even attempt to tow away the rusting vessel.

Either scenario could escalate to military conflict. Even if conflict is avoided, heightened tensions could deal a blow to efforts to launch early talks on negotiation of a Code of Conduct between China and the members of ASEAN (“The South China Sea Dispute (Part One): Negative Trends Continue in 2013,” *China Brief*, June 7).

China’s employment of civilian maritime surveillance vessels in the South China Sea and East China Sea to alter the status quo in its favor poses a serious challenge to the Obama administration and its strategy of “rebalancing” foreign policy priorities toward the Asia-Pacific. U.S. credibility as a guarantor of peace and stability in the region is at stake, especially with U.S. treaty allies Japan and the Philippines. To date, Washington lacks an effective strategy to deter Chinese coercion against its neighbors and its efforts to change the status quo unilaterally over disputed islands, reefs and shoals.

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Notes:

1. Thomas Lum, *The Republic of Philippines and U.S. Interests*, Congressional Research Service, April 5, 2012, p. 27, Available online <<http://www.fas.org/sgp/crs/row/RL33233.pdf>>.

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## President Aquino’s Second Half: Minimum Credible Defense in Contested Waters?

By Justin Goldman

Following the Philippines 2013 General Election, President Benigno Aquino III’s position is strengthened for the second half of his single six-

year term. On May 13, Filipino voters elected Aquino allies in nine of the twelve contested Senate seats, where his allies now control 13 of 24 seats in the upper chamber. Aquino’s Liberal Party remains the strongest bloc in the House of Representatives. With a strengthened political position, Aquino is better equipped to deal with several recent challenges to Philippine sovereignty by China. Very public instances, such as the Scarborough Shoal incident that began in April 2012, displayed how the Philippines is outmatched by Chinese maritime power. Reorienting the Philippine national security establishment toward external challenges and increasing its capacity to do so could turn out to be an important legacy of Aquino’s presidency. A further question that remains is the issue of whether legislative majorities boost President Aquino’s effort to contend with turbulence in the South China Sea that shows no signs of abating.

### The China Challenge in Near Seas

In the year leading up to May’s election, Sino-Philippine relations went through a tumultuous period. In late January 2012 H.E. Ambassador Ma Keqing, Ambassador Extraordinary and Plenipotentiary of the People’s Republic of China presented her credentials to President Aquino. Since taking the post, the pace of incidents and difficulty in management of these disputes has not let up. The Scarborough Shoal, a triangle-shaped chain of reefs that falls within the Philippines 200-mile Exclusive Economic Zone (EEZ) under the United Nations Convention on the Law of the Sea Treaty (UNCLOS), has been at the center of the tension over the past year. While many of the reefs are below the surface during high tide, their richness in marine resources attracts fisherman. In early April 2012 Philippine Navy surveillance aircraft spotted eight Chinese fishing boats anchored inside the shoal (*Philippine Daily Inquirer*, April 11, 2012). Foreign Secretary Albert Del Rosario summoned Ambassador Ma to report illegally collected marine resources discovered by the boarding team from the Philippine Navy and the next day Chinese Maritime Surveillance (CMS) vessels were stationed at the mouth of the shoal, preventing the Philippine Navy from arresting the offending Chinese fishermen.

The pattern of Chinese behavior is worrisome for Manila. In past cases the growing Chinese presence has a way of becoming permanent. Filipino fishermen were

surprised in early 1995 to discover China had built a structure on Mischief Reef and stationed armed vessels in the vicinity. The Chinese have yet again changed the status quo as their vessels currently have effective control of the Scarborough Shoal, denying Filipino fisherman access. After multiple rounds of talks following the earlier Mischief Reef incident, China and the Philippines came out with a Joint Statement in 1995 calling for the disputes to “be settled in a peaceful and friendly manner through consultations on the basis of equality and mutual respect.” In regards to the most recent series of disputes, however, President Aquino has chosen instead to press the issue over the course of the year.

Ambassador Ma sought to communicate China’s positions and concerns through government channels as well as through outreach events at academic institutions. During a one-week stretch in November 2012 the Ambassador took her argument to two of the Philippines top universities for public events. Starting at De La Salle University, she refuted the characterization of China as an aggressive military power, stressing that its foreign policy is defensive in nature. She made the same argument at Ateneo De Manila University just days later, but also included an additional address to Ateneo’s Confucius Institute, which was established in 2006. In December, Ambassador Ma reiterated that China still sees joint development of contested areas as a viable solution to the disputes, but Secretary Del Rosario remained cool to the idea, stressing that investment would be welcome, but it would have to be governed by Philippine law (*Philippine Daily Inquirer*, January 7). While visiting Camp Aguinaldo to mark International Peacekeepers Day in late May, Ambassador Ma sought to speak with Philippine Defense Secretary Voltaire Gazmin informally during the visit. She conveyed China’s concern that the Philippines were creating additional structures on Ayungin Shoal, located just over 100 nautical miles from Palawan, well within the Philippines EEZ and internationally known as Second Thomas Shoal (*The Philippine Star*, May 30).

### Contending with Chinese Power

As the Scarborough Shoal crisis unfolded and the scope of it became clear, the Department of Foreign Affairs stated that it would approach the issue from three pillars politics, law, and defense (*Philippine Daily Inquirer*, April 29, 2012). On the political pillar, the Philippine

objective to transform the West Philippine Sea (South China Sea) into a “Zone of Peace, Freedom, Friendship and Cooperation” remained and Secretary Del Rosario argued the Chinese were in violation of the Declaration on the Code of Conduct in the South China Sea. During 2012, with the Association of Southeast Asian Nations (ASEAN) under Cambodian chairmanship, the failure to issue a joint communiqué for the first time in 45 years left great concerns in Manila about maintaining regional unity on the issue of the South China Sea. The Philippines improves its position by working through multilateral channels and, with Myanmar consumed by its own internal challenges ahead of being the 2014 ASEAN Chair, it is essential to regain momentum on the issue during the 2013 meetings. Just days before the 22nd ASEAN Summit in late April, Sultan of Brunei Haji Hassanal Bolkiah made a state visit to the Philippines to discuss Brunei’s chairmanship of ASEAN. Bolstered by this meeting, President Aquino stressed the importance of territorial disputes at the summit in Brunei and emerged more positive about renewed ASEAN unity toward a code of conduct in the South China Sea (*Manila Bulletin*, April 26).

The legal pillar came to the forefront in January 2013 when the Philippines submitted their overlapping jurisdictional claims with China to the United Nations through a Notification and Statement of Claim. The submission challenges the Chinese nine-dash line as interfering with Philippine sovereignty within its 200-mile exclusive economic zone (*China Brief*, February 1). The Philippines appointed the German judge Rudiger Wolfrum when it announced the arbitration in January and International Tribunal for the Law of the Sea (ITLOS) President, the Japanese judge, Shunji Yanai named the Polish judge Stanislaw Pawlak to the 5-member arbitration panel (*Philippine Daily Inquirer*, March 25). By its rejection of the process, China waived the right to name a representative to the panel. In late April, the ITLOS chief named Jean-Pierre Cot of France, Chris Pinto of Sri Lanka and Alfred Soons of The Netherlands to round out the arbitral tribunal (ABS-CBN, May 5).

China is adamantly opposed to the ITLOS proceedings. As an alternative they have sought to reinforce their argument of the need to settle territorial issues on a bilateral basis, stressing that outside intervention in these matters, including that of the Philippines treaty ally the

United States, is not constructive. Just days after the appointment of Judge Pawlak, the Chinese Ministry of Foreign Affairs chose Dr. Ruan Zongze, Vice President of the China Institute of International Studies, to head a delegation on a study tour in the Philippines. While addressing the local media in Manila, Dr. Ruan argued that the U.S. would only go so far in supporting both the Philippines and Japan in their territorial issues with China, warning them not to overreach (*Manila Bulletin*, April 6). With his recent posting with the Chinese Embassy in Washington from July 2007 to December 2011, there was keen Philippine interest in his perspective on U.S. policy.

### Minimum Credible Defense

Defense, the third pillar of the Philippines' response, has received key attention over the past year and halfway through his term in office. In December 2012 the President signed Republic Act 10349, known as the revised Armed Forces of the Philippines (AFP) Modernization Act. He stated that the additional funding will "boost the AFP's capability upgrade program as it shifts from internal to external defense capability" (*GMA News*, December 11, 2012). An important part of that modernization is a shift in focus from smaller scale internal conflict involving primarily land forces, like that on the island of Mindanao, to maritime conflict between more robust forces. To complete the transition within its defense modernization program, these internal conflicts must first be resolved. In October 2012, the government moved closer to a lasting peace in Mindanao by completing a framework agreement with the Moro Islamic Liberation Front (MILF) that sets a roadmap for a final agreement by 2016 (*Philippine Daily Inquirer*, October 15, 2012). The AFP has long been a ground-centric military contending with domestic threats. Its January 2011 Internal Peace and Security Plan (IPSP) reflects this past focus, but it directs the AFP to transition to a "territorial defense-focused force" in the second half of President Aquino's term (IPSP Department of National Defense, January 1, 2011). During an address the Philippine Navy in May, he said the Philippines would acquire two new frigates, two helicopters capable of anti-submarine warfare, three fast vessels for coastal patrols and eight amphibious assault vehicles by 2017 (*Agence France Presse*, May 21). These are vital improvements for air and naval forces that were largely composed of obsolete OV-10 reconnaissance aircraft and refitted U.S. Coast Guard cutters. The Philippines also are looking

abroad to bolster their international maritime cooperation.

The Aquino Administration has sought to boost its capability through enhanced cooperation with partner countries such as Japan. In September 2011, the first Philippines-Japan Dialogue on Maritime and Oceanic Affairs was held in Tokyo where discussions on increasing the capacity of the Philippine Coast Guard (PCG) to confront the growing challenges in its maritime domain gained momentum. The approval for these ten 40-meter multi-role patrol vessels came through in December 2012, they are funded in Japan's fiscal year 2013 budget, and Manila is scheduled to take delivery of them between February and August 2014 (*Manila Standard*, February 14). Ahead of Japan's December 2012 election Secretary Del Rosario surprised many observers by declaring that Manila would welcome a rearmed Japan with a reinterpretation of its Pacifist Constitution. The second Philippines-Japan Maritime Dialogue was held this February in Manila, reinforcing the positive trajectory of the bilateral relationship under new Prime Minister Shinzo Abe (*Philippine Daily Inquirer*, December 11, 2012).

### National Coast Watch System

Enhancing maritime domain awareness is a priority concern for the Aquino Administration. President Aquino signed Executive Order 57 in September 2011 establishing a National Coast Watch System (NCWS). There are over 20 coast watch stations, including the coast watch centers in Davao, Puerto Princesa, and Zamboanga at varying levels of functionality. The current vision is for an interagency effort, but that continues to confront significant bureaucratic challenges. Executive Order 57 calls for the National Coast Watch Center to be headed by the PCG. This center will "implement and coordinate maritime security operations" and be the centerpiece of the NCWS where it will "gather, consolidate, synthesize and disseminate information relevant to maritime security." Realizing its vision, including desired cooperation with regional partners, will require sustained political support and funding. The NCWS has found important initial support from the U.S. through the Defense Threat Reduction Agency (DTRA). With DTRA's primary mission being to counter threats related to weapons of mass destruction, bolstering Philippine maritime domain awareness is done in an effort to stop trafficking of such

weapons and dual-use materials. A February 2013 DTRA concept of operations workshop focused attention on addressing shortfalls in interagency communications to realize the National Coast Watch Center.

While working with DTRA has advanced the planning of the NCWS, the PCG has recently been dealing with the fallout of a fatal incident involving a Taiwanese fisherman. Shortly after the February 2013 workshop, the Department of National Defense released its Bid Bulletin for NCWS, with 90 percent of the 979 million Philippine Pesos (\$23.69M) bid on the first of five projects that focuses on maritime domain awareness requirements (*The Philippine Star*, February 21). The next concept of operations workshop with DTRA on the NCWS took place in May with a focus on operational planning and standard operating procedures. This engagement, however, was overshadowed by the incident of May 9th where PCG personnel fatally shot a Taiwanese fisherman suspected of fishing illegally. The initial indications from the National Bureau of Investigation report indicate negligence on the part of PCG personnel and the incident has led to a diplomatic row with Taiwan (*The Philippine Star*, May 25). While the development of the NCWS will continue, this incident could undermine the PCG in leading this interagency effort.

## Conclusion

Since taking office in June 2010, President Aquino has stressed the need to reorient the national security establishment from internal security operations to territorial defense in a time of Chinese assertiveness in regional waters. The three pillars of law, politics, and defense laid out for the response to the Scarborough Shoal incident are all being pursued actively. Under Aquino's leadership more Philippine resources, as well as security assistance from allies and partners, has gone to address such capability gaps for maritime security. In 2013, under Brunei's Chairmanship, the Philippines has helped bring renewed ASEAN unity toward a code of conduct in the South China Sea and with ITLOS appointing the three remaining members to the tribunal the legal process is moving ahead. The NCWS is a priority as indicated by Executive Order 57 and that effort should continue, despite the PCG's tragic incident with the Taiwanese fisherman. With a strengthened position with legislative allies, President Aquino is well positioned to continue to

shift Manila's security focus toward territorial defense.

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## Beijing's Aggressive New Foreign Policy and Implications for the South China Sea

By Willy Lam

The Xi Jinping leadership is embarking on an ambitious and all-rounded diplomacy that official Chinese commentators have called large-scale or high-powered diplomacy (*dawaijiao*). Its essence, according to the Xinhua News Agency, is "taking relations with big powers as crucial; giving priority to [China's] neighbors; treating ties with developing countries as fundamental; and deeming as a major platform the country's multi-lateral obligations" (*Global Times* [Beijing], June 4; Xinhua, May 27) President Xi, who heads the Chinese Communist Party (CCP)'s Leading Group on Foreign Affairs has thoroughly revised late patriarch Deng Xiaoping's relatively cautious "take a low profile" dictum. Given the fact that China is poised to overtake the United States as the world's largest economic entity within this decade, Xi is gunning for a "a new kind of great power relationship" with the superpower. The fast-rising quasi-superpower is using its economic and military muscle aggressively to boost its say in the global order. These developments, together with Beijing's newfound determination to become an "oceanic power," will shape China's policy toward the South China Sea disputes.

The first manifestation of China's assertive foreign policy is simply much more frequent and in-depth interactions with nations around the globe. Since Xi and Li Keqiang became state president and premier last March respectively, Politburo-level officials have visited

more than one-quarter of the 193 UN members. The travels of Xi are particularly noteworthy. The 60-year-old supremo made his first foreign visit as head of state to Russia and Africa just a couple of weeks after being named state president. Moreover, his just-completed tour of Latin America and the United States took place merely two months after his first trip. By contrast, Hu Jintao's undertook his first overseas tour as head of state more than two months after he became president in March 2002. He also waited for more than four months before embarking on his second overseas foray (China Review News, June 4; *Wen Wei Po* [Hong Kong], May 31).

Just as his recent predecessors, Xi sees relations with the United States as key to China's overall diplomacy. Although Deng Xiaoping counseled that Beijing should "avoid confrontation" with the superpower, Xi is aiming at give and take with Washington on an equal footing. The "New Type of Great Power Relationship" (*xinxing daguo guanxi*) was apparent in the informal but highly symbolic meeting between Xi and President Barack Obama in early June. State Councilor and former foreign minister Yang Jiechi quoted Xi as telling Obama that a "New Type of Great Power Relationship" consisted of three elements. The first was "adequately handling contradictions and differences through dialogue and cooperation instead of confrontation." Secondly, both countries should respect each other's "social system and development path." Thirdly, both countries should go after win-win scenarios and to "ceaselessly deepen areas of mutual interests" (Xinhua, June 11; *Global Times*, June 9). In light of the nervousness with which Beijing views the Obama administration's "Rebalancing toward Asia", Beijing probably hopes the "New Kind of Great Power Relationship" will help change the dynamics of the bilateral relationship.

Yet if the United States – and other countries or blocs in the Western alliance such as the European Union – were unwilling to resolve differences with China in a spirit of win-win reciprocity, Beijing has the past six months demonstrated that it is not shy about using tough tactics at both the rhetorical and substantive levels. At the Bo'ao Global Summit last April, Xi scolded a certain country for "bringing disorder to a region and even the world for the sake of its own self-interest" (China News Service, April 7; People's Daily online, April 7). The

unnamed country is most likely the United States. One month later, Cui Tiankai, the new Chinese Ambassador to the U.S., warned Washington against siding with Japan over the latter's sovereignty disputes with China over the Diaoyu-Senkaku islands. In a press interview, Cui asked Washington "not to lift up the boulder that is Japan, and particularly not to allow this boulder to crush its own feet" (People's Daily Online, May 2; Ifeng.com [Beijing], May 2). "Lifting a boulder to crush one's own feet" was a well-known saying of Chairman Mao. Moreover, during Premier Li's recent visit to Germany, the usually mild-mannered head of government surprised his host when he used usually strong language to castigate European "protectionists" who supported punitive tariffs against China's solar panels and telecom equipment. Li warned these protectionists would "undoubtedly go down the road of perdition" (Cable TV news [Hong Kong], May 25; China News Service, May 25).

Rhetorical fusillades pale beside hard-power projection as Beijing is wielding both the military and economic cards to further its diplomatic goals. One of Xi's first missions upon becoming chairman of the Central Military Commission last November was to tell different PLA units "to get ready to fight and to win wars" ("Commander-in-Chief Xi Jinping Raises the Bar on PLA 'Combat Readiness,'" *China Brief*, January 18). Compared to predecessors ex-president Jiang Zemin and ex-president Hu, Xi is more ready to use military muscle to put pressure on real and potential adversaries. Apart from committing unprecedented resources to building state-of-the-art weapons, Xi inked a \$3.5 billion deal to buy Russian jetfighters and submarines during his March trip to Russia. It was the largest Chinese purchase of Russian hardware in a decade (China News Service, March 27; Reuters, March 27). Almost on a daily basis, Chinese authorities have deployed marine police assets in the vicinity of the Diaoyu-Senkaku islands to demonstrate China's sovereignty claims over the archipelago. The PLA also has boosted the frequency of war games in the East China Sea and the South China Sea, including naval exercises involving all three of its major fleets (*Ming Pao*, June 16; Xinhua, March 10).

China, which is the world's biggest trading nation and the fifth largest provider of outward foreign direct investments (FDI), also has been deploying the economics

card with gusto. At the Bo'ao Conference, Xi told world leaders that his country would be importing goods and services worth \$10 trillion in the coming five years. China's FDI is tipped to amount to \$500 billion in the same period (*People's Daily*, April 8; Xinhua, April 7). It is economic heft that has enabled China to project power where its military muscle may have fallen short. Part of the reason why the EU might have second thoughts about punishing the alleged dumping of Chinese products was the booming growth of Chinese FDI in Europe. Chinese companies invested \$12.6 billion in the EU last year—a jump of over 21 per cent over 2011 (*Financial Times*, June 6; *Caijing.com*, April 22). China's multifarious business activities in Latin America are the backbone of what some analysts call Beijing's "pivot to America's backyard" strategy. It is not an accident that Xi preceded his "informal summit" with Obama by visiting three Latin American countries. During his tour of Mexico, Xi raised the level of China's relationship with his host country to that of a "comprehensive strategic partnership." China is Mexico's second largest trading partner after the United States. Xi also vowed to curtail the \$18 billion surplus that China enjoyed in bilateral trade (*Global Times*, June 7; *CNTV.com*, June 7).

China's newly assertive diplomacy is perhaps best exemplified by quasi-superpower's policies toward the South China Sea. Beijing's enhanced leverage over these 1.35 million square miles of water is essential to China's aspiration to become an "oceanic power" (*haiyang daguo*). While it was ex-president Hu Jintao who first made reference to China as a *haiyang daguo*, Xi will be the leader who renders this aspect of the China Dream a reality. Bolstering China's oceanic power was the theme of Xi's visit to a naval base on Hainan Island in April. The commander-in-chief admonished the troops, one of whose major responsibilities was guarding the South China Sea, to "heed firmly the party's goals to strengthen the military under new circumstances." "We must firm up our confidence in constructing a strong military," Xi said, "We must devote ourselves to the materialization of a strong army" (Xinhua, April 11; *Global Times*, April 11; *China Daily*, November 20, 2012).

PLA generals have been up front about the possibility of using force to realize China's oceanic aspirations. As Lieutenant General Wang Sentai, Vice Political Commissar of the PLA Navy, pointed out, "China is a

big oceanic country, but not yet a strong oceanic power." "History has told us that when our navy is weak, our country is on a downward trend, and when our navy is strong, our country is on the rise," he added. Major General Luo Yuan, a hawkish PLA media commentator, reiterated that Beijing might consider the military option against the Philippines. Noting that the Philippine military capacity is among the weakest in Asia, General Luo said that "if [Manila] makes an advance of one inch, we will retaliate by making an advance of one foot." "The South China Sea will become a sea of peace after we have taken back the eight islets that the Philippines have [illegally] occupied," he recently noted (*China Youth Daily*, June 1; *China News Service*, May 13).

Owing to Obama's decision to move the bulk of U.S. naval capacity to the Asia-Pacific region by decade's end, the South China Sea seems destined to be a bone of contention. As pointed out by Senior Colonel Dai Xu, another popular military commentator, the "South China Sea is essential to [America's] C-shaped containment policy against China." "China's blue-colored door to the ocean may be slammed shut [by the U.S.] any time," he indicated earlier this year (*Sina.com*, April 27; *Club.China.com*, March 10). Yet, the South China Sea also could be the one arena where give and take with the U.S. within the framework of "New Kind of Great Power Relationship" would bear the most fruit. During his summit with Obama, Xi repeated what he said during his visit to the United States in early 2012, that "the Pacific Ocean is wide enough to incorporate [the interests of] both China and the U.S." Xi added in Sunnylands that he was most interested in "cooperation with the [United States] over the Pacific Ocean" (*China Daily*, June 9; *China News Service*, June 8).

At the very least, the Xi leadership hopes the United States will not stand in the way of Beijing's efforts to negotiate a settlement with the four countries that have territorial disputes with China over the Paracel and the Spratly Islands: Vietnam, the Philippines, Malaysia and Brunei. This was made clear during Foreign Minister Wang Yi's tour of Southeast Asia last month, which is seen as embodying a new initiative regarding the South China Sea conundrum. Wang appeared to hint at U.S. machinations when he said in Jakarta that "we have to raise our guard over efforts by individual forces and countries to stir up trouble in this area due to their own

self interests” (Xinhua, May 1; People’s Daily Online, May 1) The Chinese media have suggested that in return for Washington’s relative forbearance on the South China Sea front, Beijing may be willing to do its utmost to rein in the Kim Jung-un regime’s bid to build weapons of mass destruction. As Renmin University international relations expert Jin Canrong pointed out, “denuclearization of the Korean Peninsula is the one common concern between China and the United States.” “Both countries can pool their resources to solve this problem together,” he said (China News Service, May 28; *People’s Daily*, May 28).

At the same time, Beijing is hopeful that its “economic card” can play a sizeable role in resolving territorial rows with the two countries that appear to be least amenable to an amicable settlement with China: Vietnam and the Philippines. Although upping the psychological pressure on Hanoi and Manila, Beijing hardly has halted its trading and investment activities in the two countries. Vietnamese statistics show that China’s cumulative FDI in the country exceeded \$4.5 billion as of the end of 2012. Using time-honored united front tactics, Chinese diplomats also have been persuading business communities in these two countries to lobby their governments to adopt a more flexible policy toward China (Sina.com, April 19; Xinhua, October 20, 2012).

Equally importantly, Beijing is pursuing an economics-based divide-and-rule tactic to prevent ASEAN from achieving consensus on the South China Sea conflict. China’s cumulative investment in ASEAN reached \$18.8 billion by the middle of 2012. Direct investment in 2011 topped \$7 billion, up from \$3.26 billion the year before (Mofcom.gov.cn, June 6; *China Daily*, January 6) With these figures seem modest, they are expected to pick up dramatically as an ambitious series of trans-national railway and highway projects—much of it financed by China—in connection with the China-ASEAN Free Trade Area kicks in during the rest of the decade. Chinese investments and economic aid are focused on quasi-client states, such as Cambodia and Laos as well as relatively neutral countries, such as Thailand and Indonesia. At the ASEAN summit in Phnom Penh last year, apparently “pro-China” Cambodian officials saw to it that no common platform was reached on how to deal with China on South China Sea-related disputes (*People’s Daily*, May 16; China News Service, April 5; “China Pushes on the

South China Sea, ASEAN Unity Collapses,” *China Brief*, August 3, 2012).

By mid-year, Beijing seems to be shifting to a relatively placatory posture toward the South China Sea imbroglio. While visiting Bangkok during his Southeast Asia tour, Foreign Minister Wang told reporters that “boosting cooperation with ASEAN was a top priority in the new Chinese leadership’s policy of good neighborliness.” Wang added that Beijing was committed to resolving differences with ASEAN members “through friendly consultation and mutually beneficial cooperation” (*People’s Daily*, May 2; Xinhua, May 1). During the annual Shangri-La Defense Dialogue earlier this month, PLA Deputy Chief of the General Staff Department Lieutenant-General Qi Jianguo reiterated that Beijing would stick to the time-honored formula of “seeking joint development while setting aside sovereignty [disputes]” in defusing territorial rows with its neighbors (*Beijing News*, June 4; China News Service, June 4). How China’s rivals on the South China Sea issue will respond to Beijing’s series of overtures will be a good test of the efficacy of President Xi’s much-vaunted new diplomacy in both its conciliatory and pugnacious aspects.

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