President Trump blamed China for the spread of the coronavirus, which opened the door to tougher US policies on a range of issues from Hong Kong to Xinjiang. The Phase One trade deal remained intact, although Chinese purchases of US goods lagged targets in the agreement. Senior Trump administration officials delivered a series of speeches that condemned Chinese policies and suggested that the CCP poses an unacceptable threat to the United States and other democracies. Charging that the Chinese consulate in Houston was engaged in espionage, the US demanded it be closed. Beijing retaliated by shutting down the US Consulate in Chengdu. The US aligned its South China Sea policy more closely with the July 2016 tribunal ruling and declared China’s “nine-dash line” claim and actions based on it to be illegal. Tensions increased over Taiwan as the US took several steps to strengthen ties with Taipei and deter Chinese coercion.
COVID-19’s Grip on the World Continues

The COVID-19 pandemic’s impact on global society deepened between May and August 2020, with thousands of deaths reported worldwide each day. The US–China relationship continued its downward spiral as both sides traded barbs, and President Trump made it a point to blame China for the pandemic at every turn. On May 3, US Secretary of State Pompeo doubled down on Trump’s assertions that the virus originated from a laboratory in Wuhan, claiming in an ABC News interview that “there is a significant amount of evidence that this came from that laboratory in Wuhan.” He accused China of having “a history of infecting the world and ... a history of running substandard laboratories.” Chinese Foreign Ministry Spokesperson Hua Chunying dismissed these charges in a May 6 press conference, stating that “the origin of the virus is a complex scientific issue that should be answered by scientists” and, in an apparent dig at Pompeo, blasted “some individuals in the US” for “constantly accusing China out of their own domestic political interests.” Pompeo uncharacteristically softened his assertions in an interview with Breitbart the following week, when he acknowledged that the US did not have any definitive knowledge on the virus’s origins.

After repeated criticisms of the World Health Organization (WHO) and its response to the COVID-19 outbreak, Trump made good on his threats to withdraw from the WHO on May 18. In a letter to Director-General Dr. Tedros Adhanom Ghebreyesus, Trump wrote that the US would suspend all contributions to the organization, citing its “failed response to the COVID-19 outbreak” and “alarming lack of independence from the People’s Republic of China.” The letter did not sit well with Beijing. Two days later, Chinese Foreign Ministry Spokesperson Zhao Lijian picked apart the letter’s allegations line by line at a press conference, saying, “the international community does not agree with the US fact-distorting and self-contradictory actions that aim to shift the blame and responsibility to others and undermine international cooperation on COVID-19.” President Trump fired back with two scathing tweets on May 20, accusing Zhao of “speak[ing] stupidly on behalf of China, trying desperately to deflect the pain and carnage that their country spread” and blaming the deaths from COVID-19 on “the ‘incompetence of China,’ and nothing else.”

As summer continued, and the number of COVID-19 cases and deaths in the US soared, Trump repeatedly took to Twitter to pin the blame for the virus squarely on China. He professed to be “more and more angry at China” as a result of the devastating impact of the virus on the US. Every facet of US–China relations was soon touched by this anger, as Trump regularly pointed to China’s handling of the pandemic as a reason to punish China economically, diplomatically, and politically. At the end of August, COVID-19 remained an open wound in the bilateral relationship with little hope of healing.

The Nonlinear Execution of the Phase One Deal

Hopes that the phase one US–China trade deal that was inked on January 15 would steady a relationship in free fall were dashed by the pandemic. After praising the deal when it was signed as “a momentous step ... toward a future of fair and reciprocal trade with China,” Trump soured on the agreement. In a Fox News Virtual Town Hall on May 3, Trump definitively stated “if they don’t buy, we’ll terminate the deal,” referencing Beijing’s pledge to purchase at least $200 billion in US goods and services. Economic negotiators on both sides were resolved to prevent the deal from falling apart, however. US Treasury Secretary Steven Mnuchin and US Trade Representative (USTR) Robert Lighthizer held a call with China’s lead negotiator, Vice Premier Liu He, a few days later. The read out of the call from the USTR office said that “both sides agreed that good progress is being made on creating the governmental infrastructures necessary to make the agreement a success,” and that Beijing and Washington agreed they would be able to live up to the terms of the deal despite the unforeseen economic blow from the pandemic. Shortly thereafter, China’s Ministry of Finance released a list of 79 US products that would be exempt from tariffs, joining items like soybeans and pork that were already deemed to be exemptions.
In what would be a recurring theme from May to August, Trump conflated the pandemic with the US–China trade deal in a tweet on May 13, lamenting that the US “just made a great Trade Deal, the ink was barely dry, and the World was hit by the Plague from China. 100 Trade Deals wouldn’t make up the difference.” In a Fox Business interview the following day, Trump implied potential repercussions for China’s alleged actions in the early days of the outbreak, suggesting that “there are many things we could do … we could cut off the whole relationship.” He voiced further frustration with the pandemic’s economic impact on May 16, writing on Twitter that “Prior to the Plague floating in from China, our Economy was blowing everybody away, the best of any country, EVER,” before promising that the US economy would bounce back. Despite Trump’s souring view on economic cooperation with China, the USTR and the Department of Agriculture (USDA) released a statement on May 21 announcing “additional progress in the implementation of the agriculture–related provisions” of the phase one deal. US Secretary of Agriculture Sonny Perdue offered tepid optimism, stating, “We look forward to continued cooperative work with China on implementation of Phase One commitments.”

In July, China made notable progress on promised agricultural purchases as outlined in the deal, though it was still far from on pace to meet its commitments on time. On July 10, USDA reported the sale of 1.365 million tons of corn to China over the course of the 2020 and 2021 marketing years. Four days later, this was overshadowed by an even larger purchase—1.762 million tons, which marked China’s largest ever single-day corn purchase from the United States. China also purchased 129,000 tons of US soybeans. Trump was not won over by the large-scale purchases. In a White House press conference the very same day, Trump stated that the COVID–19 pandemic had led him to view the phase–one trade deal “much differently,” though he conceded that China was “buying a lot.” He told CBS News that he was “not interested right now in talking to China,” extinguishing any hope that phase–two trade talks would begin any time soon. However, Trump was not ready to abandon the deal and on July 22, he reassured his followers that the “China Trade Deal is fully intact.” At the end of July, China’s purchases amounted to less than half of the year–to–date target amount.

In early August, it was reported that Lighthizer and Liu would hold a videoconference on August 15 to conduct a mandatory review of the phase–one deal’s implementation progress in the six months since its enactment. This planned meeting was indefinitely postponed just one day prior, with initial sources pointing to scheduling conflicts as well as the US side’s desire to allow additional time for China to purchase more US goods. Trump assumed responsibility for the decision at an August 18 press conference, declaring, “I postponed talks with China … I don’t want to talk to China right now.” He again attributed his reasoning to the COVID–19 pandemic, insisting that China both could and should have contained the spread of the virus.

Chinese Ministry of Commerce Spokesperson Gao Feng commented that both parties “agreed to talk in the near future,” which proved to be true on August 24. Lighthizer, Mnuchin, and Liu discussed the status of the phase–one trade deal in the rescheduled call, with USTR’s statement asserting that “[b]oth sides see progress and are committed to taking the steps necessary to ensure the success of the agreement.”

A String of Trump Administration Speeches on China

More than three years after Trump was sworn in as president, the White House published a whole–of–government strategy toward China in accordance with the FY2019 National Defense Authorization Act titled United States Strategic Approach to the People’s Republic China. The 20–page report, issued on May 20, asserted that the Chinese Communist Party has opted “to exploit the free and open rules–based order and attempt
to reshape the international system in its favor.” Rather than seek to change China, the report maintained that the Trump administration’s goal is to protect US vital national interests. It insisted that the US does “not seek to contain China’s development or disengage from the Chinese people,” but “expects to engage in fair competition with the PRC” so both nations can benefit. The report reiterated the language of the December 2017 National Security Strategy, noting that there is a “long-term strategic competition” underway between the two systems represented by the United States and China. The challenges posed by China outlined in the report include economics, values, and security. Relying on a whole-of-government approach and “principled realism,” the strategy paper pledged to protect US interests and advance US influence in the face of China’s challenges.

Between May and August, the Trump administration ramped up efforts to persuade various constituencies at home and abroad that China poses an existential threat. In a series of speeches, senior Trump administration officials detailed the nature of the PRC threat and urged that greater action be taken in response. The central message of these speeches is that authoritarian China under the CCP poses a danger to democracies around the world because of its ideology and its violation of international norms.

The first speech, and perhaps the most remarkable, was delivered by Deputy National Security Advisor Matt Pottinger on May 4 as a keynote speech for a conference organized by the University of Virginia. The speech was notable for at least two reasons. First, Pottinger gave the speech in Chinese, a clear signal that the target audience was the Chinese people. Second, marking the anniversary of the May Fourth Movement, which took place in 1919, Pottinger described “acts of moral and physical courage” by Chinese people past and present. In a veiled call for the Chinese people to stand up for their ideals, he posed the question, “Will the (May Fourth Movement’s) democratic aspirations remain unfulfilled for another century?”

On June 19, Secretary of State Mike Pompeo delivered a speech to the virtual Copenhagen Democracy Summit. The speech focused entirely on China and the menaces of the CCP, including its brutal campaign of repression against Chinese Muslims, its military buildup in the South China Sea, its lies about the coronavirus, and its disinformation and cyber campaigns that are intended “to drive a wedge between the United States and Europe.” Denying that the Trump administration is trying to compel European nations to choose between the United States and China, Pompeo instead said that the choice is between freedom and tyranny, and it is being forced by the CCP. He hailed steps by Sweden to close all the Confucius Institutes in their country; by the UK to secure its networks from Huawei; by Denmark to push back against the CCP’s effort to censor Danish newspapers; and by the Czech Republic to stand up to the PRC’s coercive diplomacy. Pompeo called on the Europeans to do more to defend our shared values and protect our democracies.

Over the course of the next month, senior Trump officials gave four speeches on China. They were designed to be delivered in a series, culminating with a major policy address by the secretary of State. On June 26, National Security Advisor Robert O’Brien delivered an address to the Arizona Commerce Authority on “The Chinese Communist Party’s Ideology and Global Ambitions.” He argued that the CCP’s Marxist–Leninist ideology is inherently incompatible with the liberal international order. China’s form of communism, according to O’Brien, requires control not only over its own people, also over international actors, including companies, journalists, and private citizens across the United States. The Trump administration is taking steps to correct 40 years of a one-sided unfair relationship with China that has harmed America’s “economic” and “political well-being,” he maintained.

On July 7, FBI Director Christopher Wray gave a speech at the Hudson Institute in Washington DC titled “The Threat Posed by the Chinese Government and the Chinese Communist Party to the Economic and National Security of the United States.” Its main topic was Chinese espionage, which Wray called “the greatest long-term threat to our nation’s information and intellectual property, and to our economic vitality.” He described China’s espionage toolkit as comprising a diverse and multi-layered approach that exploits the open economic, social, and political system of the United States to pursue goals that undermine US national interests and the rule of law.
Attorney General William Barr gave the next speech, “Remarks on China Policy,” on July 16 at the Ford Presidential Museum in Grand Rapids, Michigan. He portrayed China as using commercial ties, espionage, and industrial policies to supplant the United States as the world’s economic superpower and warned that the US is already “dangerously dependent on China.” Barr slammed US companies—including Google, Microsoft, Yahoo, Apple, and Disney—as well as universities for prioritizing short-term profits “at the expense of freedom and openness in the United States.”

Pompeo delivered the final speech at the Richard Nixon Presidential Library and Museum on July 23. Its title was “Communist China and the Free World’s Future.” He contended that 50 years of “blind” engagement toward China have imperiled US democracy, prosperity, and security and maintained that Xi Jinping seeks the “global hegemony of Chinese communism.” In response, Pompeo called for the freedom-loving nations of the world to form “a new alliances of democracies.” Their objective should be to “change Communist China” and “engage and empower the Chinese people” to push for change.

The series of speeches suggested that the Trump administration not only views China’s policies and behavior as contrary to US interests, but also believes that the existence of the CCP as the ruling party in China poses an unacceptable threat to the United States and other democracies. Although there haven’t been explicit calls for “regime change,” it increasingly appears that ending CCP rule is the desired goal.

In the Name of US National Security

Throughout 2020, the US took a string of actions against China in the name of protecting US national security interests. On May 13, US Secretary of Labor Eugene Scalia announced that “the Federal Retirement Thrift Investment Board voted unanimously in accordance with Trump’s direction to immediately halt all steps associated with investing Thrift Savings Plan assets in problematic Chinese companies,” claiming such “risky” companies “pose a threat to US national security.” The move stopped plans to invest US federal employee and military retirement savings in Chinese stocks. Just one week later, Chinese companies faced another blow when the US Senate unanimously passed the Holding Foreign Companies Accountable Act, which could delist Chinese companies from the US stock market. The legislation, currently in the House of Representatives, would require foreign companies to comply with audits by the Public Company Accounting Oversight Board and to prove that they are “not owned or controlled by a governmental entity.” The justification for it was to “[protect] the interest of hardworking American investors.”

In what proved to be a hectic month, May also saw the US Department of Commerce Bureau of Industry and Security (BIS) accuse Huawei Technologies of “undermining the national security and foreign policy purposes of the [US] Entity List by commissioning their production in overseas foundries using US equipment.” In response to this alleged threat to US national security, BIS placed further restrictions on Huawei’s access to US technology and software as it pertained to the production of semiconductors. Beijing issued a same-day retaliation, announcing intentions to place US companies including Qualcomm, Apple, and Cisco on its own “unreliable entity list.” In August, BIS tightened these restrictions even further, in addition to placing 38 more Huawei affiliates on the Entity List.

On August 5, Pompeo announced a five-pronged effort to protect US telecommunications infrastructure as part of the Clean Network program. The initiative included keeping PRC carriers out of US telecom networks, clearing sensitive information from cloud–based systems accessible to Chinese companies, and removing from mobile application stores all PRC apps that “threaten our privacy, proliferate viruses, and spread propaganda and disinformation.” The very next day, the White House announced seemingly related measures to protect US national security, in the form of two widely publicized executive orders. Using largely parallel language, the orders were meant to address national security threats posed by WeChat and TikTok, two social media platforms owned by Chinese companies. Both required the sale of the apps from their Chinese parent companies within 45 days in order to sustain operations in the United States. Cited concerns included unauthorized data collection that could be used nefariously by the CCP, dangerous disinformation campaigns, and problematic censorship practices—all of which were deemed to “threaten the national security, foreign policy, and economy of the United States.” TikTok sued the Trump administration in
response, asserting that “the Administration’s decisions were heavily politicized” and its countless attempts to address security concerns were “ignored.”

The US Ratchets Up Diplomatic Pressure

The Trump administration continued to speak out against the persecution of Uygurs and other ethnic minorities in the Xinjiang Uyghur Autonomous Region (XUAR), openly criticizing China’s human rights violations and using a variety of means to hold Beijing accountable. The US Department of Commerce added a total of 20 Chinese entities to its Entity List between May and July, including companies accused of forced labor practices and others charged with enabling high tech surveillance in Xinjiang. These joined the 28 entities added in October 2019 for similar abuses in the region. Trump then signed the Uyghur Human Rights Policy Act of 2020 into law on June 17; it imposes sanctions on individuals and entities linked to human rights violations in Xinjiang. In early July, the US departments of State, Commerce, Homeland Security, and the Treasury jointly published the Xinjiang Supply Chain Business Advisory in an attempt “to caution businesses about the risks of supply chain links to entities that engage in human rights abuses, including forced labor, in [Xinjiang] and elsewhere in China.” The Department of the Treasury separately issued sanctions against Chinese government entities and officials, including the Xinjiang Public Security Bureau and Communist Party Secretary of XUAR Chen Quanguo. Those sanctions elicited a sharp response from Chinese Foreign Ministry Spokesperson Hua Chunying, who stated that “the US has no right and no cause to interfere” in China’s internal affairs. Beijing also issued retaliatory sanctions against the US Congressional–Executive Commission on China, Ambassador at Large for International Religious Freedom Samuel Brownback, Senators Marco Rubio (R–Florida) and Ted Cruz (R–Texas), and Representative Chris Smith (R–New Jersey).

Tit-for-tat diplomatic digs were a hallmark of the summer, with the Trump administration lobbying various visa restrictions and foreign mission designations at China, which were in turn met with condemnations and occasional retaliatory measures from Beijing. On May 29, Trump issued a proclamation suspending visas for PRC nationals who are deemed “likely to support a PRC entity that implements and supports the CCP’s ‘military–civil fusion’ strategy.” The Department of State issued multiple foreign mission designations, labeling four Chinese media outlets (China Central Television, China News Service, the People’s Daily, and the Global Times) plus the Confucius Institute US Center as “substantially owned or effectively controlled” by the Chinese government.

These diplomatic rows paled in comparison to the sudden and dramatic US closure of the Chinese Consulate in Houston and the retaliatory action by Beijing to shut down the US Consulate in Chengdu. On July 21, the US ordered the closure of China’s Houston Consulate, citing “espionage and influence activities” that were a direct threat to US national security. China’s Ministry of Foreign Affairs harshly criticized the move, labeling it “a political provocation unilaterally launched by the US side” and “an outrageous and unjustified move which will sabotage China–US relations.” Three days later, China issued a matching order to the US Consulate in Chengdu, demanding its immediate closure. Neither side has yet to make moves to reverse the decisions, leaving both countries down one diplomatic post in a time of severely strained relations.

Shift in US South China Sea Policy

In what many observers viewed as a long overdue clarification of US policy, the Trump administration aligned its position more closely with the July 2016 ruling on the South China Sea by a tribunal convened under the UN Convention on the Law of the Sea (UNCLOS). The adjustment in US policy was announced by Pompeo on July 13 and was driven by the Trump administration’s effort to stop Chinese
harassment of other claimants’ development of resources within their Exclusive Economic Zones. Pompeo’s statement noted, “We are making clear: Beijing’s claims to offshore resources across most of the South China Sea are completely unlawful, as is its campaign of bullying to control them.” The UNCLOS tribunal had ruled that China has no basis to assert “historic rights” to maritime areas beyond those allowed by UNCLOS, thus invalidating the “nine-dash line.” The Obama administration had called on China and the Philippines to comply with the ruling when it was issued but had not explicitly endorsed the specific findings or declared any concrete Chinese actions in other countries’ EEZs as “illegal.”

The revised US position does not change longstanding US neutrality on territorial disputes in the South China Sea. It does, however, take a clear stance on maritime disputes over water and seabed rights. In other words, China can claim resources within its EEZ and continental shelf that extend into the South China Sea from its southern coast, and possibly in maritime zones generated by the Paracel Islands (which were not covered by the 2016 award), but cannot legally claim resources in other areas. Therefore, activities by Chinese Coast Guard ships and maritime militia to interfere with other countries’ oil and gas exploration, as well as Chinese fishing and energy exploitation in large swaths of the Spratly Islands, are now judged to be illegal.

In late August, the Trump administration took two concrete actions to penalize China for its illegal, coercive, and destabilizing actions in the South China Sea. The Department of Commerce placed 24 Chinese companies on the Entity List, which imposes restrictions on exports of specific items to companies and individuals that threaten US national security. Of these companies, 22 are state-owned enterprises. Commerce Secretary Wilbur Ross indicated that these companies were placed on the list because they “played a significant role” in China’s artificial-island building and militarization of the Spratly Islands. The second action was taken by the State Department, which announced that it would not issue visas to Chinese nationals “responsible for, or complicit in, either the large-scale reclamation, construction, or militarization of disputed outposts in the South China Sea, or the PRC’s use of coercion against Southeast Asian claimants to inhibit their access to offshore resources.”

US Navy ships conducted three freedom of navigation operations (FONOPs) in the five-month period between April 1 and August 31. On May 28, the USS Mustin, an Arleigh Burke-class guided-missile destroyer, challenged China’s claim to straight baselines enclosing the Paracel Islands and its requirement to obtain permission to enter Chinese territorial waters. On July 14, the guided-missile destroyer USS Ralph Johnson sailed within 12 nautical miles of Cuarteron and Fiery Cross Reefs. The operation challenged restrictions on innocent passage imposed by China, Vietnam and Taiwan. On August 27, the USS Mustin conducted another FONOP in the Paracel Islands.

Global Times, a tabloid owned by People’s Daily, charged the US with ignoring the rules of international law, repeatedly stirring up troubles in the South China Sea, exercising “navigational hegemony” in the name of freedom of navigation, and seriously undermining China’s sovereignty and security interests. It also claimed that the PLA “expelled” the US warship from the area. Speaking at The Atlantic Council, NSC Advisor Robert O’Brien stated that the US “is not going to back down” from its right to assert freedom of navigation and overflight in the face of China’s “increasing assertiveness and aggressiveness.”

Both the US and China conducted major military exercises in the South China Sea and elsewhere in the Pacific during the summer months. Chinese drills, which extended along the country’s entire eastern seaboard, included a mock beach assault in Hainan province; a sea-crossing and landing with amphibious assault vehicles in Guangdong province; flights of missile–armed bombers and fighters over the South China Sea; and tests of DF–21D and DF–26 missiles into waters between Hainan Island and the Paracel Islands. Two US aircraft carriers, the USS Ronald Reagan and the USS Nimitz, along with their strike groups, conducted exercises in the South China Sea in July—the first time since 2014 that the US held dual-carrier operations in those waters. Rear Adm. Jim Kirk, commander of the Nimitz, said in a statement that the operations were intended “to reinforce our commitment to a free and open Indo-Pacific, a rules-based international order, and to our allies and partners in the region.” Chinese Foreign Minister Wang Yi accused the US of “increasing and showing off its military
presence in the South China Sea,” flying military aircraft “more than 2,000 times” this year. He also charged that the US is attempting to drive a wedge between China and ASEAN countries and “hijack regional countries onto its chariot to serve US domestic politics and geopolitical agenda.”

**Tensions Escalate Over Taiwan**

The Trump administration took a series of steps to strengthen ties with Taiwan, prompting strong reactions from Beijing. On May 20, the occasion of Taiwan President Tsai Ing-wen’s inauguration for her second term in office, Pompeo sent a recorded congratulatory message. China’s Ministry of Defense (MND) expressed “strong dissatisfaction and firm opposition,” and insisted that the action was a “grave violation of the one-China principle and the three US-China joint communiqués. The MND statement also maintained that the US had jeopardized the development of relations between the two countries and the two militaries.

On the same day the Trump administration announced that it had notified Congress of a potential sale to Taiwan of 18 MK-48 Mod6 Advanced Technology Heavy Weight Torpedoes and related equipment for an estimated cost of $180 million. Chinese foreign ministry spokesperson Zhao Lijian said that in response to the planned sale, Beijing lodged “stern representations” with the United States. He urged the US to abide by the one-China principle, and the three US-China joint communiqués, cancel the plan of arms sale to Taiwan and end its military links with the island before it causes more harm to China-US ties and peace and stability across the Taiwan Straits.

In July, the US approved a $620 million package to extend the operation life of Taiwan’s Patriot Advanced Capability–3 (PAC–3) missiles. Beijing announced that in retaliation it would impose sanctions on Lockheed Martin Corporation, manufacturer of the missiles. Threats of sanctions have been made by China in the past but have not been carried out. Even if Beijing follows through, sanctions on Lockheed Martin would not have a significant impact since less than 1 percent of the company’s revenue comes from its business with China.

The visit by Health and Human Services Secretary Alex Azar to Taipei in early August marked the first time in six years that a Cabinet-ranked US official traveled to Taiwan. Azar met Tsai and signed a statement along with Taiwan’s minister of health reaffirming the longstanding cooperation between the US and Taiwan to address global health challenges. China’s foreign ministry spokesperson expressed Chinese opposition to the visit and warned that “People who play with fire will burn themselves.” Chinese fighter jets also briefly crossed the centerline of the Taiwan Strait as a warning to the US and Taiwan not to cross Chinese redlines.

On Aug. 31, the Trump administration declassified two cables from 1982. One explained that the US willingness to reduce the quantity and quality of arms sales to Taiwan, which is a provision in the Aug. 17, 1982 US-China Joint Communique, would be conditioned on the threat posed by the PRC. The second cable contains the text of the Six Assurances which the Reagan administration provided to Taipei when it signed the Communique with Beijing. The US also announced a new economic and commercial dialogue with Taiwan focused on semiconductors, health care, energy, and other sectors. Beijing responded with a call for the US to “stop official interaction with Taiwan in all forms.”

The US Navy conducted and announced transits of the Taiwan Strait on May 14, June 4, Aug. 18, and Aug. 31. With each transit, US Navy spokesmen issued a statement noting that the operation demonstrated the US commitment to a free and open Indo-Pacific and to fly, sail, and operate anywhere international law allows. The four transits brought the number of times that US Navy ships sailed through the Taiwan Strait...
to 11 so far this year compared to nine transits in 2019.

**The Hong Kong National Security Law and Tit-for-tat Sanctions**

On June 30, one day before the 23rd anniversary of the handover of Hong Kong from the UK to China, Xi Jinping signed the Hong Kong national security law. The law was first broached in May at the National People's Congress. The legislation is aimed at prohibiting secession, subversion of state power, terrorism activities, and foreign interference. In an official statement, Pompeo condemned the decision, saying it “destroys the territory's autonomy” and turns “one country, two systems” into “one country, one system.” A month earlier, Trump declared the US intention to end the special policy exemptions it grants Hong Kong, including the city’s preferential treatment as a separate customs and travel territory from the rest of China.

On July 14, Trump followed through on his threat. He signed the Hong Kong Autonomy Act that called for imposing sanctions on foreign individuals and entities for “contributing to the erosion of Hong Kong’s autonomy.” He also signed an executive order to end the special status given to Hong Kong under US law. Speaking at a White House press conference, Trump said that Hong Kong would henceforth be treated the same as mainland China. “No special privileges, no special economic treatment, and no export of sensitive technologies,” he said.

The following month, the US Treasury Department levied sanctions on 11 Hong Kong officials, including Chief Executive Carrie Lam, for restricting freedoms and undermining the territory's autonomy. The sanctions allow US officials to seize any property the designated officials have in the United States and bars them from doing business in the country. Governments in both Beijing and Hong Kong issued harsh statements with the Hong Kong government claiming that the sanctions had no legal standing. Washington subsequently suspended or eliminated special and differential treatment for the former British colony with respect to export controls, imports, immigration, the extradition and transfer or sentenced persons, training for law enforcement and security services, shipping tax, and cultural exchange programs.

In retaliation for US sanctions on Hong Kong officials, China imposed similar measures on 11 Americans, including five members of the US Congress, and heads of NGO organizations. China's foreign ministry spokesman said “In response to the erroneous actions of the US, China has decided to impose sanctions today on those individuals who behaved badly on Hong Kong-related issues." He did not specify what impact the sanctions would have, however.

**Pompeo–Yang Meet in Hawaii**

Secretary Pompeo and China’s foreign policy chief, Yang Jiechi, held a meeting in Hawaii in mid-June that lasted almost seven hours. Prior to the session, an official speaking on background told the Washington Post that Pompeo hoped to obtain more information from Beijing about the coronavirus outbreak and get access to Chinese virus samples, facilities, and scientists. In addition, according to the official, Pompeo planned to raise concerns about Chinese violations of Hong Kong’s autonomy and wanted to persuade China to enter into nuclear arms negotiations with the United States and Russia. Other sources indicated that the secretary intended to discuss Taiwan and Phase One of the US–China trade deal.

The State Department readout of the meeting was sparse, offering little insight into the lengthy conversation. It simply noted that Pompeo “stressed important American interests and the need for fully-reciprocal dealings between the two nations across commercial, security, and diplomatic interactions” and urged “full transparency and information sharing” to combat the COVID-19 pandemic. Beijing maintained that the meetings was
“constructive” and noted that Yang presented China’s positions on Hong Kong, Taiwan, and Xinjiang, insisting that the US should stop interfering in its internal affairs, according to a statement by the Chinese foreign ministry.

Asked about his meeting with Yang when participating in the Copenhagen Democracy Summit, Pompeo described the conversation as “frank” and noted that “each side stake out ... pretty familiar positions.” He related that he told Yang that the US is “just watching actions” because it isn’t sufficient to listen to what the CCP is saying, and cited as examples Chinese policies toward Hong Kong, Tibet, Xinjiang, India, Australia, and four Southeast Asian countries.

**China Sounds Off, Then Steps Back**

As the Trump administration denounced the CCP and took a spate of actions against China purportedly for the purpose of holding the CCP accountable and demanding reciprocity, Beijing struggled to come up with an effective counter strategy. For several months, Chinese officials spewed harsh rhetoric. Pompeo bore the brunt of many strident comments. Chinese Foreign Ministry Spokesperson Hua labeled him as “notoriously proud of lying and cheating.” She even sarcastically tweeted, “I want to thank #Pompeo, because everytime you opened your mouth, the Chinese people loved their country and the #CPC even more deeply.” Another spokesperson, Zhao Lijian (who gained notoriety for his baseless claim that the US Army brought COVID-19 to Wuhan), condemned Pompeo as “doomed to fail” and “neither capable nor competent” in two separate tweets. These targeted attacks, largely executed by Chinese government officials on Twitter—a platform banned in the PRC—were prime examples of Beijing’s “Wolf Warrior diplomacy.” Named after a Chinese action blockbuster, this aggressive strategy was adopted to vigorously defend China’s interests on the world stage, particularly in response to foreign countries criticizing Chinese actions.

In mid-summer, however, Beijing shifted tactics in an attempt to stop the downward spiral in the US-China relationship. In a July 8 speech, Chinese Vice Foreign Minister Le Yucheng spoke of his optimism about the trajectory of the bilateral relationship, stating “China stands ready to work with the US to advance China–US relations based on coordination, cooperation and stability.” Foreign Minister Wang Yi echoed these sentiments in an August 6 interview with Xinhua, rejecting the “new Cold War” mentality and professing that China has “no intention of becoming another United States.” A few days later, Director of the Office of the Central Commission for Foreign Affairs Yang Jiechi published an article entitled “Respect History, Look to the Future and Firmly Safeguard and Stabilize China–US Relations.” This coordinated effort aimed at getting the US-China relationship back on stable footing didn’t evoke a more agreeable US response, however.

**Conclusion: US Presidential Election Looms**

Having identified China bashing as a means to get votes and deflect attention from the still-spreading coronavirus, the Trump administration will likely take more actions against China and deliver more speeches critical of the CCP in the runup to the presidential election. Moreover, Trump administration officials appear to be increasingly committed to transforming the US–China relationship into a strategic and ideological rivalry between two systems that cannot be easily changed if Trump loses the election. Regardless of the outcome of the US election, it is likely that strategic competition will continue to define the US-China relationship for many years to come.
May 2, 2020: People’s Liberation Army Navy (PLAN) conducts an escort mission drill through the disputed Spratly Island chain in the South China Sea. Type 052D guided-missile destroyer Taiyuan and Type 054A frigate Jingzhou participate in the exercise.

May 3, 2020: President Trump says in an interview that he is considering restoring tariffs on China, asserting “we’re not going to get rid of tariffs. You got to treat our country with respect. You’ve been ripping off our country for many years.”

May 3, 2020: In interview with ABC News, Secretary of State Mike Pompeo argues that “there is a significant amount of evidence that [COVID-19] came from that laboratory in Wuhan.”

May 4, 2020: Deputy National Security Advisor Matt Pottinger delivers a speech at the University of Virginia entitled “Reflections on China’s May Fourth Movement: an American Perspective.”

May 7, 2020: US House of Representatives Minority Leader Kevin McCarthy announces the formation of a Republican–led China Task Force, “to help reinforce Congressional efforts to counter current and emerging cross-jurisdictional threats from China.”

May 7, 2020: US Trade Representative Robert Lighthizer and Treasury Secretary Steve Mnuchin hold a call with Chinese Vice Premier Liu He on the implementation of the Phase One trade deal between the US and China.


May 8, 2020: US–China Economic and Security Review Commission holds a hearing on “China’s Strategic Aims in Africa.”

May 11, 2020: Trump tweets: “Asian Americans are VERY angry at what China has done to our Country, and the World. Chinese Americans are the most angry of all. I don’t blame them!”

May 12, 2020: China’s Ministry of Finance publishes a list of 79 additional products to be exempt from tariffs related to the trade war, effective starting May 19.

May 13, 2020: Trump tweets: “As I have said for a long time, dealing with China is a very expensive thing to do. We just made a great Trade Deal, the ink was barely dry, and the World was hit by the Plague from China. 100 Trade Deals wouldn’t make up the difference – and all those innocent lives lost!”

May 13, 2020: Federal Bureau of Investigation (FBI) and the Cybersecurity and Infrastructure Security Agency (CISA) issue Public Service Announcement warning organizations researching COVID–19 of likely targeting and network compromise by the PRC.

May 14, 2020: US–China Economic and Security Review Commission holds a hearing on “China’s Strategic Aims in Africa.”

May 14, 2020: US Bureau of Industry and Security (BIS) announces plans to protect US national security by restricting Huawei’s ability to use US technology and software to design and manufacture its semiconductors abroad.
May 16, 2020: China’s Ministry of Commerce announces a series of countermeasures to US Huawei restrictions, including putting US companies on an "unreliable entity list," as well as launching investigations and imposing restrictions on US companies such as Apple, Qualcomm, Cisco, and Boeing.

May 16, 2020: Trump tweets: “Why is it that China, for decades, and with a population much bigger than ours, is paying a tiny fraction of S’s to The World Health Organization, The United Nations and, worst of all, The World Trade Organization, where they are considered a so-called "developing country" and are therefore given massive advantages over The United States, and everyone else? Prior to the Plague floating in from China, our Economy was blowing everybody away, the best of any country, EVER. We will be there again, and soon!”

May 18, 2020: Pompeo issues statement condemning the exclusion of Taiwan from the World Health Assembly.

May 19, 2020: US Pacific Air Force B-1 bombers conduct a mission in the South China Sea, several days after training with US Navy forces near Hawaii.

May 20, 2020: China’s Ministry of Defense issues a statement condemning Pompeo’s congratulatory message to Taiwan President Tsai Ing-wen on her inauguration.

May 20, 2020: Trump tweets: “Some wacko in China just released a statement blaming everybody other than China for the Virus which has now killed hundreds of thousands of people. Please explain to this dope that it was the ‘incompetence of China’, and nothing else, that did this mass Worldwide killing!”

May 20, 2020: Trump tweets: “Spokesman speaks stupidly on behalf of China, trying desperately to deflect the pain and carnage that their country spread throughout the world. Its disinformation and propaganda attack on the United States and Europe is a disgrace... It all comes from the top. They could have easily stopped the plague, but they didn’t!”

May 20, 2020: US approves the sale to Taiwan of 18 MK-48 Mod 6 Advanced Technology heavyweight torpedoes, which feature advanced sonar targeting for submarines, along with support equipment and related logistics support.


May 22, 2020: Pompeo issues a statement condemning China’s proposal to impose National Security Legislation on Hong Kong, calling it a “death knell” for the city’s autonomy. He went on to say that the decision would “inevitably impact our assessment” of the city’s special status.

May 22, 2020: Department of Commerce adds the PRC Ministry of Public Security’s Institute of Forensic Science and eight Chinese companies to the Entity List for complicity in human rights violations and abuses in Xinjiang.

May 23, 2020: During a panel on the sidelines of China’s National People’s Congress, Defense Minister Wei Fenghe says, “The United States has intensified the suppression and containment of our side since the [coronavirus] outbreak, and the Sino-US strategic confrontation has entered a period of high risk. We must strengthen our fighting spirit, be daring to fight and be good at fighting, and use fighting to promote stability.”

May 27, 2020: Pompeo certifies to Congress that Hong Kong does not continue to warrant treatment under US law in the same manner as US laws were applied to Hong Kong before July 1997.

May 28, 2020: US Navy Arleigh Burke-class guided-missile destroyer USS Mustin (DDG-89) conducts a freedom of navigation operation past the Paracel Islands in the South China Sea.

May 29, 2020: Trump announces at a press conference that his administration “will take action to revoke Hong Kong’s preferential treatment as a separate customs and travel territory from the rest of China.” He also said the US will “take necessary steps to sanction PRC and Hong Kong officials directly or indirectly involved in eroding Hong Kong’s autonomy.”
May 29, 2020: Trump issues proclamation suspending visas for students whose research activities are likely to support a PRC entity that implements and supports the Chinese Communist Party’s “military–civil fusion” strategy.

June 3, 2020: Department of State releases its annual statement commemorating the 31st anniversary of Tiananmen Square.

June 4, 2020: White House publishes a presidential memorandum on “Protecting United States Investors from Significant Risks from Chinese Companies.”

June 4, 2020: US Navy Arleigh Burke-class guided-missile destroyer USS Russell (DDG–59) transits the Taiwan Strait on the anniversary of Tiananmen Square.

June 8, 2020: A group of PLA Sukhoi Su–30 fighter jets cross the median line in the Taiwan Strait, just hours after a US C–40A transport plane conducted a mission over the island.

June 11, 2020: FBI arrests Chinese military officer Xin Wang and charges him with visa fraud as he attempts to leave the US.

June 17, 2020: Pompeo meets CCP Politburo member and top Chinese diplomat Yang Jiechi to discuss US–China relations.

June 17, 2020: Trump signs the Uyghur Human Rights Policy Act of 2020 into law. The legislation seeks to hold accountable those responsible for the repression of China’s Uyghurs, including measures such as sanctions on CCP Politburo member Chen Quanguo.


June 19, 2020: Pompeo delivers speech at the Virtual Copenhagen Democracy Summit entitled “Europe and the China Challenge.”

June 22, 2020: Department of State designates Chinese media entities, including China Central Television, China News Service, People's Daily, and Global Times, as foreign missions.

June 22, 2020: Trump tweets: “The China Trade Deal is fully intact. Hopefully they will continue to live up to the terms of the Agreement!”


June 24, 2020: US–China Economic and Security Review Commission holds a hearing on “The Chinese View of Strategic Competition with the United States.”

June 26, 2020: Department of State imposes visa restrictions on Chinese Communist Party officials for undermining Hong Kong’s autonomy and restricting human rights.

June 29, 2020: US House Foreign Affairs Subcommittee on Asia, the Pacific and Nonproliferation holds a hearing on “China’s Maritime Ambitions.”

June 29, 2020: Pompeo releases a statement entitled “On China's Coercive Family Planning and Forced Sterilization Program in Xinjiang.”


July 1, 2020: Department of State, along with the Departments of Treasury, Commerce, and Homeland Security, issue advisory to caution businesses about risks of supply chain links to entities that engage in human rights abuses, including forced labor in Xinjiang and elsewhere in China.

June 29, 2020: US ends exports of US-origin defense equipment to Hong Kong and announces it will take steps toward imposing the same restrictions on US defense and dual-use technologies to Hong Kong as it does for China.

June 29, 2020: Pompeo tweets: “As I watch the Pandemic spread its ugly face all across the world, including the tremendous damage it has done to the USA, I become more and more angry at China. People can see it, and I can feel it!”

July 1, 2020: US House Permanent Select Committee on Intelligence convenes virtual hearing on “US-China Relations and its Impact on National Security and Intelligence in a Post-COVID World.”
July 1, 2020: House Foreign Affairs Committee holds a full committee hearing on “The End of One Country, Two Systems?: Implications of Beijing’s National Security Law in Hong Kong.”

July 2, 2020: Foreign Affairs Committee of China’s National People’s Congress condemns and opposes the passage of the “Hong Kong Autonomy Act” by the US Congress.

July 2, 2020: Department of Defense releases a statement expressing concern about the People’s Republic of China (PRC) decision to conduct military exercises around the Paracel Islands in the South China Sea on July 1-5.

July 4, 2020: USS Ronald Reagan and USS Nimitz carrier strike groups conduct dual exercises in the South China Sea, while the PLA Navy conducts exercises in contested waters off the Paracel Islands.

July 6, 2020: Trump tweets: “China has caused great damage to the United States and the rest of the World!”


July 8, 2020: Director General of the Department of Arms Control of the Chinese Foreign Ministry Fu Cong says in a press conference that China would enter trilateral nuclear talks with the US and Russia only if the US decreased its arsenal to match China’s.

July 9, 2020: Department of State spokesperson Morgan Ortagus releases a statement calling for face-to-face meetings between US and Chinese negotiators on arms control.

July 9, 2020: Department of the Treasury formally adds China’s Xinjiang Public Security Bureau and four Chinese officials to the Specially Designated Nationals And Blocked Persons List under Global Magnitsky designations.

July 9, 2020: State Department authorizes the repair and recertification of Patriot missiles (PAC-3) to Taiwan for an estimated cost of $620 million.

July 10, 2020: Trump tells reporters that the US relationship with China has been “severely damaged” and discounts the chances of a new China trade deal.

July 13, 2020: China’s Foreign Ministry announces retaliatory sanctions against US officials, including Sen. Marco Rubio (R-Florida) and Sen. Ted Cruz (R-Texas), over US Xinjiang sanctions.

July 13, 2020: Pompeo releases a statement on the “US Position on Maritime Claims in the South China Sea.” The statement declares most of China’s claims in the South China Sea “completely unlawful.”


July 14, 2020: China’s Foreign Ministry spokesman Zhao Lijian announces that China will impose sanctions on Lockheed Martin in response to its sale of Patriot missiles to Taiwan.

July 14, 2020: Department of State Assistant Secretary for East Asia and the Pacific David Stilwell delivers a speech at the Center for Strategic and International Studies entitled “The South China Sea, Southeast Asia’s Patrimony, and Everybody’s Own Backyard.”

July 14, 2020: US Navy Arleigh Burke-class guided-missile destroyer USS Ralph Johnson (DDG 114) conducts a freedom of operation navigation in the South China Sea.

July 14, 2020: Trump signs into law the “Hong Kong Autonomy Act.”

July 14, 2020: Trump signs executive order on “Hong Kong Normalization,” eliminating Hong Kong’s special status.

July 15, 2020: Department of State imposes visa restrictions on certain employees of Chinese technology companies that provide material support to regimes engaging in human rights abuses globally.

July 20, 2020: Department of Commerce adds 11 Chinese companies to the Entity List for involvement in human rights abuses in Xinjiang.


July 22, 2020: Department of State orders China’s consulate in Houston to close.


July 24, 2020: China’s Ministry of Foreign Affairs announces that the US consulate in Chengdu will be required to close in retaliation for the closing of China’s consulate in Houston.

July 24, 2020: Washington State Department of Agriculture posts an alert about unsolicited seeds in the mail from China and issues a warning against planting the seeds.


July 31, 2020: Department of the Treasury imposes sanctions against one Chinese government entity and two government officials in connection with rights abuses against ethnic minorities in Xinjiang.

Aug. 7, 2020: Department of the Treasury sanctions 11 Hong Kong and mainland Chinese officials for undermining Hong Kong’s autonomy, including Hong Kong Chief Executive Carrie Lam.


Aug. 11, 2020: Trump says in a Fox Sports Radio interview: “I had a great relationship with President Xi. I like him, but I don’t feel the same way now.”

Aug. 12, 2020: In a speech in the Czech Republic, Pompeo argues that the Chinese Communist Party poses a greater threat than Russia.

Aug. 13, 2020: Department of Justice announces charges against a former CIA officer for conspiracy to communicate national defense information to aid the PRC.

Aug. 13, 2020: Department of Commerce announces that it will expand existing restrictions by preventing Huawei from acquiring chips made outside the US but developed or produced with US software or technology. It adds another 38 Huawei affiliates in 21 countries to its Entity List.


Aug. 18, 2020: At a campaign rally in Yuma, Arizona, Trump says, “I canceled talks with China...I don’t want to talk to China right now.”

Aug. 19, 2020: Department of State announces the suspension or termination of three bilateral agreements with Hong Kong.

Aug. 24, 2020: TikTok sues the US government over Trump’s executive order banning the app in the US if not sold by its Chinese parent company in 45 days.


Aug. 25, 2020: Trade Representative Robert Lighthizer and Treasury Secretary Steve Mnuchin *hold* a call with Chinese Vice Premier Liu He on implementation of the Phase One trade deal between the US and China.

Aug. 26, 2020: Department of State *imposes* visa restrictions on PRC individuals accused of “large-scale reclamation, construction, or militarization of disputed outposts in the South China Sea.”

Aug. 26, 2020: Department of Commerce *adds* 24 Chinese companies to the Entity List for helping build military islands in the South China Sea.


Aug. 27, 2020: US Navy Arleigh Burke-class guided-missile destroyer *USS Mustin* *conducts* a freedom of navigation operation in the South China Sea.

Aug. 27, 2020: Esper *delivers* a speech at the Daniel K. Inouye Asia Pacific Center for Security Studies on countering China’s “malign strategy.”

Aug. 28, 2020: China’s Ministry of Commerce *updates* export control rules to cover technologies deemed sensitive.


*Chronology prepared by CSIS Research Interns Aidan Powers-Riggs and Benjamin Parker*