

# New Phase of the United States' China Policy under the Trump Administration

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**D**onald Trump was inaugurated as the 45th US President in January 2017. As a president outside of the establishment camp, Trump's governing concept and policy preferences have shown great difference from those of his predecessors. This has inevitably affected the US agenda and pattern of interaction with China. Meanwhile, the political, economic and social changes in both China and the US have also influenced bilateral relations, driving a transition in bilateral relations at a deeper level. The China policy of the United States has entered a new phase, in which the competition between the two countries has become even intensified. This article aims to summarize the features of China-US relations during the first year of Trump's presidency, identify challenges of bilateral relations, discuss the content of Sino-US competitive relations in this new stage, and analyze the features and trends that are likely to characterize the United States' China policy in the near future.

## Features of China-US Relations in Trump's First Year

Trump criticized China many times during his election campaign, and people once worried that his election to the presidency would hinder the development of China-US relations. However, during the first year of his office, relations with China have become a highlight of Trump's diplomacy.

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**Rapid contact and smooth start.** After Trump was elected President of the United States in November 2016, Chinese President Xi Jinping made a phone call to congratulate him. In return, Trump sent former Secretary of State Henry Kissinger to China. Chinese Ambassador to the US Cui Tiankai and White House Senior Advisor Jared Kushner got in touch. Then State Councilor Yang Jiechi also met with Trump's senior assistant in New York. This series of close interactions conducted in just about one month allowed the Chinese government and Trump's team to communicate smoothly. China's subsequent argument with Trump on the Taiwan issue helped prevent Trump from further deviating from the One China policy. With the phone call between President Xi and the newly inaugurated President Trump on February 10, 2017, China and the United States set out to start bilateral relations under a new administration. When the two leaders met in Mar-a-Lago in April 2017, it was agreed the two sides would establish four dialogue mechanisms and implement the Economic Cooperation 100-Day Plan, focusing on key issues in bilateral relations, which marked the formal launch of a new stage in China-US relations.

**Good personal relationship between leaders of the two countries played an important role.** The Mar-a-Lago meeting established a good working relationship and personal friendship between Xi and Trump. Trump repeatedly expressed his respect for Xi and said he was proud to have a personal relationship with Xi. During the one-year period from February 2017 to January 2018, Trump and Xi had three meetings (including their exchange visits) and ten phone calls. This frequency of interactions between leaders of the two countries exceeded that of any previous period. In view of Trump's governing style characterized by his self-determination and arbitrariness, Xi has built a good working relationship with the US President and kept close contact with him, which has played a key role in ensuring the stable development of China-US relations.

**Interactions have obviously followed a problem-oriented path.** Trump's pro-business governing philosophy has made him pay more attention to the trade imbalance between China and the United States,

while the United States' concerns over North Korea's nuclear program has also prompted him to seek for China's cooperation. The leaders of the two countries focused their discussions on these two issues during the meetings in Mar-a-Lago and Beijing. On economic and trade issues, from the smooth progress of the 100-Day Plan to the first round of Comprehensive Economic Dialogue, positive results were reached, and Trump's visit to China witnessed the signing of economic and trade agreements worth more than US\$250 billion, reflecting the steady progress of bilateral economic and trade relations. On the North Korean nuclear issue, China and the US have maintained close communication and coordination. China has comprehensively and more strictly enforced relevant resolutions and sanctions of the United Nations Security Council. Although the peaceful settlement of the North Korean nuclear issue in a political manner in 2017 failed to make progress, China and the US maintained an important consensus that they would unswervingly promote the denuclearization of the Korean Peninsula and devote themselves to solving problems through dialogue and negotiation.

**However, the positioning and framework of China-US relations are still not clear.** China hopes to continue promoting the “new type of major-country relationship” between the two countries, emphasizing mutual respect and win-win cooperation at the beginning of its interactions with Trump's team. Rex Tillerson, on his first visit to China as US Secretary of State, also stated that the US is willing to develop relations with China in the spirit of “non-conflict, non-confrontation, mutual respect, and win-win cooperation.” However, under pressure from the domestic establishment, Trump's position has retrogressed and he has stopped responding to China's initiative to build a new type of major-country relationship. Instead, he has proposed to develop “constructive and results-oriented” China-US relations.<sup>1</sup> In December 2017, the first National Security Strategy issued by the Trump administration defined China as a “competitor,” claiming that it must carry

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1 “US Pursues Constructive, Results-oriented Relationship with China: Senior US Official,” *Xinhua*, March 13, 2017, [http://www.xinhuanet.com/english/2017-03/15/c\\_136128598.htm](http://www.xinhuanet.com/english/2017-03/15/c_136128598.htm).

out strategic competition with China and highlighting the competitive nature between China and the US.<sup>2</sup> The failure of the two countries to reach consensus on the positioning of bilateral relations highlights the lack of high-quality strategic dialogues between the two sides and the lack of a clear and consistent overall framework for the development of bilateral relations.

**The number of China-US interactions on multilateral occasions has decreased.** Since the beginning of the 21st century, due to the development of globalization, the increasing number of global issues, the growing importance of global governance and the expansion of China's national strength and international influence, it has become an important feature of China-US relations that the two countries greatly strengthen their interactions in multilateral frameworks and make the bilateral relations more "internationalized." It not only expands the space for further development of bilateral relations but also elevates the international influence of the relationship.<sup>3</sup> However, due to Trump's governing philosophy of "America First," the US investment in international and multilateral issues has significantly shrunk, which has correspondingly weakened China-US interactions on multilateral occasions. The reduction in multilateral interaction has, to a certain extent, impaired the momentum of China-US relations and potentially downgraded the global influence of the relationship.

## Challenges to the Development of China-US Relations

Currently, the challenges facing China-US relations mainly come from two aspects, namely on the level of interaction between the two countries and the coordination within US government agencies on China policy, and in specific areas of the bilateral relations.

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2 The White House, *National Security Strategy of the United States of America*, December 2017, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>.

3 Wu Xinbo, "The Re-Internationalization of Sino-American Relations," *World Economics and Politics*, No.8, 2009, pp.21-22.

Trump's personal background (lack of political experience), personality, and style of conduct have brought unique challenges to China-US relations. Trump himself lacks a broad horizon when he considers the relationship. He pays too much attention to narrow interests and attaches too much importance to short-term interests and objectives, ignoring the big picture and long-term interests. These are all different from the way in which China handles bilateral relations, and this has produced a "mismatch" in bilateral interactions. Trump handles China-US relations as if he is doing "transactions," which has both advantages and disadvantages. The advantage is that he can accept the reciprocity of interactions, while the disadvantage is that his measures, such as his pursuit of maximum benefits, bluffing, and linkage of issue areas, have increased the cost of China-US competition and reduced his credibility.<sup>4</sup> What is particularly obvious is that Trump's understanding of economic and trade issues is out of touch with the international economic reality in the era of globalization. He is unrealistically stubborn in solving the problem of goods trade deficit to China, which has made China-US relations more complex. In addition, Trump's paranoid and self-righteous style of decision-making has also made it more difficult for China to interact with him.

Opinions on China also vary among members of Trump's policy team, among whom hardliners are on the rise. This has also put pressure to the stable development of China-US relations. Although Trump is governing as non-establishment, the composition of his administration still reflects the two traditional major power bases of the Republicans: commercial interests and security interests. From the perspective of the administration's China policy, there are hawks in both of these two major groups. In business, Director of the White House National Trade Council Peter Navarro and Trade Representative Robert Lighthizer both advocate the use of tough

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4 For example, during Trump's visit to China in November 2017, China and the US reached trade and investment deals worth \$250 billion, with which Trump showed satisfaction. Although it is generally believed that China-US economic and trade relations can then enjoy a period of peace, Trump took new measures against China unexpectedly shortly after returning to the US.

measures to deal with the economic and trade relations with China. Their influence can be seen from the negative attitude Trump held toward China during the first round of the Comprehensive Economic Dialogue, the rejection of a Chinese company's proposed acquisition of the US Lattice Semiconductor Corporation, the initiation of the "Section 301" investigation on China, and the anti-dumping investigation against imported Chinese aluminum alloy sheets. In security, US Secretary of Defense James Mattis and former National Security Adviser H. R. McMaster view China as a major threat to US national security and defined China as a "revisionist country" in the international world. They actively promoted the "freedom of navigation operations" in the South China Sea and put forward the "Indo-Pacific strategy," showing that they have a hardline position against China. The US National Security Strategy and the National Defense Strategy clearly define China as a "competitor," indicating that the hawks from business and security camps have had a significant and growing impact on Trump's China policy. As the hawkish John Bolton and Mike Pompeo have now taken office as National Security Adviser and Secretary of State respectively, Trump's foreign and security team is obviously adopting an even tougher attitude toward China. This has dimmed the prospects for China-US relations.

It is worth noting that the establishment is trying to exert greater influence on Trump's foreign policy (including his China policy). Due to Trump's personal background and ruling style, he lacks any interest in the process of policy formulation and implementation. What he values are the results. Because a large number of lower-and mid-level officials in his administration belong to the establishment, they can take advantage of Trump's lack of supervision over specific policy processes, in order to advance their preferred policies. As far as the United States' China policy is concerned, the establishment hopes to retain the substance of "Asia-Pacific rebalancing strategy" adopted by the Obama administration in the name of Trump's "Indo-Pacific strategy" and highlight the side of balancing China in the portfolio of Trump's regional policies. The establishment's influence is also reflected in the part of the National Security Strategy related to China.

In addition, the fierce criticism of Trump's China visit by some former government officials, media and experts representing the establishment is another manifestation of their attempts to influence Trump's China policy.

As far as the specific issue areas of China-US relations are concerned, the challenge lies in how to properly handle the economic and security relations. Currently, economics has an obvious priority over security concerns.

In economic relations, the position of the Trump administration presents three features. The first is to negatively view China-US economic and trade relations from the perspective of national security. Since the establishment of diplomatic relations between China and the US, successive US administrations have regarded economic and trade relations as a positive aspect of bilateral relations. When tensions arise in political or security relations between the two countries, economic and trade relations are often seen as the stabilizer and lubricant of bilateral relations. However, the Trump administration regards the economic and trade relations with China as a challenge to the prosperity and security of the United States and regards competition from China as "economic aggression."<sup>5</sup> The second is the increase of confrontation. Although the China-US economic and trade relations have long been a source of disputes and frictions in bilateral relations, the two sides have always dealt with it through dialogue and coordination. However, the hardliners within the Trump administration believe that they must change the approach and replace dialogue and coordination with pressure and confrontation, as in the past the US had failed to deal with the issues with China.<sup>6</sup> The third is a comprehensive offensive posture. The United States not only pays attention to trade deficits and market access issues, but also concerns issues like intellectual property

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5 *National Security Strategy of the United States of America*, pp.17-20.

6 David J. Lynch, "Trump Readies Tougher 'America First' Line for China Trade in 2018," *The Washington Post*, December 27, 2017, [https://www.washingtonpost.com/news/wonk/wp/2017/12/27/trump-readying-shock-and-awe-response-on-china-trade-for-2018/?utm\\_term=.c296365b3652](https://www.washingtonpost.com/news/wonk/wp/2017/12/27/trump-readying-shock-and-awe-response-on-china-trade-for-2018/?utm_term=.c296365b3652); Andrew Restuccia and Doug Palmer, "White House Preparing for Trade Crackdown," *Politico*, January 7, 2018, <https://www.politico.com/story/2018/01/07/trump-trade-crackdown-327283>.

rights, Chinese investment in the US, and China's industrial policy. Against this backdrop, the US has frequently taken tough measures against China, including increasing tariffs on Chinese exports to the United States, blocking the mergers, acquisitions, and business operations of Chinese companies in the US. The executive authorities and the Congress are also deliberating on giving more power to the Committee on Foreign Investment in the United States (CFIUS), including examining mergers and acquisitions activities in the technology field, incorporating "economic security" in the consideration of "national security," among others, to strengthen restrictions on Chinese investment in the United States.

As a result, the China-US economic and trade relations now face a challenge that whether a trade war and even a broader economic war can be avoided in the face of the United States' tougher and irrational position, and whether China and the US can return to the track of dialogue and coordination to deal with disputes as the George W. Bush and the Barack Obama administrations did. Also, given that both China and the US are dissatisfied with certain economic and trade policies and actions of the other side, can the two countries achieve a win-win outcome by properly responding to each other's legitimate concerns?

In security relations, the first National Security Strategy issued by the Trump administration, under the vision of great-power strategic competition, defines China and Russia as "revisionist powers," and accuses China of intending to replace the US in the Indo-Pacific region and reshape the regional order. It is worth noting that when discussing China and Russia's challenges to the US, the document put China before Russia, showing that the Trump administration places greater emphasis on competition from China because of its rapid growth.<sup>7</sup> On the South China Sea issue, the Trump administration inherited the "freedom of navigation operations" to target China's construction on South China Sea islands and reefs. On May 24, 2017, the USS *Dewey* guided-missile destroyer sailed

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7 *National Security Strategy of the United States of America*, p.25.

within 6 nautical miles of Meiji Reef in the Nansha Islands, the first South China Sea “freedom of navigation operation” after Trump took office. So far, the US military has conducted multiple such sea and air operations, a higher frequency than under the Obama administration. This was largely due to the fact that the Trump administration has given the military greater freedom of movement in the South China Sea. It is worth noting that the US government and society have argued that the US military should take tougher measures in view of the fact that the current actions have failed to effectively prevent China’s island and reef construction and military deployment in the South China Sea. In addition, the Trump administration is also actively persuading its allies such as Australia and the United Kingdom to cruise the South China Sea and increase pressure on China. After announcing the end of Obama’s “Asia-Pacific rebalancing strategy,” the Trump administration introduced its rebranding as the “Indo-Pacific Strategy,” of which the Department of Defense is the main promoter. The US National Defense Strategy issued in January 2018 stated, “We will strengthen our alliances and partnerships in the Indo-Pacific to a networked security architecture capable of deterring aggression, maintaining stability, and ensuring free access to common domains. With key countries in the region, we will bring together bilateral and multilateral security relationships to preserve the free and open international system.”<sup>8</sup> At present, the US authorities have not yet publicly released detailed information on the “Indo-Pacific Strategy.” However, since the National Security Strategy accuses China of its intention to replace the US in the Indo-Pacific region and reshape the regional order, China is obviously the main target of the strategy. The core content of the strategy includes strengthening diplomatic and security cooperation between the US, Japan, Australia and India,<sup>9</sup>

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8 The US Department of Defense, *Summary of the 2018 National Defense Strategy of the United States of America*, January 2018, p.9, <https://www.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>.

9 On November 12, 2017, officials from foreign affairs departments of the US, India, Japan and Australia held formal meetings during the APEC summit in Vietnam. The four countries also discussed and agreed to restart the quadrilateral security dialogue during the ASEAN summit and related meetings in Manila, marking the official launch of the four-nation cooperation.

monitoring and restraining China's military activities in the vast waters from western Pacific to the Indian Ocean, and at the same time increasing security and economic investment in coastal countries to prevent expansion of China's geopolitical and geo-economic influence. Different from the "Asia-Pacific rebalancing strategy," which focuses on Southeast Asia, the "Indo-Pacific strategy" places more emphasis on the role of India, and thus the US-India military cooperation will be greatly enhanced. The US military will conduct more joint training, drills, and operations with the Indian military and will be able to use Indian military bases, while India is expected to obtain more advanced weapons and military technology from the United States, strengthening its power in relation to China. Compared to the South China Sea issue, what is even more dangerous is the Taiwan Travel Act, which was passed by the US Congress in February 2018 and signed into law by Trump in March. Besides, the US State Department announced that it has approved the marketing license required for American manufacturers to sell technology to Taiwan that would allow for building its own submarines. The pro-Taiwan forces in the US Congress and the Trump administration are actively promoting reinforcement of US-Taiwan relations, stepping up of support for the Democratic Progressive Party government of Tsai Ing-wen, and leveraging the Taiwan issue to constrain mainland China.

Against this background, China-US security relations are facing a series of serious challenges. As the United States attaches greater importance to strategic competition from China, the US military will consolidate its military superiority and formulate a new military strategy toward China. If the Trump administration imposes more radical pressure and takes provocative measures against China in the South China Sea, tensions in the region will be intensified. With the implementation of the US Indo-Pacific strategy and the strengthening of security cooperation among the US, Japan, Australia and India, China will be facing increased security pressure from western Pacific to the Indian Ocean, and increased security competition and frictions with some countries. The potential US actions to substantially

enhance its relations with Taiwan will inevitably and severely impact cross-strait and China-US relations.

## **New Situation of China-US Competition**

The analysis of the changes in the United States' China policy and China-US relations under the Trump administration cannot focus only on the Trump's philosophy and policy preferences, but should also take into account the political, economic and social changes within the two countries. These changes have driven the transformation of bilateral relations at a deeper level.

Since the financial and economic crisis in 2008, the strength and international influence of the United States has witnessed a relative decline, and its sense of strategic anxiety has increased. At the same time, the domestic political polarization in the US has intensified, with serious antagonism across the society and not so optimistic prospects of economic growth. This has greatly weakened the self-confidence of the US political community and the broader society in the country's future. On the other hand, the Chinese economy has continued to grow rapidly, its comprehensive national strength has increased dramatically, and its diplomatic relations with other major countries have been forging ahead with impressive strategic achievements. The mid- to long-term development blueprint released at the 19th CPC National Congress has made China's development prospects look promising to the outside world, and Chinese people are more confident about their political system and development pattern.

In this context, there have been important changes in the United States' attitude toward China. First, there is an increasingly common perception among the US government and society that the US policy toward China for the past decades had been unsuccessful. The US believes that in addition to promoting specific economic and security interests, the US policy toward China should also seek to strategically influence China's development direction, promote China's internal political and

economic evolution, and shape China's external behavior in accordance with US preferences. Today, China's adherence to its own political system and development pattern has disappointed and frustrated the United States.<sup>10</sup> Second, the United States is increasingly concerned about the development of China. China maintains medium- to high-speed economic growth, rapidly promotes the modernization of national defense, accelerates technological progress, and continues to narrow the gap with the US in overall national strength. China's assertive strategic posture has made the United States' international influence, its strategic dominance in the Asia-Pacific region and its alliance system under challenge. The clear mid- to long-term development plan set out at the 19th CPC National Congress has made the US feel even more pressure from China. China has been described as "the most dynamic and formidable competitor in modern history" of the US.<sup>11</sup> In addition, US analysts generally lack confidence in designing and implementing an effective China policy. On one hand, most of them doubt the ability of the Trump administration to either formulate or implement policies. On the other hand, the rise of China's economic strength and the expansion of its diplomatic influence have weakened the United States' comparative advantage, which limits the space for its strategic operations toward China.<sup>12</sup>

Judging from the trend of the United States' China policy, the competition between China and the US is intensifying and the comprehensiveness of the competition is more prominent. Politically, the US is worried that China is going to challenge the international and regional order it has dominated for decades, and is also concerned about China's "infiltration" and influence over the US society. Economically, the US is concerned both about trade imbalances and China's industrial policies and about China's progress in the field of science and technology. In terms of

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10 Kurt Campbell and Ely Ratner, "The China Reckoning: How Beijing Defied American Expectations," *Foreign Affairs*, March/April 2018, pp.60-70.

11 *Ibid.*, p.70.

12 Hal Brands, "The Chinese Century?" *The National Interest*, March-April 2018, <http://nationalinterest.org/feature/the-chinese-century-24557>.

security, the US looks cautiously at the increase of China's military strength and its geo-strategic expansion. If in the past, the US could be said to focus on different issue areas in different phases of its relations with China,<sup>13</sup> it has now begun to pay specific attention to the challenges from China in a well-rounded way with countermeasures in store.

Of course, the comprehensiveness of competition does not mean that the United States will compete against China in politics, economy and security with equal intensity. In fact, the specific embodiment of competitiveness in the United States' China policy is influenced by the ideology of leaders, the priority issue areas and the governing style of the policy team. As far as the Trump administration is concerned, its competition with China will focus more on national strength, in order to maintain the United States' hard power advantage. While geopolitical, global influence and leadership rivalry in the Asia-Pacific or Indo-Pacific region will also be part of competitive interactions between the two countries, it is unlikely to be the focus of competition. In the competition of power, economic strength will be the top priority, because Trump attaches great importance to the role of economy in national strength and national security,<sup>14</sup> and the narrowing of the gap between China and the US is first reflected in the economic field.

Due to differences in interests and preferences among countries, competition is the norm in international relations. In practice, competition has different manifestations and evolutionary paths. One is adversarial or destructive competition. Both parties in the competition consider that the interests involved are of vital importance and cannot be abandoned or compromised. Therefore, they would continue to increase investment in

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13 For example, at the beginning of Bill Clinton's presidency, he paid attention to China's human rights issues. President George W. Bush focused on security challenges from China early in office but later turned to economic and trade issues. The Obama administration highlighted geopolitical and geo-economic competition with China in the Asia-Pacific region.

14 For example, Trump's National Security Strategy emphasizes that "a strong economy protects the American people, supports our way of life, and sustains American power ... A growing and innovative economy allows the United States to maintain the world's most powerful military and protect our homeland." See *National Security Strategy of the United States of America*, p.17.

resources, which makes competition even more intensified and eventually lead to confrontation and conflict. Or the interests of both parties are eroded and relevant bilateral or multilateral mechanisms are undermined or sabotaged as it is difficult for them to reach a compromise. Another form of competition is manageable, as both parties adhere to established rules, and competition is constrained within a certain range and degree without getting out of control. Or compromise can be achieved because of the greater interests at stake in bilateral relations. There is a third kind of convertible competition, in which one or both parties make adjustments to slow down or even terminate their competition, or the two sides shift from the pursuit of relative interests to the pursuit of absolute interests, and from competition to win-win cooperation.

With the intensified competition between China and the United States showing a trend to turn comprehensive, the above-mentioned three forms of competition are all likely to emerge in bilateral relations. Adversarial or destructive competition is politically manifested as the breakdown of and damage to cooperation between the two sides in existing bilateral or multilateral mechanisms. Economically, it is reflected in the United States' adoption of relative-gains thinking in the face of narrowing gap between the two countries, and tightening policies in trade, investment and technology, which would lead to smaller benefits for bilateral economic and trade cooperation. In the area of security, a scenario of adversarial competition would see the rivalry between China and the US in the Asia-Pacific/Indo-Pacific region become one between two opposing blocs. While the United States consolidates and expands its alliance and partner system, China would have to build its own camp and regional countries would be forced to take side, which displays a situation similar to the Cold War confrontation.

In a manageable competition scenario, politically the two sides do not challenge each other's political and institutional security, adhere to common rules in international affairs, and establish new multilateral mechanisms to supplement, not replace, existing mechanisms. Besides, both parties can accept necessary reforms and improvements to the existing multilateral

system. Economically, they do not challenge the multilateral economic system and its rules, and do not undermine the overall development of bilateral economic and trade relations. In terms of security, they do not engage in Cold War-like bloc confrontation and agree not to use force to resolve their differences.

Under a pattern of convertible competition, politically China would learn from the United States in the process of modernizing its system and capacity for governance, while the US would learn from China's strategic planning and execution capabilities. Through reforms, the international system could better reflect the changing balance of power, and make its norms and rules fairer and more reasonable. Economically, the China-US economic and trade relations would be made more fruitful, with both sides' absolute gains dynamically expanding. With regard to security, China and the US would recognize the reality of changing balance of national strengths. With its relative decline and as the international security situation becomes more complicated, the US would welcome China to provide more security public goods and shoulder greater international responsibilities.

Under the background of a more prominent competitive posture and expansion of competitive areas between China and the United States, the major challenge facing both sides is how to manage and guide the competition. Based on the above-mentioned various possible forms of competition, it is necessary for China and the US to reduce and avoid confrontational or destructive competition, maintain the controllability of competition, and strive to promote the transformation of competition. At present, in view of the Trump administration's high regard for strength comparison and its frantic pursuit of the US national economic interests, China should actively guide the bilateral competition with strength as the basis and exchange of interests as the means. Although frictions and partial confrontation are inevitable, under the background that shrinking gap in strength between the two sides and the United States' growing interests (especially economic interests) in the bilateral relations, a manageable and even benign transformation of competition is likely between China and the US.

## **New Phase of the United States' China Policy**

From a broader perspective, the China policy of the United States is entering a new phase. The main line running through China-US relations in the post-Cold War era is the United States' reaction to China's rise. According to this line, we can divide the evolution of the United States' China policy into three phases: the first phase was to shape China in the United States' favor, the second phase is to maintain the US advantage in strength, and the third phase will be to preserve and strive for the United States' own interests. In the first phase, the US policy was aimed at influencing China in terms of ideas, institutions and behavior through bilateral and multilateral means, to promote the development of China's internal and external policies in line with US preferences, and to ensure that the process of China's rise is under US control. In the second phase, as the US becomes disillusioned with the idea of shaping China and China witnesses a rapid growth in power, the United States' policy has focused on maintaining its strength in relation to China to remain dominant in the bilateral relations. In the third phase, with the weakening of the United States' power advantage and even the loss of strength or influence in certain areas, the United States' China policy will prioritize how to preserve and strive for the practical interests of the US itself. Of course, in practice, the objectives of the China policy of the US at each stage are not unitary and isolated, but pluralistic and overlapping, but the phased feature is obvious in terms of logical focus.

In the post-Cold War era, from the Clinton administration's policy of comprehensive engagement with China, to the Bush administration's request that China become a "responsible stakeholder," and then to the Obama administration's emphasis on China's adherence to a rules-based international order, the China policy of the United States has been aimed at shaping China. The handling of specific issues in political, economic and security fields (such as human rights, intellectual property, non-proliferation, and cybersecurity) in the US exchanges with China was both to safeguard the practical interests of

the US and to influence the policy of China. This stage basically ended when Trump took power. The Trump administration has a clearer understanding of the ability and feasibility of the US to influence China's development trajectory. Its National Security Strategy admits that the United States needs to rethink its past policies in the face of increasingly fierce political, economic, and military competition on a global scale. "These competitions require the United States to rethink the policies of the past two decades—policies based on the assumption that engagement with rivals and their inclusion in international institutions and global commerce would turn them into benign actors and trustworthy partners. For the most part, this premise turned out to be false."<sup>15</sup> Although China is not clearly mentioned here, the allusion is obvious. Trump's basic idea of "peace through strength" determines that his focus is to compete with China's strength rather than try to shape China. From this perspective, the US policy toward China has entered a new phase. Due to the rapid development of China's strength and the trend of narrowing gap between China and the US, maintaining its superiority to China will be the focus of US policy toward China in the next 20 to 30 years.

The Trump administration is trying to maintain the United States' competitive advantage over China and thereby intensifying its competition with China. Although its National Security Strategy claimed, "competition does not always mean hostility, nor does it necessarily lead to conflict,"<sup>16</sup> the conservative and bigoted thinking and tough style of conduct of Trump's policy team may lead to vicious competition between the two countries. Economically, the extreme measures taken by the US to deal with trade imbalances may lead to the occurrence of a trade war. In fact, after Trump announced on March 8, 2018 the introduction of high tariffs on imported steel and aluminum products (i.e. "Section 232" measures),<sup>17</sup> China

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15 *National Security Strategy of the United States of America*, p.3.

16 *Ibid.*

17 "Presidential Proclamation on Adjusting Imports of Steel into the United States," The White House, March 8, 2018, <https://www.whitehouse.gov/presidential-actions/presidential-proclamation-adjusting-imports-steel-united-states>; "Presidential Proclamation on Adjusting Imports of Aluminum into the United States," The White House, March 8, 2018, <https://www.whitehouse.gov/presidential-actions/presidential-proclamation-adjusting-imports-aluminum-united-states>.

responded that it would impose a 15% or 25% tariff on 128 products imported from the US from April 2 “to make up for the loss on the Chinese side caused by the Section 232 measures of the United States.”<sup>18</sup> On March 22, Trump further decided to impose tariffs on Chinese imports worth \$60 billion and limit Chinese investment in the United States.<sup>19</sup> In a most recent move, the US formally levied a 25% tariff on \$34 billion of Chinese imports starting from July 6<sup>20</sup>, with more in store pending the completion of domestic procedures. Although there is a rational analysis that Trump’s move is more of a bargaining tactic and the highly interdependent nature of China-US economic relations determines that both sides will not go so far as to have an all-out trade war, it depends on both sides working hard to find a reasonable solution to this round of competition. More importantly, the Trump administration’s decision on Chinese high-tech products and Chinese investment in the US is not entirely aimed at solving the trade deficit with China, but also at obstructing the implementation of the “Made in China 2025” program,<sup>21</sup> delaying China’s progress in the high-tech field, slowing the pace of China’s growth, and thus maintaining the US advantage over China. This kind of policy based on relative-gains thinking will not only seriously hinder the development of China-US economic and

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18 “Spokesperson of the Ministry of Commerce Talks about China’s Decision to Impose Tariffs on Some of Products Imported from the United States,” Chinese Ministry of Commerce, April 2, 2018, <http://www.mofcom.gov.cn/article/ae/ag/201804/20180402726864.shtml>.

19 “Remarks by President Trump at Signing of a Presidential Memorandum Targeting China’s Economic Aggression,” The White House, March 22, 2018, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-signing-presidential-memorandum-targeting-chinas-economic-aggression>.

20 “Statement from the President Regarding Trade with China,” The White House, June 18, 2018, <https://www.whitehouse.gov/briefings-statements/statement-president-regarding-trade-china-2>.

21 The initial proposed product list subject to an additional 25 percent tariff, which was announced by the Office of the United States Trade Representative on April 3, 2018, involves products that the US deems to have benefited from the “Made in China 2025” program, including aerospace, information and communications technology, robotics and machinery. The total amount is about \$50 billion. Following subsequent review process, the list was partly modified, targeting more products that benefit from China’s industrial policies. See “Under Section 301 Action, USTR Releases Proposed Tariff List on Chinese Products,” Office of the United States Trade Representative, April 2018, <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/april/under-section-301-action-ustr>; “USTR Issues Tariffs on Chinese Products in Response to Unfair Trade Practices,” Office of the United States Trade Representative, June 2018, <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/june/ustr-issues-tariffs-chinese-products>.

trade relations, but will also aggravate the strategic competition between the two countries. In terms of security, the dominantly hawkish diplomatic and security team will acquiesce or even condone the US military's increasing pressure on China in the South China Sea. Under the framework of "Indo-Pacific strategy," the strengthened substantive security cooperation among the US, Japan, Australia and India with China as the target will undoubtedly increase the risk of geopolitical split and confrontation in the region.

As the China policy of the United States enters a new phase, in order to maintain its superiority over China, Washington will not only step up competition in hard power (economic, military, and scientific and technological strengths), but will also focus on competition in soft power, including the global influence of its political system and development model as well as its dominance in international affairs. Initial signs of this trend had been seen during the Obama era. The main theme of Obama's "Asia-Pacific rebalancing strategy" was to compete with China for influence in the Asia-Pacific region. Although the Trump administration focuses on China-US competition of hard power, in the future, the US government may pay attention to both hard and soft power. Especially, when the gap in the two countries' hard power is narrowing, Washington will pay more attention to maintaining the soft power advantages. As a result, competition between China and the US in political system, development model, and international mechanisms, rules and discourse will be intensified.

The new China policy of the United States means it will pay more attention to coordination with its allies and partners. In response to what it describes as the "unfair trade practices" of China, the US is actively coordinating with European allies (and possibly Japan) to restrict investment from China and prevent advanced technologies from flowing into China. In terms of the so-called boycotting of China's "political infiltration," in late 2017 and early 2018, the US joined the chorus with Australia, New Zealand and Canada. In safeguarding the "freedom of navigation" in the South China

Sea and implementing the “Indo-Pacific strategy,” the US has been actively seeking for participation of Japan, Australia, France, the UK and India. If in the first phase of the United States’ China policy, the coordination with allies can be said mainly to regulate and influence China, then in the second phase of the China policy, the coordination would serve to restrain, guard against, contain and even suppress China.

## **Conclusion**

The China-US relations are undergoing major changes. Behind the changes are the personality of Trump and the evolution in the China policy of the United States. As this policy has entered a new confrontational phase, the development of China-US relations will also show new features and new forms of interaction. The realist feature of focusing on power comparison and interests distribution will become more prominent, and the challenge of effective control over bilateral relations will be even more urgent. Although the development of China-US relations would follow certain patterns that are independent of both sides’ will, that does not mean fatalism would necessarily prevail. Instead, they put forward higher requirements for bilateral interactions. As far as the US policy of China is concerned, how to accurately understand the new situation and how to actively guide and shape China-US relations in the new situation is a pressing task. In terms of diplomatic relations with the US, China must not only draw on rich experience, but should also explore new ideas, put forward new measures, and break new ground to promote the development of bilateral relations in a constructive direction. Under new conditions of the times, the innovation in both concept and practice of diplomacy toward the United States will not only help us better manage the China-US relations but also enrich the connotation of the major-country diplomacy with Chinese characteristics. 🌐