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Trump on China: Strategic Competitor, Economic Aggressor
Robert Lawrence Kuhn
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HOST: Joining me now, via Skype, from New York is Robert Lawrence Kuhn. He is the author of *How China's Leaders Think*. He's also a longtime adviser to the Chinese government. I appreciate you joining us. So first off, just overall, your reaction to the speech. Did you believe that Trump was as aggressive as many expected on China when you look specifically at the written national security strategy document?





RLK: The speech was pretty much predicted. It was much less virulent than maybe his campaign “promises” and some of the rhetoric prior. Three critical phrases – one: “revisionist powers”, which China shared with Russia. Second: “strategic competitor.” And third: “economic aggressor” which was specifically for China. But if we look at the overall speech and its context, there’s some very positive things from China’s point of view. Trump is not interested in regime change, in human rights, in some of the broader universal rights interests that the U.S. has had in the past.

RLK: So Trump’s focus, in terms of China, is narrowly focused on economics. There are some geographic and military issues that could lead to confrontation, sure, but China has a bigger agenda.

RLK: Xi Jinping at the Nineteenth Party Congress in October set a huge agenda for China toward the year 2035, and then 2050, where China is emerging as, what they call, a great socialist nation that will be a strong and prosperous and democratic and beautiful and harmonious.





RLK: And there's many problems that China has in reaching these goals. This week —in fact the same day coincidentally — China has its annual Central Economic Work Conference, setting the agenda for next year. They have debt reduction, industrial overcapacity, poverty relief, pollution — these are the big concerns they have in China. So whereas China will have to react to U.S. economic moves — and we have to wait and see the specifics because it's very general — now but whether it's in steel or other kinds of products, China will react, but they won't overreact, because China has a bigger agenda.

HOST: Okay. Interesting, but you talked about the fact that President Trump focused more on economics in China, and again that's not surprising because as you've heard Trump on the campaign trail. He was really harsh in his rhetoric against Beijing saying, "I'm going to label them a currency manipulator when I get into office." Well that promise has not come to fruition. He said that China was raping the U.S. on trade, so that aggressive language matches what is in the document today. The question is, will this signal a harder line against China by the U.S. when it comes to trade and economic policy?





RLK: We probably will see some things of a harder line. We have to. Trump has to deliver on some of those aspects. But I would predict that it'll be less intense than some people fear. China will react to it, as they must because national rejuvenation is part of Xi Jinping's promise to the nation, and so they will have to react. But China will ratchet down the confrontation. It's not in China's interest or in the U.S.'s interest. Both have enormous other agendas to focus on.



RLK: There are issues. I think Trump will get some things. We've seen right after Trump's visit, China opened its financial markets – call it a coincidence, I don't think so. But China will react to some of the things Trump is doing, but they recognize what he needs to do for his domestic audiences, and China is doing the same things for its.





HOST: So you don't see a major negative impact on this relationship between Trump and Xi, China and the U.S. Especially when it comes to cooperating on North Korea or perhaps being China retaliating with the trade war?

RLK: Both are critical issues. On North Korea, it is in China's interest to control North Korea in a way that protects China's interests. And there's a reasonable degree of overlap between U.S. and Chinese interests there. So I look for progress in that area, albeit it'll be slower than maybe those of us in the U.S. would like. Trade wars is not in anyone's interest, everyone recognizes that.



RLK: The U.S. will do certain things that China will have to react to that, but I would predict that each one will have a ratcheting down because in neither case will that type of an economic war help either side, American businesses or the Chinese consumer for that matter.

HOST: Yeah, it would be mutually destructive. We're going to have to leave it there. Robert Lawrence Kuhn, we appreciate your analysis. Thank you very much.

