



Brace for a bruising Trump-Xi summit by Brad Glosserman

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The US-China relationship may be the most consequential bilateral relationship in the world – it is certainly the most consequential in Asia – but tensions between the two countries are rising and there are good reasons to worry about the ability of institutional shock absorbers to contain them. Typically, a leader's summit will cap troubles and rechannel energies into more productive outlets. The upcoming meeting between US President Donald Trump and Chinese President Xi Jinping, however, may not produce that happy outcome. In fact, there are good reasons to anticipate a meeting that makes relations worse, rather than better.

I am not the only person who is pessimistic about the summit's prospects. Trump himself is trying to lower expectations, tweeting that "The meeting next week with China will be a very difficult one in that we can no longer have massive trade deficits... and job losses. American companies must be prepared to look at other alternatives." Trump said. The tweet was followed by Friday's release of the annual Report on Trade Barriers by the US Trade Representative, and the signing of two executive orders, one on countervailing duties and dumping and the other on significant trade deficits; China figures prominently in all three. The president is right to expect difficult talks but for more than just economic reasons. Indeed, the problems are foundational.

First, there are basic differences in interests between the two countries. Rhetorically, the US and China seek a world in which both countries prosper together, cooperate to tackle problems and resolve all differences peacefully. That superficial statement of desired outcomes masks daunting divergences. Consider four topics that will figure prominently in the meeting. On economic issues, the Trump administration is adopting a much more zero-sum approach, one that sees Chinese successes as a sign of US policy failure. Trump has said that he wants US companies to stop investing in China and instead create jobs at home. He has condemned Chinese currency manipulation, charging that Beijing does that to boost its exports.

On North Korea, the Trump administration believes Beijing has failed to exercise the leverage that it has over Pyongyang, casting China as part of the problem rather than part of the solution. China believes that it has done all it can, that the solution lies in direct talks between the US and North Korea and that tough talk of preemption and military options is destabilizing. Then, there is the South China Sea, where the US accuses China of expansionism and attempting to create a sphere of influence. China counters that it is asserting historical rights and that the US is destabilizing the region

with military activities and prodding rival claimants to step forward. Finally, there is climate change, an issue upon which China has staked a global leadership role but one that Trump has charged is "a Chinese hoax" to make US manufacturing noncompetitive.

In short, the US sees economic problems as zero-sum, believes China can bring North Korea to the negotiating table, considers Beijing to be an expansionist power in East Asia, and dismisses climate change. China counters that it seeks cooperative solutions to economic woes, is peripheral to solution of the North Korean problem, is protecting its historical status in the region, and is providing international public goods by leading on climate change. Apart from these fundamental differences in views, there are basic questions about the White House assessment of economic interdependence and the workings of a 21st century economy, power dynamics on the Korean Peninsula, and US interests in the South China Sea.

A second source of concern about the summit is the process that has led to it – or the lack thereof on the US side. Normally, these meetings are months, if not a year, in the making. This summit has been rushed by every standard, and will take place after just weeks of planning. It occurs while the White House is not fully staffed – especially the National Security Council – and is distracted by domestic political problems. The State Department has been stripped of political appointees and all reporting details dysfunction at Foggy Bottom. After a campaign dominated by complaints by Candidate Trump about the US relationship with China, this is not a reassuring backdrop against which new policies are articulated, debated and implemented.

Third, and related to that last point, is the sense in Washington, and throughout the US Asia policy community, that the US needs to take a harder line against China. This reflects a belief that the Obama administration was feckless and weak in its dealings with Beijing and China exploited that opportunity to strengthen its position in Asia at US expense. Candidate Trump adopted this thinking, beating up on China throughout his campaign, championing a harder line against Beijing. He said he would label China a currency manipulator on day one of his administration, questioned the value of the "one China policy," suggested that he would take a new approach to Taiwan, and hinted at drawing new red lines in the South China Sea.

This leads to a fourth concern. While complaining about Chinese behavior and the US response by his predecessor, the Trump administration has done none of the things that he promised on the campaign trail. Will the president, after bruising losses on the domestic policy front, charges that he has forgotten campaign promises, and the complaint that Secretary of State Rex Tillerson parroted Chinese policy and

language on his visit to Beijing, feel obliged to take an even harder line against Xi as a result? Even insinuations of presidential weakness could force Trump to overcompensate.

This assessment could be too bleak. Optimists counter that more realistic thinking about the US-China economic relationship has gained supremacy in the White House with the rise of Gary Cohn and the National Economic Council. Trump has abstained from creating difficult situations for guests while in their presence (with the notable exception of the meeting with German Chancellor Angela Merkel), and the Chinese are very good at playing such moments, and are likely to have anticipated the need to make concessions to Trump to allow him to declare the meeting a success and the dawn of a new era in US-China relations. Expect announcements of a new framework for dealing with US-China economic disputes, cooperation on counter-terrorism (especially dealing with ISIS) and new Chinese investments in the US to allow the president to call the meeting a huge success.

Climate change is likely to be a big indicator of the tenor of the meeting. The Chinese could press the issue, which would make it hard for the two sides to reconcile their differences. Failure to do so would preserve comity and allow Beijing to assert international leadership on the issue.

Candidate Trump would likely call that papering over the cracks in the US-China relationship; President Trump would be wise to be more diplomatic. There is a great deal at stake in the US-China relationship and neither side can afford to see it deteriorate into acrimony or open conflict. President Trump's acknowledgement of that fact would go a long way toward preventing that outcome.

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