

### US-China Relations in Trump's First Term

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During the run up to the 2016 US presidential election, US presidential candidate Donald Trump eviscerated China on the campaign trail, blaming and characterizing it as the prime scapegoat for many of America's economic woes. Trump told a crowd in Indiana that the US "can't continue to allow China to rape our country" with respect to unfair trade practices and currency valuation.<sup>1</sup> Trump and his advisors repeatedly threatened to label China a currency manipulator on day one in office and assess a 45 percent tariff on Chinese imports to punish Beijing for unfair trade practices.<sup>2</sup> Once it became clear that Trump's campaign rhetoric could be effectuated following his victory in the presidential election, China publicly rejected the currency manipulation claims and avowed to protect its rights under the WTO and take a "tit-for-tat" approach with the US goods sold in China.<sup>3</sup>

In December 2016, Trump appointed Peter Navarro, a harsh China critic, to lead a White House effort to reshape American trade and industrial priorities.<sup>4</sup> Mr. Navarro is a professor of economics at the University of California who has published extensively on the US-China trade relations. He has argued that China is waging economic war on the US by subsidizing its exports and impeding imports from the US.<sup>5</sup> Consequently, the Trump campaign introduced a 7-point plan to reshape the US trade policy, three of which specifically targeted China by: (1) instructing the US Treasury Secretary to label China a currency manipulator; (2) instructing the US Trade Representative to bring trade cases against China

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in the US and the WTO; and (3) using all available executive powers to remedy trade disputes between the US and China, including the application of tariffs in accordance with existing statutes.<sup>6</sup>

Following the election, Trump has become the first US President-elect to take a public call from the leader of Taiwan since Washington normalized relations with Beijing in 1979, resulting in an official complaint from the Chinese government.<sup>7</sup> Shortly thereafter, Trump suggested in an interview with *THE WALL STREET JOURNAL* that he was open to ending the US' long-standing "One-China policy."<sup>8</sup> This suggestion (which was later retracted)<sup>9</sup> led to sharp criticism from Chinese Foreign Ministry spokesman, Shuang Geng who stated that if the "One-China policy" was disrupted then the Sino-US bilateral cooperation would be "out of the question."<sup>10</sup> An editorial in the Chinese state-run *GLOBAL TIMES* went even farther, claiming that Trump was "ignorant as a child in terms of foreign policy" and warned that a change in the "One-China policy" would spark "a real crisis."<sup>11</sup>

In January 2017, President Trump delivered on one of his major campaign promises by withdrawing the US from the Trans-Pacific Partnership ("TPP"), the prior administration's signature trade deal.<sup>12</sup> Trump indicated that his administration's trade policy would be conducted on a bilateral basis "to promote American industry, protect American workers, and raise American wages."<sup>13</sup> By withdrawing from the TPP, Trump essentially declared an end to the era of multilateral trade agreements that has defined global trade for decades. However, it was heavily criticized by politicians in Washington, including many within his own party for abandoning long-standing Republican orthodoxy.<sup>14</sup> Not a few commentators speculated that withdrawal from the TPP would open the door for China to gain economic influence in the South China Sea and gain the upper hand in a key trading region.<sup>15</sup>

Considering Trump's lack of political experience, his strong use of anti-China rhetoric during the campaign and thereafter, his appointments of key White House staff who have been harshly critical of Chinese economic policy, and his actions since being sworn in as President, most notably the US withdrawal from the TPP, many prominent scholars have questioned whether the principles that have provided for continuity in the US-China relations since the 1970s will continue to guide the globe's key bilateral relationship on a stable path or push the two powers towards conflict. Robert Daly maintained: