

Trump and China: The Rocky Road Ahead

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Abstract: *China's consistent message to the U.S. since Donald Trump's election is the need for deeper cooperation. But Trump and his hawkish advisers and Congressmembers seem bent on a trade war and closer ties to Taiwan. His strategy is that once the Middle East and Ukraine are "solved," he will be positioned to force Xi Jinping's hand. But the Chinese have options for dealing with U.S. economic pressure. Still, Trump might bargain on U.S. security ties if he can get a deal on trade. The most likely outcome is more tension in U.S.-China relations and a further drift toward Cold War-era competition.*

Keywords: *U.S.-China relations, Trump's China policy, Chinese views of U.S., Trade war, Taiwan, U.S. Congress views of China, U.S. public opinion*

Cooperation or Confrontation?

On November 7, 2024, Xi Jinping sent a congratulatory message to President-elect Trump that said: "A stable, healthy, sustainably developing China-U.S. relationship fits with the common interests of the two countries and with the expectations of international society. I hope the two sides will keep to the principles of mutual respect, peaceful coexistence, and win-win cooperation, strengthen channels of dialogue, improve control over differences, expand mutually beneficial cooperation, and move down the road of correctly getting along in a new period, with prosperity for both countries and benefits to the world." Subsequently, other Chinese sources, as well as Xi in his final meeting with President Biden at the APEC summit on November 16, repeated this line of thought: China wants more rather than less cooperation with the U.S. An article in the *People's Daily* by

Zhong Sheng (The Bell), an authoritative editorial collective, came a day after Xi's message and reinforced it, saying: "Win-win cooperation is the trend of the times and should be the bottom line of China-US relations." The writers reminded readers of China-U.S. economic interdependence: "Today, China is the third-largest export market for U.S. goods, and the U.S. is China's third-largest trading partner. Over 70,000 U.S. companies invest and operate in China, and exports to China alone support 930,000 U.S. jobs. Last year, 1,920 new U.S. companies were established in China, and 80 percent of U.S. companies in China plan to reinvest their profits this year." The commentary cited achievements of China-U.S. cooperation in diplomacy, finance, climate change, and military-to-military communication. Thus, wrote Zhong Sheng, "whether promoting world economic recovery or resolving international and regional hotspot issues, China-US coordination and cooperation are needed."¹

Coordination and cooperation are very unlikely to be realized, however, because of probably insuperable obstacles each country has set. The second Trump administration will not merely reject engagement, as Biden's did; this time around, relations with China will be on a much steeper slope. Under Trump, we will no longer hear about "managing" relations, competing, or looking for shared interests. U.S. officials are unlikely to repeat promises to China with regard to upholding the One China policy or not seeking to change China's system. Stabilizing the U.S.-China relationship, which drew praise from Xi at his final meeting with Biden—"The [China-U.S.]

¹ "Stabilizing China-US Relations Fits with the Two Countries' Common Interests," *Renmin ribao*, November 8, 2024.

relationship has remained stable on the whole,” Xi said—will no longer be important to Washington. There are already several clear reasons for this conclusion: Trump’s announced determination to impose very high tariffs on Chinese goods, his appointment of China hawks to key national security positions, the bipartisan hostility toward China in Congress, China’s high unfavorable rating in American public opinion, and the advice Trump has received from previous appointees in the Project 2025 report. Moreover, as I discuss below, Trump, unlike Biden, will not be distracted from his China policy by overseas conflicts.

As for China, the emphasis on points of actual and potential collaboration with the U.S. is just one piece of its America policy. Xi qualifies cooperation in important ways—by saying that the U.S. must have a “correct strategic perception” of China, must adhere to the three principles mentioned in Xi’s message to Trump, and must choose between “partnership or rivalry.” Those qualifications aim at specific elements of U.S. policy: security alliances directed at the “China threat,” military and political support of Taiwan, and denial of semiconductor and other high-tech exports to China.² U.S. presidents, Donald Trump least of all, have not been moved by appeals to principle, nor have they been open to “correcting” their perceptions of China to suit Beijing.

Making a Deal

Nevertheless, it is worth examining where room for a China-U.S. deal might exist. A major caveat is in order, however: we have to recognize that Donald Trump’s *modus operandi* centers, as Bob Woodward has said in his various books on Trump, on fear and winning. In Trump’s transactional framework, the “art of the deal” is to instill fear in the opponent, never fold, and focus on winning. And winning means getting a “good return on investment,” not compromising for short-term gain and most certainly

not hoping to promote trust. In his first administration, Trump had to deal with advisers who were not all in on Trump’s style—policy managers who valued diplomacy as an alternative to confrontation. Now, with few guardrails to restrain Trump, he will dominate the policymaking scene. His appointments of loyalists, some of whom are viscerally hostile to China and others of whom are vastly inexperienced, virtually ensure that Trump’s word will be followed without question.

We have three early signs of the China hawks’ intentions. In the House of Representatives, the Republicans’ “China Week” agenda—an agenda put forward in October 2024 that basically calls for decoupling from China in multiple ways, including in trade, investment, educational exchanges, and scientific collaboration—is being readied for approval with some Democrats’ support. And the bipartisan U.S.-China Economic and Security Review Commission’s annual report to Congress recommends even more provocative steps, such as revoking China’s bilateral free trade privileges and barring the import of technologies from China.³ A third sign comes from Project 2025, which Trump has disavowed even though many of its authors once worked for him. Among them are Kiron K. Skinner, who labels China “the defining threat”; Christopher Miller, who writes that China is “a challenge to American interests across the domains of national power” and an imminent threat to Taiwan; and Peter Navarro, author of books on the China threat. Navarro’s Project 2025 chapter includes this warning: “The clear lesson learned in both the Obama and Trump Administrations is that Communist China will never bargain in good faith with the U.S. to stop its aggression. An equally clear lesson learned by President Trump, which he was ready to implement in a second term, was that the better policy option was to decouple both economically and financially from Communist China as further negotiations would indeed be both fruitless and dangerous . . .”

² As Xi reportedly said to Biden at their final meeting: “The Taiwan question, democracy and human rights, China’s path and system, and China’s development right are four red lines for China. They must not be challenged.” “President Xi Jinping Meets U.S. President Joe Biden in Lima,” https://www.fmprc.gov.cn/mfa_eng/xw/zyxw/202411/t20241117_11527672.html?s=09.

³ Rishi Iyengar, “U.S.-China Commission Report Anticipates Escalating Tech and Trade War,” *Foreign Policy*, November 19, 2024, <https://foreignpolicy.com/2024/11/19/us-china-commission-report-biden-trump-xi-jinping/>.

What might a good return on investment look like to Trump? Since his top priority is trade, he would aim at a major increase in Chinese purchases of U.S. goods to reduce the trade deficit (even though that didn't work the first time around) and improved conditions for U.S. investments, all while retaining sharp restrictions on advanced technology exports to China. In return, Trump might be willing to lower U.S. tariffs on Chinese imports. He also might induce Xi by promising to reduce U.S. arms aid and high-level visits to Taiwan, though he might get pushback from strongly pro-Taiwan officials such as Marco Rubio (nominated for secretary of state) and Mike Waltz (nominated for national security adviser).

Trump would be far less interested in making a deal on China's military aid to Russia, climate change, scientific and other exchanges, or human rights. Some of those issues *are* important to some Republicans, but they rank low (if at all) among Trump's priorities. Nor would strategic issues that have bipartisan and Pentagon support necessarily get Trump's attention, including the South China Sea disputes and protection of Philippines ships, U.S. security coalitions in Asia (the Quadrilateral Security Dialogue group and AUKUS), and competition with China in the Solomon Islands and other Pacific microstates. In Trump's mind, these involvements soak up U.S. resources and risk unacceptable levels of commitment. But they could be bargaining chips. Trump might be willing to backtrack on U.S. security commitments in Asia, bilateral and multilateral, if a winning commercial deal proves attainable.

Trump's Strategy

But China might, as happened in Trump's first term, prefer a trade war to a deal on tariffs. That may move him to weaponize tariffs. I believe Trump's strategy is that once the U.S. removes itself from Israel's wars on Hamas and Hezbollah—reflected in his advice to Prime Minister Benjamin Netanyahu to finish business quickly, which Netanyahu is brutally doing—and from Vladimir Putin's war on Ukraine—

by selling a “peace” plan under which aid to Ukraine stops and Russia accepts its territorial gains—Trump will be free to wield tariffs to hammer China. He will be able to claim support from nearly everyone in official Washington, where China ranks as America's number-one national security threat, and from a majority of the public that believes (according to polls conducted by the Chicago Council on Global Affairs in 2024) that the U.S. should actively work to limit China's power and that trade with China mainly weakens U.S. national security.⁴ High tariffs on Chinese imports will complicate their already serious economic situation, since China depends heavily on exports. Close off the U.S. market, as Project 2025 proposes, and Xi Jinping will not only be in political trouble at home, he will have to ponder what an invasion of Taiwan would cost. Trump has made a head-spinning prediction that China will never invade Taiwan because of the 150-200% tariffs he would impose—as well as his belief that Xi Jinping “respects me and he knows I'm f***ing crazy.”⁵

Trump is indeed crazy if he thinks the Chinese are going to kowtow to him over tariffs or any other element of decoupling. In the first place, China is already shifting export markets from the U.S. to the Global South—developing countries, most of which have signed onto China's Belt and Road loan initiative. The latest example is the opening of a port in Peru, with 60-percent Chinese ownership, that will cut sailing time from Asia to Latin America and potentially serve as a major trading hub. Second, the Chinese government is finally recognizing the limitations of an export-driven economy and has introduced the first of perhaps several financial stimuli designed to meet consumer demands. But another purpose of strengthening the economy might be to make U.S. strategists think twice about try-

4 The same poll also found the lowest level of positive feelings toward China since the question was asked in 1978: 26 out of 100 people (<https://globalaffairs.org/research/public-opinion-survey/american-views-china-hit-all-time-low>). A Chinese poll conducted by Tsinghua University reported comparably negative attitudes toward the U.S., with 88 percent of respondents saying U.S. policy is to “contain China's development” and 48 percent saying that U.S. policy is “trying to conduct peaceful evolution in China” (https://ciss.tsinghua.edu.cn/upload_files/atta/1727662169826_AD.pdf).

5 *Wall Street Journal*, October 18, 2024.

ing to take advantage of a weakened China. Third, China's policy on Taiwan has nothing to do with U.S. tariffs and everything to do with whether or not the U.S. supports Taiwan's independence. If Trump decides to cross China's red line and, in support of the China hawks in Congress, keeps upgrading Taiwan's military and political status, Xi may decide to abandon China's longstanding policy of peaceful reunification. Taiwan is already trying to get on Trump's good side by deciding to buy an additional \$2.2 billion in U.S. arms.

Fourth, if Trump carries out a tariff war with China, the Chinese will respond just as they did the first time around—by raising their own tariffs on U.S. goods and withholding key materials and components on which U.S. manufacturers rely. And fifth, Trump's decoupling from China—which will expand upon the Biden policy of restricting advanced technology exports to and investment in China—is moving China further in the direction of self-reliance. As always, nationalism is a powerful force in Chinese politics. Their leaders have made very clear that they are not going to let the U.S. get away with interfering in China's development. Some in Xi's inner circle may even argue that Trump's tariffs are really designed to promote regime change in China.

Cold War II?

We're at a point in U.S.-China relations where deal making is going to be very difficult even in the best of circumstances. Mutual trust is very low, and once Trump takes over, initiatives to "get along," as the Chinese say, will not be offered. Consequently, it will not take much to derail diplomacy altogether, as happened after the spy balloon incident in February 2023 or, in November 2024, when China rejected a meeting between defense ministers because (China said) of a U.S. arms sale to Taiwan. Chinese proposals for deeper cooperation will be used to demonstrate that they are the reasonable party and that the Americans are as unpredictable as they are untrustworthy. And China will use that argument to try driving a wedge between the U.S. and its allies

in the European Union and East Asia. We're in for a very Cold War.

As I have argued elsewhere,⁶ the way forward in U.S.-China relations requires at least three steps: agreement on principles to guide the relationship, U.S. acceptance of partnership rather than rivalry as the dominant motif of relations, and mutual understanding of the different elements of *security* that frame each side's global perspective. Taking those very difficult steps can probably only begin by identifying concrete collaborative efforts that can build mutual trust, such as on the climate crisis and pandemic research. None of these ideas will be pursued under Donald Trump. The best we can hope for during his next term is avoidance of an all-out trade war and crossing of China's red line on Taiwan. In the meantime, China scholars and others committed to a long-term peace between China and the United States should put positive policy proposals before a future administration that has the political courage to act on them.

About the Author

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⁶ "Partnership or Rivalry? Prospects for a Reset in US-China Relations," *Global Asia*, vol. 19, no. 3 (September, 2024), pp. 54–63.