

China and Donald Trump

by Michael Curtis

Rarely in history has a ten minute phone call, like that on Friday December 2, 2016, been credited with raising fears of new tensions in international politics. According to *The New York Times* on December 4, 2016, the “protocol shattering” phone call between President-elect Donald Trump and the President of Taiwan, Tsai Ing-wen, leader of the Democratic Progressive party, is “rattling Asia.”

Irrespective of whether the telephone call was well planned for tactical reasons, orchestrated by former Senator Bob Dole, or a diplomatic gaffe on the part of Trump, or a clever political overture by Tsai Ing-wen to strengthen relations with the US, or simply a polite message of congratulations to Trump on his victory, *The New York Times*, the mainstream media, and the political correct have erred once again in their assessment of a minor event.

So far, the anticipated shaking, rattling, and rocking in Asia has not materialized. Instead, a short, polite congratulatory courtesy call from a democratically elected head of a friendly political entity has been transformed into high drama, and drawing attention to China policy. Even if the phone conversation included a brief exchange of political views or proposals, those ten minutes did not attempt to change US policy toward China, let alone the world. The call did not constitute a formal US recognition of Taiwan.

The short phone call did not ignite any activity except in the US mainstream media, nor did the courtesy call by the Taiwan leader lead to any discussion of or indication of policy by the incoming US administration towards the Far East, or touch on future US policy on the controversial relationship between China and Taiwan.

Political language, George Orwell asserted, is designed to give an appearance of solidity to pure wind. One can ask wherefore is the telephone call from Tsai different from the many other similar calls that Donald Trump received from leaders in the world, including Communist China, and Russia.

At the outset two things are important. Since the U.S. Constitution says nothing to the contrary, the critics of the Tsai phone call, whatever their political views, should acknowledge that US citizens, even a President-elect, have a perfect right to talk to whomever they like. American citizens certainly do not need approval of the Communist China regime, or even *The New York Times*, before making or taking phone calls.

Trump was not naïve in accepting the call and it was not a gaffe, but rather gave a signal of political goodwill towards Taiwan. It was certainly not as purposeful as the actions by President Barack Obama in reestablishing diplomatic relations with Cuba severed in January 1961, exchanging embassies, restoring commercial flights, negotiating agreements on a number of issues, or aiming to promote a “democratic,” prosperous, and stable Cuba.

The second matter is that Trump addressed Tsai as “President” of Taiwan, thus indicating recognition of Taiwan as a distinct political entity and independent state. Does this suggest a change in US policy and stronger support for Taiwan or simply recognition of the legal position of Tsai?

At the core of the issue is the definition of the “true” China. Taiwan was founded by the Kuomintang (KMT), Chinese nationalist party, led by Chiang Kai-shek, that had ruled the Asian mainland until overthrown by the Communist party led by Mao Zedong. The KMT fled and established their own political system, now a country of 23 million with its own political and military structure. The inherent dilemma is that all recognize Taiwan is a province of China, but there is no unanimity on

what is China? Is the concept of "One China" fact or fiction?

For the U.S. the issue seemed to be resolved in 1979 with the agreement between President Jimmy Carter and Mao Zedong and Deng Xioping that recognized China as one sole legitimate country and the US had no official diplomatic relations with Taiwan. The Communist People's Republic was recognized as the official country while Taiwan, that had held the seat in the UN for "China" until 1971, was named as the Republic of China. Official ties between the US and Taiwan were abrogated.

What is important is that the US does not specifically or legally approve the policy of "One China." It simply accepts that the two sides, China and Taiwan, agree on the concept. Moreover, the 1979 Agreement upholds the right of the US to maintain cultural, commercial, and unofficial relations with the people of Taiwan. President Trump must do this and more.

Those relations are ongoing with Taiwan which is now the US's 9th trading partner. In 2016 the US exported \$21,344 million supply of products to Taiwan and imported \$32,580 million, a deficit for the US of \$11,236 million. The US sold Taiwan \$12 billions in arms, and by the 1970 agreement the U.S. is obliged to help Taiwan to defend itself. After early years of authoritarianism, Taiwan can be said to have become part of the democratic world as was shown by the first direct presidential elections in 1996.

The Trump administration has to deal with the yearning of Taiwan to be recognized as a sovereign political state. Taiwan already has diplomatic relations with 22 countries, though they are small and developing ones, and has signed 23 agreements with China to which it sends 40 % of its exports. Trump must consider adding the U.S. to the 22 countries.

Throughout his electoral campaign, Trump underscored his criticism of China, its currency manipulation, and trade sanctions. His promise was to "bring back jobs" from China. A

persistent theme was the threat of imposing a tariff on Chinese goods. The fundamental problem is that China with 1.3 billion people is now the world's largest economy and expanding, though with variations, at 6.5-7 % a year. Its GDP is over \$20 trillion, while that of the U.S. is \$18.5 trillion. However, Chinese GDP per capita is \$15,000, while that in the US is \$57,000.

Trump must face reality. China is the world's largest trading power: 130 countries have China as their most important bilateral trading partner, more than double the figure for the U.S. Moreover, the U.S. is the world's largest debtor while China is a creditor, the largest buyer of U.S. debts, and holds 10 % of U.S. national debt, and has largest foreign currency reserves. The US imports 18% of China's exports.

China is militarily and technologically strong with its aircraft carriers, strategic bombers, cyber weapons, fighters, intercontinental ballistic missiles, submarine launched ballistic missiles, and powerful fast supercomputers.

Trump has made overwhelmingly clear the US economic problem of trade with China, its currency manipulation, and military buildup. Already he suggests tariff on goods imported from US companies located abroad, particularly in China and Mexico. Trump's main argument has been to bring back jobs from China.

Trump must counter the Chinese challenges especially in the South China Seas and the Spratly Islands, more than 100 small islands or reefs, 500 miles from the Chinese mainland, where China is building and expanding reefs to provide radar and military facilities, and where it claims almost all the potentially resource rich waters.

Trump must also consider a shift in diplomatic relations with Taiwan, strengthening its democratic character, and also expanding the US navy in the East and South China Seas. This will take more than a 10 minute phone call.