Managing China-U.S. Relations in the Trump Era

Approaches and Policies

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Abstract: China under the leadership of President Xi Jinping has maintained strategic concentration since the election of President Donald Trump who has shown an anti-establishment approach to domestic and foreign affairs. China adheres to its diplomatic principles of preserving core national interests, making overall strategic agendas, going with the trends of the times, and seeking progress while stabilizing China-U.S. relations. China also attaches great importance to summit diplomacy and has achieved early outcomes through Xi-Trump meetings at both Mar-a-Lago and Hamburg. Nevertheless, China has yet to meet daunting challenges on its road ahead to a more stable, cooperative, and predictable relationship with the United States under President Trump.

Keywords: China-U.S. relations; major-country relations; Xi Jinping Thoughts on Diplomacy; summit-driven diplomacy.

China always attaches great importance to its relationship with the United States. On the basis of continuity, President Xi Jinping strives to promote

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China-U.S. relations to new heights. However, the election of Mr. Donald Trump as U.S. President in November 2016 cast a long shadow over this very important bilateral relationship. Now, more than half a year has passed and it appears that China-U.S. relations are not as poor as some people have worried. Therefore, it is meaningful to look into various reasons including China's relevant principles, strategies and practices, so as to deepen our understanding on why and how the two governments can manage differences while promoting cooperation, thus benefiting both countries, the Asia-Pacific and the world at large.

Coherence of China's Foreign Policy Principles

China's foreign policy is prominently characterized by its adherence to fundamental principles. Facing the unpredictable President Trump, China stands firm with the following four principles.

Firstly, China adheres to the one-China principle. As a presidential candidate and President-elect, Mr. Trump questioned the non-negotiability of the one-China principle and believed that he could bargain with China over this. For instance, he talked with Ms. Tsai Ing-wen, the Taiwanese leader, over the phone on December 2, 2016, which is a break from the decades-long diplomatic protocol since the establishment of diplomatic relations between China and the United States in 1979. The Chinese government lodged "stern representations." And shortly afterwards, Foreign Minister Wang Yi told reporters at an academic forum in Beijing that "The one-China policy is the bedrock of the healthy development of Sino-American relations. We do not wish to see this political foundation meet with any disruption or damage."¹ In defending his phone call, Mr. Trump said on *Fox News Sunday* on December 11, 2016: "I fully understand the one-China policy, but I don't know why we have to be bound by a one-China policy unless we make a deal with China having to do with other things, including trade."²

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¹"Wang Yi Answers Question from Journalist over Donald Trump's Call with Tsai Ing-wen," Chinese Foreign Ministry, December 3, 2016, <http://www.fmprc.gov.cn/ce/cegr/eng/zgyw/t1421645.htm>.

²Eric Bradner, "Trump: US Doesn't 'Have to Be Bound' by 'One China' Policy," CNN, December 12, 2016, <http://edition.cnn.com/2016/12/11/politics/donald-trump-china-taiwan/>.

However, with China's persistent protest and warning, especially the hard reality both inside and outside the United States, President Trump took a quick turn and promised to honor the one-China policy. He sent President Xi Chinese New Year's wishes on February 8, 2017, four days before the end of China's Spring Festival celebrations. President Trump

China's unshakable position on the one-China principle thwarted Trump's bargaining attempt on the Taiwan issue.

expressed his hopes of developing "a constructive relationship that benefits both the United States and China."³ On the following day, the two presidents had a telephone talk, and President Trump stressed that he fully understands the importance for the U.S. government to adhere to the one-China policy and the U.S. government firmly upholds the one-China policy.⁴

Secondly, China adheres to the principle of cooperation. On November 9, 2016, President Xi sent a congratulatory message to Mr. Trump on his election as President of the United States:

Attaching great importance to China-U.S. relations, I look forward to working with you to, in the principle of non-conflict, non-confrontation, mutual respect and win-win cooperation, expand bilateral cooperation in all fields at bilateral, regional and global levels, manage and control differences in a constructive way, push bilateral relations for greater progress at a new starting point and better benefit the two peoples and people of all countries.⁵

When the two presidents met at the Mar-a-Lago resort in Florida on April 6, 2017 President Xi further stressed that cooperation is the only right choice

³Zhao Huanxin and Zhang Yunbi, "Trump Letter to Chinese Leader Seeks Constructive Relationship," *China Daily*, February 9, 2017, http://www.chinadaily.com.cn/world/2017-02/09/content_28149123.htm.

⁴"Xi Jinping Holds Telephone Talks with President Donald Trump of US," Chinese Foreign Ministry, February 10, 2017, http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1438306.shtml.

⁵"Xi Jinping Sends Congratulatory Message to Donald Trump on His Election as US President," Chinese Foreign Ministry, November 9, 2016, http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1414630.shtml.

for China and the United States, and that both countries can become good cooperation partners.⁶ What merits attention is the principle of non-conflict, non-confrontation, mutual respect and win-win cooperation. President Xi first proposed this principle for building up a new type of major-country relations with the United States during his talks with President Obama in early June 2013. The Trump administration has abandoned many of Obama's stances, but appears to have accepted this principle. For example, when visiting Beijing on March 18, 2017, U.S. Secretary of State Rex Tillerson said to the press: ".....U.S.-China relationship has now over 40 years ago with the historic opening between the U.S. and China, and through that period, it has been a very positive relationship built on non-confrontation, no conflict, mutual respect, and always searching for win-win solutions."⁷

Thirdly, China adheres to the principle of shouldering major-country responsibilities. In his congratulatory message to Mr. Trump on November 9, 2016, President Xi pointed out that as the biggest developing country and the biggest developed country respectively, and also the top two economies in the world, China and the United States share broad common interests while bearing special and important responsibilities in maintaining world peace and stability, as well as promoting global development and prosperity.⁸ China's position at the apex of global governance and international system building renders it a forward-looking view and clearly defines the two countries' common responsibility to the international society. As President Xi stressed at the Mar-a-Lago meeting,

Both countries should enhance communication and coordination on major international and regional issues, jointly promote the proper settlement of hot-spot issues in related areas, expand cooperation in nuclear nonproliferation and cracking transnational crimes, and strengthen communication and coordination within the UN, the G20, APEC and other multilateral mechanisms in

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⁶"Xi Jinping and Donald Trump Hold China-US Presidents' Meeting," Chinese Foreign Ministry, April 7, 2017, http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1453036.shtml

⁷Rex Tillerson, "Remarks Before His Meeting With Chinese Foreign Minister Wang Yi," U.S. Department of States, March 18, 2017, <https://www.state.gov/secretary/remarks/2017/03/268515.htm>.

⁸"Xi Jinping Sends Congratulatory Message to Donald Trump on His Election as US President."

order to jointly safeguard the peace, stability and prosperity of the world.⁹

President Trump echoed: “as two major countries in the world, the U.S. and China should shoulder great responsibilities. Both sides should make great achievements through maintaining communication and coordination on major issues.”¹⁰

Fourthly, China adheres to the principle of non-interference in U.S. domestic affairs. Non-interference in internal affairs is one of the basic principles of China’s foreign policy. It is also included in the *Shanghai Communiqué* issued on February 27, 1972, which states that countries, regardless of their social systems, should conduct their relations on the principles of respect for the sovereignty and territorial integrity of all states, non-aggression against other states, non-interference in the internal affairs of other states, equality and mutual benefit, and peaceful coexistence; it states further that the two countries are prepared to apply these principles to their mutual relations.

Yet the principle of non-interference in internal affairs in China-U.S. relations has seen evolution over the past 45 years. It was one-directional in terms of China’s opposition against the U.S. support for Taiwan at the beginning, and for Chinese dissidents later on. Now it has become a two-way traffic. China adheres to the position that it will never meddle in the U.S. presidential campaign and it stands free from the on-going struggle between Republicans and Democrats, between the established elites and the Trump administration, and among the different factions within the Trump administration. China’s adherence has paid off in that both governments could then concentrate on their strategic dialogue, pragmatic cooperation and healthy competition, thus to the best extent prevent the politicization of China-U.S. relations.

Optimization of China’s Diplomatic Strategies

President Xi is known for his strategic thinking and planning. Upon taking over as top leader of China, at the third group study session of the Political Bureau of the 18th Communist Party of China (CPC) Central Committee on

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⁹“Xi Jinping and Donald Trump Hold China-US Presidents’ Meeting.”

¹⁰*Ibid.*

January 28, 2013, he made a call to “enhance our strategic thinking and confidence, and better balance China’s overall domestic and international interests”.¹¹ Indeed, President Xi and the Chinese government have taken great pains to handle China-U.S. relations with strategic visions, steadiness and prioritization.

Above all, President Xi tends to regard current world affairs and China-U.S. relations from a holistic, systematic and long-term perspective. President Xi inherits the strategic vision from both traditional Chinese culture and the two basic elements of Marxism: historical materialism and dialectical materialism — the former stresses on understanding history in a holistic and long-term way, and the latter emphasizes grasping the essence instead of the superficial. Therefore, President Xi and the Chinese government pay more attention to the nature of China-U.S. relations rather than Mr. Trump’s campaigning or political rhetoric. That may explain why China handles its relationship with the United States even better than some American allies.

Regarding global trends, President Xi pointed out at the United Nations Office at Geneva on January 18, 2017:

Xi’s strategic vision on China-U.S. relations is based on firm grasp of global and regional trends.

Mankind is in an era of major development as well as profound transformation and change..... The forces for peace far outweigh factors causing war, and the trend of our times toward peace, development, cooperation and win-win outcomes has gained stronger momentum. On the other hand, mankind is also in an era of numerous challenges and increasing risks.¹²

China believes that it is on the right side of history, and that it should move in accordance with the global trend to interact with other actors in the world in general and the United States in particular.

¹¹Xi Jinping, *The Governance of China* (Beijing: Foreign Languages Press, 2014), p. 271.

¹²Xi Jinping, “Work Together to Build a Community of Shared Future for Mankind,” Xinhua News, January 19, 2017, http://news.xinhuanet.com/english/2017-01/19/c_135994707.htm.

As for the Asia-Pacific region, China regards it as the most important theater for interaction with its neighbors and the United States. In January 2017, the Chinese government issued a white paper entitled *China's Policies on Asia-Pacific Security Cooperation*, which states

In recent years, the development of the Asia-Pacific region has increasingly caught people's attention. It has become the most dynamic region with the strongest potential in the world. All parties are attaching greater importance to and investing more in this region.....China is willing to promote the sustainable, sound and stable advance of bilateral relations, and work with the new U.S. administration.....in a constructive way, and further bilateral relations from a new starting point, so as to bring benefits to the two peoples and other peoples around the world.¹³

Concerning China-U.S. relations, President Xi commented at Mar-a-Lago that since the normalization of China-U.S. relations 45 years ago, despite the bilateral relationship having undergone ups and downs, much historic progress and enormous practical benefits to the two peoples have been made. How can China-U.S. relations be advanced in the next 45 years? It is a question that requires deep thinking, and the leaders of both countries should make political decisions and historic commitments.¹⁴

Next, strategic steadiness enables China to focus on positive cooperation and avoid unnecessary interference. As the Chinese are confident about their strategic visions, President Xi had sufficient reasons to pronounce that "Sound China-U.S. relations will not only benefit the two countries and the two peoples, but the world at large. There are a thousand reasons to make China-U.S. relations a success, but not a single reason to break it."¹⁵

Therefore, President Xi and the Chinese government focus on respecting the reality of the United States and its allies, and building the framework of strategic dialogues. For instance, the Chinese government did not take advantage of the U.S. infighting during and after the presidential

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¹³"China's Policies on Asia-Pacific Security Cooperation," Chinese Foreign Ministry, January 2017, http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1429771.shtml.

¹⁴"Xi Jinping and Donald Trump Hold China-US Presidents' Meeting."

¹⁵*Ibid.*

campaign, and thus China has avoided being dragged into U.S. domestic politics. Furthermore, China adopts a somewhat detached position vis-à-vis the trans-Atlantic disputes while working with the Europeans on such matters as economy and climate change. In the meantime, China focuses on pragmatic cooperation regardless of the change of U.S. administrations. President Xi and President Obama initiated the Strategic & Economic Dialogues (S&ED) as an important mechanism only second to their summits. Now, with President Trump in office, China and the United States have decided to conduct more specialized and higher-level discussions along four different tracks: (1) Diplomatic and Security Dialogue; (2) Comprehensive Economic Dialogue; (3) Law Enforcement and Cybersecurity Dialogue; and (4) Social and Cultural Issues Dialogue. Some of these have already shown initial outcomes, such as the Diplomatic and Security Dialogue as well as the Comprehensive Economic Dialogue.

Moreover, strategic re-prioritization has been made to meet the needs of a new U.S. president who stresses on business bargaining. President Trump is anti-establishment and tends to give priority to economic interests in his strategic considerations. Therefore, China has readjusted its agenda so as to achieve win-win cooperation. The most prominent move is that China now makes major-country relations and neighborhood relations as bi-foci of its diplomacy. On China's all-round diplomatic agenda, these two areas stand out prominently. On the one hand, China strives to strengthen coordination and cooperation and expand common interests with other major countries, and has put in place a generally stable framework of major-country relationships. On the other hand, China stays committed to the principles of amity, sincerity, mutual benefit and inclusiveness, enhancing friendship and cooperation with its neighbors, and working to consolidate strategic support in the neighborhood area.

Meanwhile, China tries to combine China-U.S. relations with its neighborhood relations, for the United States is the most important extra-regional player in Asia. Yet China treats the world leadership issue prudently in the face of the Trump administration's potential withdrawal policy. Since his inauguration, President Trump has already decided to withdraw from the *Paris Agreement on Climate Change*, threatened to reduce the U.S. commitments to the NATO and disengage from the Middle East. Moreover, President Trump's opposition to free trade also creates vacancy in economic leadership. The U.S. withdrawal from the Trans-Pacific

Partnership (TPP) is a case in point. Therefore, there is an increasing appeal for China to fill the vacancy left by the United States.

However, China has a good understanding of its capability and incapability. At a tone-setting workshop in preparation for the 19th CPC Congress on July 27, 2017, President Xi said to Chinese senior officials: "In planning and advancing various work of the Party and the country, we must thoroughly analyze and precisely evaluate the national, international and the Party's conditions under current circumstances." He further pointed out that the whole Party should face the biggest reality that China is at the primary stage of socialism.¹⁶ This clearly shows that China does not seek to replace the United States as the world's leader.

China has refrained from attempting to fill the potential global leadership vacancy left by the Trump administration.

China is also adopting a more proactive foreign policy so as to promote peace, development and win-win cooperation in the world. China's prudence in the area of global leadership's does not mean that China will isolate itself from the world. As a matter of fact, President Xi advocates a "community of shared future for mankind" by advocating better global governance, reform of the international system and the Belt and Road Initiative. China has enhanced its capacity in

agenda setting. It made great contributions at the APEC Beijing Summit in 2015, G20 Hangzhou Summit in 2016, Belt and Road Forum for International Cooperation in May 2017, and BRICS Xiamen Summit in September 2017. China is also working hard to enhance South-South Cooperation by making more material, financial and intellectual investments in this great endeavor. Indeed, China has become one of the main driving forces in setting and implementing the UN 2030 Agenda.

Furthermore, China is promoting mutual benefits through North-South cooperation. On the one hand, China urges the developed world to pay more consideration to the rightful appeals from developing countries and seeks to redirect the international system toward a fairer and more

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¹⁶"China Focus: To Revive China, Xi Holds High Banner of Socialism with Chinese Characteristics," Xinhua News, July 28, 2017, http://news.xinhuanet.com/english/2017-07/28/c_136478380.htm.

equal approach. China uses the G20 as a premier platform to accommodate this pair of important relations between the North and South. On the other hand, China understands that the whole world is interdependent on one another and both the North and South should work toward the same goal. Obviously, China's major strength lies in its economy, which has become the main area for China to work for better global governance and a more just international system.

Significance of Summit Diplomacy in China-U.S. Relations

Summit diplomacy is one of the distinctive features of the Xi era. In early June 2013 President Xi went to meet President Obama at Sunnylands, California. This no-tie meeting laid the foundation for the following years of China-U.S. relations. Although President Trump is very different from his predecessor, his meetings with President Xi have fared better than expected. Whilst personal chemistry may be one of the reasons, more important are the summit's backgrounds, substance and outcomes.

Most importantly, the first Xi-Trump summit was carried out against a profoundly changing global background. The world is currently undergoing unprecedented changes and adjustments. China and the United States are two major countries with global reaches. The prominence of the China-U.S. relationship is self-evident. A sustainable, healthy and stable bilateral relationship is in the fundamental interests of people in both countries and the world at large. Since the new U.S. administration took office, President Xi has made a number of calls and exchanged messages with President Trump. Both countries have kept close communication at different levels. They have reached agreements on such important issues as the one-China principle and cooperation on major world affairs. Therefore, the meeting of the two leaders came at a natural time when they first met at the Mar-a-Lago resort in Florida on April 6–7, 2017, and for a second time on the sidelines of the G20 Hamburg Summit on July 8.

The two summits at Mar-a-Lago and in Hamburg discussed substantial issues. At Mar-a-Lago, both leaders had in-depth exchanges of views on the China-U.S. relationship, as well as international and regional issues of their common concerns, and eventually reached many important consensuses. Among the topics, governance and the Korean nuclear issues merit particular mention. According to Chinese Foreign Minister Wang Yi, the two

presidents shared governance theory and introduced to each other their respective ongoing priority agendas, which has deepened their mutual understanding and established a good working relationship.¹⁷ In comparison, U.S. Secretary of State Tillerson emphasized the Korean nuclear issue in his briefing on April 7:

The two sides noted the urgency of the threat of North Korea's weapons program, reaffirmed their commitment to a denuclearized Korean Peninsula, and committed to fully implement UN Security Council resolutions. They agreed to increase cooperation and work with the international community to convince the DPRK to peacefully resolve the issue and abandon its illicit weapons programs.¹⁸

At their second meeting in Hamburg, President Xi's and President Trump's focus was on maintaining dynamism and carrying out their strategic decisions. The Chinese official report gave a full coverage and pointed out that in the next phase, both sides should make joint efforts to firmly maintain the general direction of China-U.S. relations, continue to focus on mutual respect, mutual benefit and win-win results, expand practical cooperation in various fields, and strengthen coordination on international and regional issues.¹⁹ In comparison, the *White House's Readout* released on July 8 was very brief and focused on the Korean nuclear issue instead:

President Trump discussed the destabilizing threat posed by North Korea's nuclear and ballistic missile programs and the need to respond to North Korea's major escalation involving the test of an ICBM. Both sides reaffirmed their commitment to a denuclearized Korean Peninsula.

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¹⁷“Wang Yi Talks about President Xi Jinping's Visit to Finland and Travel to the US for China-US Presidents' Meeting,” Chinese Foreign Ministry, April 9, 2017, http://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpdflijxgsfwbfbmgfldjxzmymshw/t1453016.shtml.

¹⁸Office of the Press Secretary, “Briefing by Secretary Tillerson, Secretary Mnuchin, and Secretary Ross on President Trump's Meetings with President Xi of China,” White House, April 7, 2017, <https://www.whitehouse.gov/the-press-office/2017/04/07/briefing-secretary-tillerson-secretary-mnuchin-and-secretary-ross>.

¹⁹“Xi Jinping Meets with US President Donald Trump,” Chinese Foreign Ministry, July 9, 2017, http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1477416.shtml.

*The two leaders also reviewed work in other areas in the bilateral relationship, including economic issues such as reciprocal trade and market access.*²⁰

The amicable China-U.S. relationship is already paying dividends. As White House Spokesman Sean Spicer said at a daily press briefing on May 12, 2017, a major consensus on trade was reached by China and the United States on the previous day, and the U.S. government is eyeing further cooperation with China under the Belt and Road Initiative.²¹ In fact, the United States sent a delegation led by Matt Pottinger, special assistant to the President and senior director for Asia at the National Security Council, to the Belt and Road Forum for International Cooperation in Beijing on May 14–15.

On May 12, Chinese Finance Vice Minister Zhu Guangyao confirmed the initial results of the 100-day action plan for China-U.S. comprehensive economic dialogue, covering agriculture, financial services, investment and energy. Among other things, China will allow imports of U.S. beef while the United States is to import poultry from China. The United States expects China and other partners to import liquefied natural gas and China is to allow wholly foreign-funded financial services to provide credit ratings in China. Zhu also said that most of the agreements are expected to be implemented by July 16.²²

With hope, President Trump's planned state visit to China will give new momentum to the China-U.S. relationship. While preparing for President Trump's state visit to China, the two countries would work mainly on the deliverables, thus make constructive efforts to stabilize and promote this important bilateral relationship. More importantly, President Trump's

The Xi-Trump summits have yielded positive results that help stabilize China-U.S. relations.

²⁰Office of the Press Secretary, "Readout of President Donald J. Trump's Meeting with President Xi Jinping of China," July 8, 2017, <https://www.whitehouse.gov/the-press-office/2017/07/08/readout-president-donald-j-trumps-meeting-president-xi-jinping-china>.

²¹"Sino-U.S. Relationship 'Paying Dividends': White House," Xinhua News, May 13, 2017, http://news.xinhuanet.com/english/2017-05/13/c_136279126.htm.

²²*Ibid.*

visit will take place right after the convening of the 19th CPC Congress, at which China's roadmap for the coming five years and beyond will be determined. Therefore, the next Xi-Trump meeting will be even more significant and strategic to chart the future course of China-U.S. relations.

Future Prospects for China-U.S. Relations

It is difficult to predict how China-U.S. relations would develop under the Trump administration, not least due to prevailing doubts that President Trump may not be able to complete even his first four-year term. There are also many factors that will affect China-U.S. relations at home and abroad. Nevertheless, it is still possible to project the general direction of the bilateral relationship.

The most possible scenario is that the two countries would stay on the current track and move ahead in cooperation and competition. This scenario is not based on any historic luck, but on the following four factors:

The first is that by exercising their presidential power, the two presidents have taken control of China-U.S. relations. The two countries and peoples also benefit more from the stable and progressive relations, especially their economic and financial cooperation. These mutual benefits would, in turn, reinforce the respective domestic support for a stable and better relationship between both countries. A total confrontation or a collapse of relations is simply unimaginable, as the stakes are too high for both sides.

The second is that both countries will build up more positive factors to outweigh the negative. The United States is China's largest export market, accounting for 16 percent of China's total exports, and is providing China with huge and stable external demand. It is China's second largest trading partner in services, a key partner in technology and cultural trade, and China's largest contract-awarding market. The 67,000 U.S.-invested enterprises in China have brought to China capital, technology and managerial experience, created jobs and tax revenues, trained a large number of specialized personnel, and played a positive role in promoting China's economic development and industrial transformation and upgrading.²³

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²³Chinese Ministry of Commerce, *Research Report on China-U.S. Economic and Trade Relations* (Beijing: Chinese Ministry of Commerce, May 2017), p. 8, <http://images.mofcom.gov.cn/www/201705/20170525145532177.pdf>.

The two countries have already integrated various kinds of governmental, semi-governmental and non-governmental networks, which may continue growing in number and influence.

The third is that through close communication, both countries can generally prevent their differences and crises from getting out of control. China-U.S. relations have never been lacking in events and surprises in the past four decades. However, their relations could always move ahead after differences and crises were properly handled. For example, China and the United States resolved the issue of the Most Favored Nations (MFN) and saw remarkable progress in economic and trade relations during the Clinton years. As another example, the two countries properly handled the U.S. EP-3 Incident in 2001 and strengthened cooperation during the remaining years of President G. W. Bush. Along the same vein, President Xi and President Trump had a quick and effective match-up despite the latter's earlier verbal attacks against China.

The fourth is the international imperatives that keep the two together. Soviet expansionism played an important role when President Nixon visited China to jointly counter the Soviet threat, when President Carter decided to establish diplomatic relations with China, and when President Reagan finally sought a quasi-alliance with China. The terrorist attacks in 2001 and global financial crisis in 2008 brought President G. W. Bush and President Obama respectively to China, seeking help to fight against the most pressing threats. Given the fact that the world is full of uncertainties and challenges, it is possible that common threats and mutual needs would bring the two countries even closer.

Another possible scenario is that China-U.S. relations will suffer major setbacks, but will not fall into total confrontation. This could happen if the two countries mismanage the negative factors. In this case, the most devastating and destructive factors are usually of the political and strategic nature.

Sino-U.S.

cooperation is likely to expand during the Trump presidency.

First and foremost is the Taiwan issue. In the United States, certain political forces have always been attempting to exert pressure on China regarding the Taiwan issue. Yet there are two extremely sensitive and important issues on which the United States should

not overstep the “red lines”: one is large-scale arms sales to Taiwan, and the other is to openly support “Taiwan independence” activities.

Concerning arms sales to Taiwan, there are already alarming signs. U.S. State Department Spokeswoman Heather Nauert said on June 29 that the Trump administration had notified the Congress of its intent to approve seven proposed deals valued at around \$1.42 billion.²⁴ It was reported that this sale includes technical support for early warning radar, anti-radiation missiles, torpedoes and components for SM-2 missiles. Furthermore, the U.S. House of Representatives on July 14 passed the *National Defense Authorization Act for Fiscal Year 2018*, which tasked the Defense Secretary to look into the feasibility of reestablishing port calls between the U.S. and Taiwanese navies. This aroused China’s strong reaction. As Mr. Lu Kang, Chinese Foreign Ministry Spokesman reiterated,

It is China’s consistent position to firmly oppose any official contacts and military exchanges between the U.S. and Taiwan. We urge the U.S. to fully recognize the gravity of the relevant clauses in the Act. The U.S. should not allow the Act with the relevant clauses to become law, nor turn back the wheel of history lest it should harm the general interests of China-U.S. relations.²⁵

Secondly, the United States may go too far in supporting secessionist forces against China. There are two possibilities. One is that the U.S. government supports the Tibetan and Xinjiang secessionist forces to such extent that China has to rise and fight even at the expense of damaging overall China-U.S. relations. The other is that these secessionist forces run rampant at the death of Dalai Lama or riots in Xinjiang. In that event, the Chinese government has to use all the means available, including the military, to defend the nation’s sovereignty and stability regardless of how strongly the United States and other Western countries react.

Thirdly, President Trump has been focusing on the Korean nuclear issue and is continually urging China to do more—mostly through

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²⁴Heather Nauert, “Department Press Briefing,” U.S. Department of State, June 29, 2017, <https://www.state.gov/r/pa/prs/dpb/2017/06/272265.htm>.

²⁵“Foreign Ministry Spokesperson Lu Kang’s Regular Press Conference,” Chinese Foreign Ministry, July 17, 2017, http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1478246.shtml.

“tweets” on the social media platform Twitter. The United States also went ahead with its unilateral sanctions against North Korea and punished some Chinese companies and banks for doing business with North Korea. On the one hand, China works with the United States on pressing North Korea to comply with the UN Security Council’s resolutions on de-nuclearization of the Korean Peninsula. On the other hand, China has made it clear that the essence of the nuclear issue is a security one between the United States and North Korea. Therefore, the United States should not “outsource” the issue to China, nor shy away from its own responsibilities. If President Trump blows up the Korean nuclear issue by taking serious military actions, China-U.S. relations might encounter great setbacks.

Last but not least, in addition to these political and strategic possibilities, more economic frictions are also possible. However, these economic frictions are generally under control and will not turn into total trade or financial wars, at least in the near future. The First China-U.S. Comprehensive Economic Dialogue in Washington on July 18–19 ended with canceled news conferences, no joint statement and no new announcements on U.S. market access to China. It was reported that President Trump is seriously considering sterner policies towards China. Even as the U.S. and Chinese governments failed to agree on more substantive trade terms, corporate chief executive officers from both countries pledged to deepen their cooperation and joint investment efforts. Led by Blackstone Group CEO Stephen Schwarzman and Alibaba Group CEO Jack Ma, a group of 20 executives said they were committed to increasing bilateral trade, including the export of U.S. agricultural goods, liquefied natural gas and consumer products to China. Ma and Schwarzman said in a statement that a stable, growing economic relationship between the United States and China is mutually beneficial to the peoples of both countries and for the world.²⁶

Existing political and economic conflicts may lead China-U.S. relations to limited confrontation.

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²⁶David Lawder and Lesley Wroughton, “U.S., China Fail to Agree on Trade Issues, Casting Doubt on Other Issues,” Reuters, July 19, 2017, <https://www.reuters.com/article/us-usa-china-trade/u-s-china-fail-to-agree-on-trade-issues-casting-doubt-on-other-issues-idUSKBN1A40BN>.

The least likely scenario is that China and the United States become either allies or enemies. There are both ceilings and floors for China-U.S. relations; unless some unimaginable event occurs, neither country is likely to go to extremes in the coming five to ten years. Nevertheless, it is useful to talk about the most unlikely scenarios — both the best and the worst.

Ideal as it might be, the best scenario seems to be clearly improbable. In the most unlikely situation, China and the United States fully agree on and implement the principles of major-country relations or even become allies as they did during WWII. The two countries understand each other's domestic governance issues and coordinate their respective policies so as to support each other. On international agendas, China and the United States see eye-to-eye on major international issues and hotspot issues. Furthermore, the two countries work in tandem to the fulfillment and solution of these issues. Overall, China and the United States jointly push forward global governance, regional architectures of economic and security cooperation, and bilateral win-win cooperation. Such good relations between them will definitely lead to a more peaceful, stable and prosperous future of the world. However, whilst these are visions worthy of pursuit, they can hardly be achieved in the foreseeable future.

The worst scenario is not only a nightmare for China and the United States, but also to the Asia-Pacific region and the rest of the world. In this worst scenario, China and the United States confront each other strategically, politically and economically. In terms of strategic conflict, they compete for global and regional leadership, advocate for conflicting positions on major world issues, and tussle for support from countries in the world in general and in the Asia-Pacific region in particular. In terms of political conflict, they engage each other in head-on collisions on global and regional leadership, human rights and development. Each aims at the diminishment of the other's political and social system, similar to what happened during the Cold War. In terms of economic confrontation, they wage trade wars, currency wars and mutually reinforced retaliations. In the worse scenario, a real war might even break out between them over the Taiwan or South China Sea issues.

As an alarming indication, Admiral Scott Swift, the U.S. Pacific Fleet commander, addressed a security conference in Australia on July 27, saying that he would be prepared to launch a nuclear strike on China if President

Trump gave the order.²⁷ This anecdote shows that a real and nuclear war against China is always an option, though highly hypothetical.

Conclusion

In appearance, President Trump is hard to read, full of uncertainties and extraordinary acts. This is both true and false. Indeed, he thinks not like a seasoned politician, speaks in an unconventional fashion, and acts in his own way. As a presidential candidate during the campaign, Mr. Trump vehemently attacked China for currency manipulation, job-stealing and business deception. Even after entering the White House, he often speaks negatively about China. President Trump can be rather fickle in his attitudes, approaches and policies toward China. He praises China's role in the Korean nuclear issue on one day, yet complains about China's role on the next, all via Twitter. Shortly after his meetings with President Xi in which consideration of China's concerns appeared to have been acknowledged, he turned around and gave the green light to massive arms sales to Taiwan and approved a plan to give the U.S. navy more freedom to carry out patrols in the South China Sea.

When it comes to the Taiwan issue, his words and deeds are even more dramatic and eventful. Since his election in November 2016, Mr. Trump's stance toward China and Taiwan has shifted dramatically. As mentioned earlier, shortly after his electoral victory, Mr. Trump seemed to signal he was ready to confront China over Taiwan when he broke with the long-established protocol and took a phone call from Ms. Tsai Ing-wen. But he later backed off from more calls. In April, President Trump told *Reuters* that he would consult with Chinese President Xi Jinping before speaking to Ms. Tsai to avoid causing

Xi and Trump are likely to better manage China-U.S. relations in the future.

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²⁷"Hypothetically Speaking, U.S. Admiral Says Ready for Nuclear Strike on China If Trump So Ordered," *Reuters*, July 27, 2017, <https://in.news.yahoo.com/hypothetically-speaking-u-admiral-says-ready-nuclear-strike-074814958.html>.

“difficulty” for Beijing.²⁸ Realistically, President Trump should not be judged only by his situational words or deeds, but the more profound reasons behind them.

Substantively, all these are still understandable. President Trump’s uncertainty and anti-establishment words and deeds are shaped by the very changes of the world today. At a time of great changes, development and adjustment, President Trump represents a part of American political forces to find a new role in the international community while defending and expanding U.S. interests. He and his people are trying to move away from the trodden path and break new ground. Therefore, President Trump does not believe in so-called political correctness, nor would he overemphasize human rights issues. He even attaches much less importance to geo-strategy than his predecessors. All these peculiarities reflect President Trump’s new thinking and behaviors that the world should pay due attention to.

China does not seek to replace the United States as the world leader, but will keep working with it for favorable conditions to achieve its own national revival. China’s general principle of dealing with the United States under President Trump’s leadership is to seek progress while maintaining stability. China strives for overlapping interests and coordination with the United States just as pragmatically as President Trump. Therefore, we have good reasons to be cautiously optimistic so long as the two countries keep to the path agreed upon by both leaders at their meeting in Hamburg, which is very likely to be further consolidated at their next meeting in Beijing.

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²⁸Dan De Luce, “Senators Urge Trump to Approve Taiwan Arms Sales,” *Foreign Policy*, June 23, 2017, <http://foreignpolicy.com/2017/06/23/senators-urge-trump-to-approve-taiwan-arms-sales/>.