

COMPARATIVE

CONNECTIONS

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-PACIFIC

US-CHINA RELATIONS

THE TRADE DEAL FALLS THROUGH

BONNIE S. GLASER, CSIS
KELLY FLAHERTY, CSIS

US-China trade talks collapsed after China reneged on a significant portion of a draft agreement that had been painstakingly written by US and Chinese negotiators. After Donald Trump and Xi Jinping met on the sidelines of the G20 in Osaka, talks resumed but failed to make progress. Acting Secretary of Defense Patrick Shanahan met Defense Minister Wei Fenghe and both delivered speeches at the Shangri-La Dialogue in Singapore. The US sold two arms packages to Taiwan totaling over \$10 billion, which included *M1A2T Abrams* tanks, 250 *Stinger* missiles, and 66 *F16V* fighter jets. The 26th ASEAN Regional Forum (ARF) provided an opportunity for Secretary of State Mike Pompeo and Foreign Minister Wang Yi to meet. The navies of both the US and China conducted drills in the South China Sea, and US Navy ships conducted three freedom of navigation operations (FONOPs) in the Spratlys. Pro-democracy demonstrations in Hong Kong began in early June and continued throughout the summer with spasms of violence by Hong Kong police and protesters. Beijing accused the US of being behind the protests, a charge that Washington adamantly denied.

This article is extracted from *Comparative Connections: A Triannual E-Journal of Bilateral Relations in the Indo-Pacific*, Vol. 21, No. 2, September 2019. Preferred citation: Bonnie S. Glaser and Kelly Flaherty, "US-China Relations: The Trade Deal Falls Through" *Comparative Connections*, Vol. 21, No. 2, pp 21-38.

China redlines the draft

There was much optimism in early May that a trade deal could be secured in the next round of negotiations, with US Department of Treasury Secretary Steven Mnuchin later [recalling](#) the deal as “90 percent of the way there” at that point in time. However, hopes for reaching a deal were dashed in one cable from Beijing, and US-China trade relations have yet to find stable ground.

After Washington sent a nearly 150-page draft agreement, the culmination of months of back-and-forth negotiations between both sides, Beijing allegedly [cabled](#) back a heavily redlined version that reneged on several key US demands. The US immediately responded with more tariffs, described in [tweets](#) by President Donald Trump as an increase from 10% to 25% on \$200 billion of Chinese goods that would take effect on May 10, followed by the threat of a new 25% tariff on an additional \$325 billion of imported Chinese goods. The tariff increase was [confirmed](#) via a notice on the Federal Register on May 9 and put into action the following day. Trump blamed the setback on China, [exclaiming](#) at a rally in Florida that Beijing “broke the deal” and would have to pay for its actions by way of the new tariffs. China was quick to [slap](#) retaliatory tariffs on \$60 billion of US products for implementation on June 1.

While China’s substantial editing of a potential deal was the final nail in the coffin for any near-term progress in the talks, there was plenty of speculation surrounding the root causes of the collapse. In Trump’s [words](#), “the reason for the China pullback & attempted renegotiation of the Trade Deal is the sincere HOPE that they will be able to ‘negotiate’ with Joe Biden or one of the very weak Democrats,” clearly conveying his opinion that China was pumping the breaks on a agreement until after the 2020 US presidential election. From China’s side, a *Xinhua* commentary [claimed](#) that “at the negotiating table, the US government presented a number of arrogant demands to China, including restricting the development of state-owned enterprises.” There had been rumors of opposition from SOEs to a trade deal that would in any way impact the subsidies and benefits they receive from the government. Some observers posited that the deal simply collapsed under the weight of too many vested interests on both sides.

While a Chinese delegation led by Vice Premier Liu He visited Washington on May 8 as scheduled, the brief negotiations amounted to little more than a half-hearted attempt to signal amiability and a willingness to keep talking. In an unusual break in pattern, Liu [shared](#) concrete details after the meeting about the three points of contention that remained and would need to be remedied before coming to any agreement. First, Liu stated, “if a deal is to be reached, the tariffs should all be eliminated.” Second, he maintained that there were significant differences regarding the amount of US goods China would purchase, which had supposedly been finalized during Trump’s meeting with Xi Jinping in Buenos Aires. Liu [noted](#) that this disagreement was “a very serious issue.” Third, he insisted that the text of any deal must be balanced and fair, as “any country needs its own dignity” and China “will not make concessions on matters of principle.” The post-mortem from the US side came directly from Trump in the form of a multi-day tweet storm, where he [reiterated](#) that “China felt they were being beaten so badly in the recent negotiation that they may as well wait around for the next election” while [insisting](#) that “[the US is] right where we want to be with China.”

One step forward...

US-China acrimony on trade continued into June with accusatory tweets by Trump and an occasional biting retort from Beijing, such as the [remark](#) by then Vice Foreign Minister Zhang Hanhui that the US was employing “naked economic terrorism” against China by “deliberately provoking trade disputes.” The G20 Osaka Summit at the end of June provided an opportunity for Trump and Xi to meet face-to-face, with many hoping that the meeting would resuscitate negotiations. Deputy-level conversations commenced in the weeks leading up to the G20, including a [visit](#) to Washington by Vice Foreign Minister Zheng Zeguang, and a [phone call](#) between Liu, Mnuchin, and US Trade Representative (USTR) Robert Lighthizer. The Trump-Xi meeting occurred on June 29 in Osaka, and [according](#) to Trump went “far better than expected.” The US [agreed](#) to not impose further tariffs on Chinese goods and to continue negotiations in pursuit of a trade deal. Trump also told reporters that China would buy “a tremendous amount of food and agricultural product ... almost immediately.” *Xinhua* echoed the stances on no further US tariffs and continued talks; however, China [refuted](#)

Trump's claim that they agreed to more farm product purchases. This contradiction overshadowed the points of agreement and cast doubt on whether there was a concrete basis for talks moving forward.



Figure 1 President Trump and President Xi meet for bilateral talks on the sidelines of the G20 Summit in Osaka, Japan. Photo: The White House

Liu, Mnuchin, and Lighthizer held a brief phone call on July 9 to “[exchange] views on the consensus reached by the heads of the two countries during their meeting in Osaka,” [according](#) to the Chinese Ministry of Commerce’s statement. The trio [spoke](#) again nine days later, for the purpose of “implementing the consensus reached by [Trump and Xi]” as well as discussing the next round of talks. The seemingly positive calls sandwiched another Trump tweet spree, in which he [accused](#) China of “wish[ing] it had not broken the original deal in the first place” and championed the efficacy of the latest tariffs. He also complained about the lack of agricultural purchases since the alleged agreement in Osaka, but optimistically mused that “hopefully they will start soon!”

On July 24, the White House [announced](#) that Lighthizer and Mnuchin would meet Liu on July 30 “to continue negotiations aimed at improving the trade relationship between the United States and China.” The talks were scheduled to take place in Shanghai, a change of scene from previous rounds alternating between Beijing and Washington. A pessimistic tweet from Trump on the day the talks were scheduled to begin [exclaimed](#) that China “always change[s] the deal in the end to their benefit.” The *Global Times*, a nationalist tabloid owned by the Communist Party mouthpiece *People’s Daily*, hit back in response to Trump’s harsh words, [writing](#) that “the US has to change its bad habit

of using tough talk to cheer on its negotiating team.” The swirling tensions outside of the negotiating room did little to combat the general consensus that nothing substantial would come from the conversations. Chinese experts and other sources with knowledge of the discussions [posited](#) that China no longer felt a rush to get a deal completed, though the image of continuing negotiations in earnest was still important to uphold. This was compounded by the impending Beidaihe meeting, an annual summer retreat for China’s top leaders to discuss policies and issues in a private, closed-door setting. Xi could not risk projecting weakness in the run-up to this important gathering, where his policies were certain to be debated by the senior leadership.

After talks in Shanghai, the White House press secretary’s [statement](#) highlighted China’s agreement to purchase more agricultural goods and the expectation that “negotiations on an enforceable trade deal” would continue in Washington in early September. China’s Ministry of Commerce [confirmed](#) the agreement on agricultural purchases this time, acknowledging that “China will increase its procurement of US agricultural products according to domestic needs.” Nevertheless, Mnuchin and Lighthizer effectively returned to Washington empty-handed, [reporting](#) that China made no new proposals for a trade deal and would not revisit the draft agreement from early May.

Likely out of frustration as well as a belief that he could pressure Beijing to make concessions, Trump doubled down on his tariff strategy. Despite the ongoing talks, he [tweeted](#) the US would place a “small additional Tariff of 10% on the remaining \$300 billion of Chinese imports to the US.” Predictably, China retaliated, this time by suspending the promised purchases of US agricultural products and devaluing the Renminbi to its lowest rate since 2008. Trump expressed his disappointment, [tweeting](#) on Aug. 13 that “China said they were going to be buying ‘big’ from our great American Farmers. So far they have not done what they said.” The US Department of the Treasury hit back against the devaluation, [releasing](#) a statement that “Secretary Mnuchin, under the auspices of President Trump, has today determined that China is a Currency Manipulator.” The People’s Bank of China [denied](#) the accusation and called the move an “arbitrary unilateral and protectionist practice.” Beijing moved to [stabilize](#) the yuan the following day. In a

potentially positive turn of events the next week, the Office of the USTR [announced](#) that the tariff hike scheduled for Sept. 1 would be postponed until Dec. 15 for certain products, including cell phones, laptops, and some clothing.

...Two steps backward

On Aug. 23, China's Ministry of Finance [announced](#) a batch of retaliatory tariffs on the US, mimicking the Sept. 1 and Dec. 15 effective dates on which the US scheduled its tariff increases. A predictably fiery response from Trump's phone soon followed. After an impassioned criticism of the Federal Reserve, he [tweeted](#) "My only question is, who is our bigger enemy, [Federal Reserve Chair] Jay Powell or Chairman Xi?" His subsequent eight tweets on the trade war [exclaimed](#) "we don't need China," [ordered](#) US companies to "immediately start looking for an alternative to China," and announced new tariffs. Trump [declared](#) that beginning Oct. 1, the Chinese goods currently taxed at 25% would increase to 30%, [followed](#) by an increase in the 10% tariffs still scheduled for Sept. 1 to 15%.

A measured response from Liu He came two days later, when he [stated](#) China's desire to continue consultations with a "calm attitude," eliciting a stunning reversal from Trump on his stance from 36 hours prior. The president [described](#) Xi as "a great leader ... representing a great country" and assured his Twitter followers that "talks are continuing." Speaking from the G7 Summit in France on Aug. 26, Trump [claimed](#) that the US had received two phone calls from China asking to revitalize trade negotiations in hopes of reaching a deal. What followed was yet another refutation, this time publicly from the Chinese Ministry of Foreign Affairs spokesperson Geng Shuang, who [stated](#) "I am not aware of the phone calls over the weekend." When questioned at a press conference the next day, Geng again [denied](#) knowing anything about a phone call taking place.

Trump's aides later privately admitted that the calls did not happen, and the president was simply looking to inject some optimism to boost the US stock market, which had plummeted after he referred to Xi Jinping as an enemy and announced another hike in tariffs. On Aug. 28, Trump [offered](#) reassurance that the US was still "doing very well with China." The next day, Chinese Ministry of Commerce spokesperson

Gao Feng [told](#) reporters that "the most important thing is to create the necessary conditions for continuing negotiations." In Beijing's view, that meant reaching an understanding on lifting the tariffs and negotiating with sincerity. Gao repeated that message on Aug. 30 and said the two countries are discussing whether the September round of negotiations will go forward as planned.

Huawei hardships

On May 15, the US Department of Commerce officially [added](#) China's Huawei Technologies Co. Ltd. to the Bureau of Industry and Security's Entity List. The list imposes strict limitations and regulations on foreign businesses, governments, people, and institutions that might pose a national security risk. US Secretary of Commerce Wilbur Ross explained that adding Huawei to the list "will prevent American technology from being used by foreign owned entities in ways that potentially undermine US national security or foreign policy interests." Chinese Foreign Ministry spokesperson Lu Kang [replied](#) shortly after, accusing the US of "hinder[ing] 5G development, application, and cooperation" and "politiciz[ing] this issue." A week later, President Trump [commented](#) to reporters that Huawei could be part of a trade deal with China, the [second](#) time he referenced such a possibility.

After a mildly favorable G20 summit in late June, the US relaxed its stance by [announcing](#) that "to implement [Trump's] G20 summit directive ... Commerce will issue licenses [for sales to Huawei] where there is no threat to US national security." This followed Trump's post-summit [tweet](#) detailing his conversation with Xi, which also noted that the agreement came "at the request of [US] High Tech companies."

By mid-August, the Department of Commerce [expanded](#) its Entity List to include an additional 46 Huawei affiliates, bringing the total to over 100 people and organizations with Huawei ties. At the same time, the department's press release announced that it would extend its licensing to "narrow exceptions" and authorize "specific, limited engagements in transactions" with Huawei for an additional 90 days to give US companies more time to adjust. Pursuant to the National Defense Authorization Act, the Trump administration also [moved](#) forward with restricting government agencies and contractors from working with Huawei. Despite

the lack of clarity in policy regarding Huawei, Secretary of State Pompeo confidently [stated](#) that “President Trump has been unambiguous” in his stance on working with Huawei, denying any “mixed messages.”

Dueling speeches at the Shangri-La Dialogue

Patrick Shanahan, who served briefly as acting US secretary of defense, delivered a [speech](#) at the annual IISS-hosted Shangri-La Dialogue in Singapore May 31 – June 2. Striking a more conciliatory tone toward China than expected, Shanahan recalled China’s cooperation with the West in the fight against “imperialism, fascism, and the Soviet domination in decades past,” noting that China “could still have a cooperative relationship with the US.” He maintained that competition between the two countries should be welcomed, not feared, and that “competition does not mean conflict.” At the same time, he called on China to cease behavior that “erodes other nations’ sovereignty and sows distrust of China’s intentions.”

The following day, State Councilor and Minister of National Defense Gen. Wei Fenghe took the podium, the first time since 2011 that a minister-level PLA officer has participated in the Asian security dialogue. Wei staunchly [defended](#) Chinese interests, pledging that the Chinese military would fight to preserve national unity in the face of any attempt to split Taiwan from China. Regarding the South China Sea, Wei charged that instability emanates from “large-scale force projection and offensive operations in the region,” not Chinese actions. He called for the US and China to implement the consensus reached by their presidents to promote a relationship of “coordination, cooperation, and stability,” to make the bilateral military relationship a “stabilizer” for overall ties.

Before the opening of the Shangri-La Dialogue, Shanahan and Wei had a brief bilateral meeting. Wei was reportedly rattled when Shanahan gave him a “gift” that was a photo album containing pictures of illegal “ship-to-ship transfers of oil” that allegedly took place in Chinese waters in violation of UN sanctions. In his formal speech, Wei characterized the interaction as “a candid and practical discussion,” noting that the two “reaffirmed the importance of maintaining communication” and agreed “to develop a constructive military-to-military relationship.”

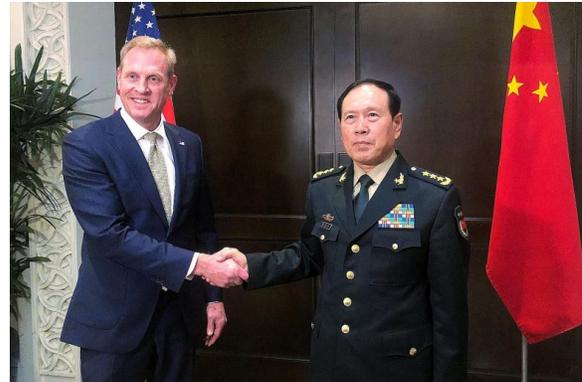


Figure 2 US Acting Defense Secretary Patrick Shanahan and Chinese Defense Minister Wei Fenghe meeting on the sidelines of the Shangri-La Dialogue. Photo: Reuters

US strengthens ties with Taiwan

The US Department of Defense timed the release of a new [Indo-Pacific Strategy Report](#) to coincide with the Shangri-La Dialogue. The report’s “message from the Secretary of Defense” asserted that “the People’s Republic of China, under the leadership of the Chinese Communist Party, seeks to reorder the region to its advantage by leveraging military modernization, influence operations, and predatory economics to coerce other nations.” A section of the report entitled “Strengthening Partnerships” lumped together Singapore, Taiwan, New Zealand, and Mongolia, describing those countries as “reliable, capable, and natural partners of the United States” that “contribute to US missions around the world and are actively taking steps to uphold a free and open international order.” It was the first time that Taiwan had been referred to as a country in a US government document.

In May, July, and August, US Navy ships sailed through the Taiwan Strait. On each occasion, a spokesman for the US Navy’s Seventh Fleet issued a statement asserting that the ships’ transit “demonstrates the US commitment to a free and open Indo-Pacific.” Consistent with prior practice, Beijing issued demarches to the United States, claiming that the US transits were provocative and “not conducive to peace and stability in the Taiwan Strait and US-China relations.” The US Navy sailings through the Strait had been conducted monthly beginning in October 2018, but no transit took place in June.

The Trump administration notified Congress in July of a possible sale to Taiwan of \$2.2 billion in weapons. The package included 108 *M1A2T*

Abrams [tanks](#), 250 *Stinger* [missiles](#), mounted machine guns, ammunition, *Hercules* armored vehicles for recovering inoperative tanks, heavy equipment transporters, and related support. There were [reports](#) that US approval of an \$8 billion sale of 66 *F-16V* fighter jets to Taiwan was delayed due to US-China trade talks. Members of Congress warned against using Taiwan as a bargaining chip to win concessions from Beijing.

The fighter jet sale was ultimately approved, and Congress was notified of the possible sale on Aug. 20. The Defense Security Cooperation Agency's news release [stated](#) that "This proposed sale will contribute to the recipient's capability to provide for the defense of its airspace, regional security, and interoperability with the United States." China protested both arms sales, insisting that they interfered with China's internal affairs and harmed Chinese sovereignty and security interests. China's Foreign Ministry spokesperson said Beijing would take all necessary measures to defend Chinese interests. and after the fighter jet sale was announced, the spokesman said that China would [impose](#) sanctions on US companies involved in the planned sales.

Taiwan's President Tsai Ing-wen transited two US cities in July as part of a visit to diplomatic partners in the Caribbean. In a departure from past practice, Tsai was permitted to spend two nights in both New York and Denver. In New York City, she met the permanent representatives to the United Nations from countries that have diplomatic ties with Taiwan, attended a meeting with US business leaders, and hosted a dinner that included leading members of Congress. China's Foreign Ministry spokesman [demanded](#) that the US "stop official exchanges with Taiwan." The Department of State [described](#) Tsai Ing-wen's transit as "private and unofficial."

An unprecedented visit to Washington DC in May by David Lee, the secretary general of Taiwan's National Security Council in May at the invitation of US National Security Adviser John Bolton, was also roundly condemned by Beijing. Foreign Ministry spokesperson Lu Kang [told](#) the media that "China is strongly dissatisfied with and resolutely opposed" to official contact between the US and Taiwan "in any form" and "under any excuse."

ASEAN Regional Forum and South China Sea activity

Senior diplomats from around the Asia-Pacific region assembled in Bangkok in early August for the 26th ASEAN Regional Forum (ARF). Secretary of State Pompeo met Foreign Minister Wang Yi on the sidelines and posted on Twitter that "When it advances US interests, we are ready to cooperate with China." After their meeting, Wang [told](#) the media that Pompeo conveyed that the US has no intention to contain China's development and does not seek to restrict people-to-people exchanges. *Xinhua* reported that Wang "made clear China's positions on the South China Sea, Xinjiang, Hong Kong and Taiwan, and urged the US side to choose its words to respect the core interests and major concerns of the Chinese side." In his speech to the ARF, Pompeo insisted that Washington was not pressing Indo-Pacific nations to "take sides" between the US and China.

The navies of both the United States and China conducted various operations in the South China Sea between May and August. The US Navy conducted back-to-back freedom of navigation operations (FONOPs) in May. On May 6, two *Arleigh-Burke*-class guided-missile destroyers, the *USS Preble* and *USS Chung Hoon*, sailed within 12 nm of Gaven and Johnson Reefs in the Spratly Islands. Both reefs were expanded into larger features by Chinese land reclamation and have since been militarized. Two weeks later, the *USS Preble* conducted a FONOP within 12 nm of Scarborough Shoal. Another FONOP took place at the end of August when the *Wayne E. Meyer*, a US Navy destroyer, sailed within 12 nm of Fiery Cross and Mischief Reefs. After each FONOP, the US Navy's Seventh Fleet spokesman maintained that the operations were intended to challenge excessive maritime claims and preserve access to the waterways as governed by international law, and to demonstrate that the US will fly, sail, and operation wherever international law allows.

Earlier in May, the destroyer *USS William P. Lawrence* joined ships from Japan, the Philippines, and India in a cruise through the South China Sea, conducting formation exercises and other low-profile drills. US Coast Guard Cutter *Bertholf* performed drills with two Philippine ships near Scarborough Shoal for the first time ever, just one week prior to the US Navy FONOP around that feature. The vessels were monitored closely by Chinese ships from

less than 3 nm away as they carried out search and rescue tactics.

A joint exercise involving two aircraft carrier strike groups (CSG) – the *USS Ronald Reagan* and Japan’s *Izumo* carrier group – was held in the South China Sea in mid-June. One month later, the *Ronald Reagan* CSG made a two-day port call in Manila, signaling US support for the Philippines in its territorial dispute with China.

China launched six anti-ship ballistic missiles into two zones in the South China Sea on July 1, in the first open sea test of what are sometimes referred to as “aircraft carrier killer” missiles that can maneuver to target moving ships at sea. China’s Ministry of Defense maintained that the firings were part of an annual training plan. Speaking at the Aspen Security Forum in mid-July, the head of Indo-Pacific Command Adm. Philip Davidson [revealed](#) that China also test-fired the *JL-3*, a new submarine-launched ballistic missile that can carry nuclear weapons. Davidson also said that he had requested the establishment of a crisis communication channel with China’s Southern Theater Command and Eastern Theater Command but had not received any response from the PLA.

Amid reports of Chinese interference with oil and gas activities in waters near Vanguard Bank in Vietnam’s Exclusive Economic Zone, the US Department of State [issued](#) a statement on July 20 calling on China to “cease its bullying behavior and refrain from engaging in ... provocative and destabilizing activity.” The statement also condemned Chinese pressure on ASEAN countries to accept code of conduct provisions aimed at restricting their right to partner with third party companies or countries, noting that such pressure reveals China’s “intent to assert control over oil and gas resources in the South China Sea.”

One month later, the Department of State [issued](#) another statement, criticizing China for taking “a series of aggressive steps to interfere with ASEAN claimants’ longstanding, well-established economic activities.” The statement asserted US commitment to “bolstering the energy security” of US partners and allies in the Indo-Pacific region. In a tweet, National Security Adviser Bolton called China’s “recent escalation of efforts to intimidate others out of developing resources in the South China Sea is disturbing.”

Hong Kong protests

On June 9, Hong Kong protesters held a huge demonstration to signal their opposition to a bill that would allow the city to extradite individuals accused of certain crimes to mainland China. Despite the announcement by Hong Kong’s Chief Executive Carrie Lam that the extradition bill was “dead,” demonstrations continued and confrontations between Hong Kong police and protesters escalated with many instances of violence involving protesters hurling objects toward police, and police using tear gas and, in some cases, excessive force to disperse protesters. Demonstrators demanded the resignation of Lam, greater democracy for Hong Kong, and an official inquiry into police brutality.

After weeks of editorials in state media blaming the US for the chaos, Beijing publicly accused the US in late July of being behind the unrest in Hong Kong. Referring to the protests, China’s Foreign Ministry spokeswoman Hua Chunying [said](#) at a press conference that “they are somehow the work of the US,” and warned that China would not allow foreign forces to interfere. “Those who play (with) fire will only get themselves burned,” she stated. The State Department denied the accusation, issuing a statement which said that “We categorically reject the charge of foreign forces as being behind the protests.”

China’s allegations of US interference in Hong Kong intensified in August when Chinese state media outlets circulated a photo of Julie Eadeh, the political division chief of the US Consulate General in Hong Kong, meeting in a hotel lobby with well-known members of the pro-democracy movement. Articles in authoritative newspapers such as the *China Daily* claimed that the meeting was evidence that the US “black hand” was behind the protests. A State Department spokesman condemned China for publishing personal information about Eadeh and called China a “thuggish regime.” US officials denied that Washington was backing the Hong Kong protests, insisting that the demonstrations reflected the concerns of the people of Hong Kong.

President Trump initially appeared disinterested in the Hong Kong protests as he focused on the trade negotiations. According to the *Financial Times*, Trump [told](#) Xi Jinping in a phone conversation in mid-June and reiterated

in a face-to-face meeting with Xi on the sidelines of the G20 in Osaka that the US would tamp down criticism of Beijing's handling of the Hong Kong protests if Xi would agree to revive the trade talks.

On July 22, in [remarks](#) to reporters, Trump appeared to side with Beijing: "I think President Xi of China has acted responsibly, very responsibly – they've been out there protesting for a long time," adding "I hope that President Xi will do the right thing." On Aug. 1, Trump doubled down on that approach, echoing language used by Chinese Communist Party officials, [referring](#) to the Hong Kong protests as "riots." "Somebody said that at some point they're going to want to stop that," he added. "But that's between Hong Kong and that's between China, because Hong Kong is a part of China."

As video appeared on the internet of Chinese People Armed Police conducting drills with anti-riot gear in Shenzhen, Trump tweeted on Aug. 13, that US intelligence had informed him that Chinese were moving troops to the border with Hong Kong, saying "Everyone should be calm and safe!" He was widely criticized for not calling for restraint.

The following day, in a remarkable about-face, Trump tweeted that if China wants to make a deal, it would have to "work humanely with Hong Kong first." Referring to Xi as a "great leader who very much has the respect of his people," he said he had "ZERO doubt" that Xi could quickly and humanely solve the Hong Kong problem, and proposed that Xi meet with the protesters. That morning, Commerce Secretary Ross [told](#) CNBC's "Squawk Box" that the dispute between China and Hong Kong was an internal matter, and said the US had no role to play.

A few days later, Trump appeared to link Hong Kong, human rights, and trade in an effort to gain leverage over Beijing in the trade talks. During an impromptu press conference at Morristown Airport in New Jersey, Donald Trump [said](#) reaching a trade deal with China would be "very hard" if the Chinese government responded to the protests in Hong Kong with violence, saying "if it's another Tiananmen Square, I think it's a very hard thing to do."

Pompeo-Yang meeting in New York

On short notice, member of the Political Bureau of the Central Committee of the Chinese Communist Party and Director of the Chinese Communist Party Foreign Affairs Office Yang Jiechi traveled to New York to meet Secretary of State Pompeo. A State Department spokesperson [indicated](#) that Pompeo briefed Yang on President Trump's meeting with North Korean leader Kim Jong Un and underscored the need to comply with UN sanctions. Other topics discussed included the protests in Hong Kong and US arms sales to Taiwan, but those topics were not reported. On the same day that the meeting took place, China [denied](#) requests for two US Navy ships to visit Hong Kong in mid-August and September. In late August, Beijing [turned down](#) another US Navy request to send a warship to China's eastern city of Qingdao.

Going forward

The Trump-Xi meeting at the G20 summit in Buenos Aires back in November 2018 opened a window of opportunity to reach a trade agreement. At the time, both Washington and Beijing appeared keen to strike a deal. However, this window is now likely closed as both sides have retreated to their bases, unwilling to compromise and preoccupied by the increasing buzz of domestic politics. After months of Trump's shenanigans, Beijing appears to have lost confidence in the negotiations and concluded that the US is not serious about closing a deal. Washington seems to believe that China will eventually cave under US pressure. Both sides have regressed to tit-for-tat tariffs, punitive language, and a dizzying array of flip-flopping attitudes toward one another. Without an about-face from either side, the trade war appears destined to drag on.

CHRONOLOGY OF US-CHINA RELATIONS

MAY – AUGUST 2019

May 1, 2019: China's [ban](#) on all Fentanyl products and variants of the drug enters into effect.

May 5, 2019: Donald Trump [tweets](#): "For 10 months, China has been paying Tariffs to the USA of 25% on 50 Billion Dollars of High Tech, and 10% on 200 Billion Dollars of other goods. These payments are partially responsible for our great economic results. The 10% will go up to 25% on Friday. 325 Billions Dollars ... [of](#) additional goods sent to us by China remain untaxed, but will be shortly, at a rate of 25%. The Tariffs paid to the USA have had little impact on product cost, mostly borne by China. The Trade Deal with China continues, but too slowly, as they attempt to renegotiate. No!"

May 6, 2019: Trump [tweets](#): "The United States has been losing, for many years, 600 to 800 Billion Dollars a year on Trade. With China we lose 500 Billion Dollars. Sorry, we're not going to be doing that anymore!"

May 6, 2019: US Secretary of State Mike Pompeo [issues](#) statement rejecting China's application to be a "near-Arctic state," saying Beijing's "pattern of aggressive behavior elsewhere should inform what we do and how it might treat the Arctic."

May 6, 2019: *USS Preble* and the *USS Chung-Hoon* [sail](#) within 12 nm of disputed Gaven and Johnson reefs in the South China Sea.

May 7, 2019: House of Representatives Committee on Foreign Affairs [holds](#) a hearing titled: China's Expanding Influence in Europe and Eurasia.

May 8, 2019: Trump [tweets](#): "The reason for the China pullback & attempted renegotiation of the Trade Deal is the sincere HOPE that they will be able to "negotiate" with Joe Biden or one of the very weak Democrats, and thereby continue to ripoff the United States ((\$500 Billion a year)) for years to come.... [Guess](#) what, that's not going to happen! China has just informed us that they (Vice-Premier) are now coming to the US to make a deal. We'll see, but I am very happy with over \$100 Billion a year in Tariffs filling US coffers...great for US, not good for China! The reality is, with the Tariffs, the economy has grown more rapidly in the United States and much more slowly in China."

May 8, 2019: House of Representatives Committee on Foreign Affairs [holds](#) a hearing titled: China's Growing Influence in Asia and the United States.

May 9, 2019: House of Representatives Committee on Foreign Affairs [holds](#) a hearing titled: Chinese and Russian Influence in the Middle East.

May 9, 2019: House of Representatives Committee on Foreign Affairs [holds](#) a hearing titled: Dollar Diplomacy or Debt Trap? Examining China's Role in the Western Hemisphere.

May 9, 2019: US Federal Communications Commission [votes](#) against China Mobile's application to provide phone service in the US, citing national security risks.

May 10, 2019: Trump [tweets](#): "Over the course of the past two days, the United States and China have held candid and constructive conversations on the status of the trade relationship between both countries. The relationship between President Xi and myself remains a very strong one, and conversations ... [into](#) the future will continue. In the meantime, the United States has imposed Tariffs on China, which may or may not be removed depending on what happens with respect to future negotiations!"

May 11, 2019: Trump [tweets](#): “I think that China felt they were being beaten so badly in the recent negotiation that they may as well wait around for the next election, 2020, to see if they could get lucky & have a Democrat win – in which case they would continue to rip-off the USA for \$500 Billion a year....”

May 12, 2019: Trump [tweets](#): “We are right where we want to be with China. Remember, they broke the deal with us & tried to renegotiate. We will be taking in Tens of Billions of Dollars in Tariffs from China. Buyers of product can make it themselves in the USA (ideal), or buy it from non-Tariffed countries.... [We](#) will then spend (match or better) the money that China may no longer be spending with our Great Patriot Farmers (Agriculture), which is a small percentage of total Tariffs received, and distribute the food to starving people in nations around the world! GREAT! #MAGA”

May 12, 2019: Trump [tweets](#): “China is DREAMING that Sleepy Joe Biden, or any of the others, gets elected in 2020. They LOVE ripping off America!”

May 13, 2019: Trump [tweets](#): “There is no reason for the US Consumer to pay the Tariffs, which take effect on China today. This has been proven recently when only 4 points were paid by the US, 21 points by China because China subsidizes product to such a large degree. Also, the Tariffs can be ... [completely](#) avoided if you buy from a non-Tariffed Country, or you buy the product inside the USA (the best idea). That’s Zero Tariffs. Many Tariffed companies will be leaving China for Vietnam and other such countries in Asia. That’s why China wants to make a deal so badly!... [There](#) will be nobody left in China to do business with. Very bad for China, very good for USA! But China has taken so advantage of the US for so many years, that they are way ahead (Our Presidents did not do the job). Therefore, China should not retaliate–will only get worse!”

May 13, 2019: Trump [tweets](#): “I say openly to President Xi & all of my many friends in China that China will be hurt very badly if you don’t make a deal because companies will be forced to leave China for other countries. Too expensive to buy in China. You had a great deal, almost completed, & you backed out!”

May 13, 2019: Trump [tweets](#): “The unexpectedly good first quarter 3.2% GDP was greatly helped by Tariffs from China. Some people just don’t get it!”

May 14, 2019: Trump [releases](#) an eight-part tweetstorm about raising tariffs on China, referencing the steel industry, farmers, his personal friendship with Xi Jinping, and the US Federal Reserve regarding more economic stimulus to match China’s own stimulus plans.

May 15, 2019: President Trump [issues](#) executive order titled “Executive on Securing the Information and Communications Technology and Services Supply Chain.”

May 15, 2019: Department of Commerce [announces](#) the addition of Huawei Technologies Co. Ltd. and its affiliates to the Entity List.

May 15, 2019: Congressional Executive Commission on China [holds](#) a hearing titled “Hong Kong’s Future in the Balance: Eroding Autonomy and Challenges to Human Rights.”

May 16, 2019: House of Representatives Permanent Select Committee on Intelligence [holds](#) a hearing titled: “China’s Digital Authoritarianism: Surveillance, Influence, and Political Control.”

May 19–25, 2019: US Ambassador to China Terry Branstad [travels](#) to Tibet for meetings and visits to religious and cultural heritage sites.

May 20, 2019: *USS Preble* [sails](#) within 12 nm of Scarborough Shoal in the South China Sea.

May 20, 2019: Trump [tweets](#): “Looks like Bernie Sanders is history. Sleepy Joe Biden is pulling ahead and think about it, I’m only here because of Sleepy Joe and the man who took him off the 1% trash heap, President O! China wants Sleepy Joe BADLY!”

May 21, 2019: Defense officials from the United States and China [meet](#) in Washington DC, for the third Asia-Pacific Security Dialogue.

May 24, 2019: President Trump [announces](#) that Chinese telecom company Huawei’s blacklisted status on the US could be part of a US-China trade deal.

May 24, 2019: Chinese Foreign Ministry spokesperson [addresses](#) the impact of the trade war on the US agricultural sector.

May 30, 2019: Chinese Vice Foreign Minister Zhang Hanhui [accuses](#) the United States of waging “naked economic terrorism” against Beijing.

May 31-June 2, 2019: Acting US Defense Secretary Patrick Shanahan and Chinese Defense Minister Wei Fenghe [meet](#) briefly on the margins of the 2019 Shangri-La Dialogue in Singapore. They both [deliver](#) speeches.

June 1, 2019: Trump [tweets](#): “Washington Post got it wrong, as usual. The US is charging 25% against 250 Billion Dollars of goods shipped from China, not 200 BD. Also, China is paying a heavy cost in that they will subsidize goods to keep them coming, devalue their currency, yet companies are moving to.....”

June 2, 2019: China's State Council Information Office publishes a white paper [titled](#) “China's Position on the Economic and Trade Consultations.”

June 3, 2019: Secretary of State Mike Pompeo [issues](#) a statement on the events of the 1989 Tiananmen Square protests.

June 3, 2019: Trump [tweets](#): “China is subsidizing its product in order that it can continue to be sold in the USA. Many firms are leaving China for other countries, including the United States, in order to avoid paying the Tariffs. No visible increase in costs or inflation, but US is taking Billions!”

June 4, 2019: Senate Committee on Banking, Housing, and Urban Affairs [holds](#) a hearing titled: “Confronting Threats From China: Assessing Controls on Technology and Investment, and Measures to Combat Opioid Trafficking.”

June 4, 2019: United States Congressional Executive Commission on China [holds](#) a hearing titled: “Tiananmen at 30: Examining the Evolution of Repression in China.”

June 4, 2019: Ministry of Culture and Tourism of China [issues](#) a travel alert for Chinese tourists traveling to the United States.

June 5, 2019: Senate Committee on Foreign Affairs [holds](#) a hearing titled: “Rule By Fear: 30 Years After Tiananmen Square.”

June 6, 2019: President Trump [says](#) he would make a decision about whether to impose a further series of tariffs on Chinese goods after meeting Chairman Xi Jinping at the G20 meeting in Japan later this month.

June 7, 2019: United States-China Economic and Security Review Commission [holds](#) a hearing titled: “Technology, Trade, and Military-Civil Fusion: China’s Pursuit of Artificial Intelligence, New Materials, and New Energy.”

June 9, 2019: Treasury Secretary Steven Mnuchin [meets](#) Yi Gang, the governor of the People’s Bank of China on the margins of the G20 Finance Ministers Meeting.

June 11, 2019: Trump [tweets](#): “...If Mexico produces (which I think they will). Biggest part of deal with Mexico has not yet been revealed! China is similar, except they devalue currency and subsidize companies to lessen effect of 25% Tariff. So far, little effect to consumer. Companies will relocate to US”

June 12, 2019: Trump [tweets](#): “Biden would be China’s Dream Candidate, because there would be no more Tariffs, no more demands that China stop stealing our IP, things would go back to the old days with America’s manufacturers & workers getting shafted. He has Zero Credibility!” @IngrahamAngle So true!”

June 14, 2019: Vice-Foreign Minister Zheng Zeguang [meets](#) White House officials to discuss trade issues and the upcoming meeting between Trump and Xi in Japan.

June 18, 2019: US Deputy Assistant for Defense Policy, Emerging Threats, and Outreach Thomas DiNanno [travels](#) to Beijing for meetings and events focused on outer space security, international security, and arms control.

June 18, 2019: Trump [tweets](#): “Mario Draghi just announced more stimulus could come, which immediately dropped the Euro against the Dollar, making it unfairly easier for them to compete against the USA. They have been getting away with this for years, along with China and others.”

June 18, 2019: Trump [tweets](#): “Had a very good telephone conversation with President Xi of China. We will be having an extended meeting next week at the G-20 in Japan. Our respective teams will begin talks prior to our meeting.”

June 20, 2019: United States–China Economic and Security Review Commission [holds](#) a hearing titled: “A ‘World-Class’ Military: Assessing China’s Global Military Ambitions.”

June 20, 2019: Trump [states](#) at a rally: “I spoke to President Xi, terrific president, great leader of China. I spoke to him this morning at length and we’ll see what happens. But we’re either going to have a good deal and a fair deal or we’re not going to have a deal at all and that’s OK, too.”..

June 21, 2019: US Department of Commerce [adds](#) four Chinese companies and a Chinese institute to the entity blacklist.

June 24, 2019: Trump [tweets](#): “China gets 91% of its Oil from the Strait, Japan 62%, & many other countries likewise. So why are we protecting the shipping lanes for other countries (many years) for zero compensation. All of these countries should be protecting their own ships on what has always been....”

June 25, 2019: Vice Premier Liu He [talks](#) by telephone with US Trade Representative (USTR) Robert Lighthizer and Treasury Secretary Steven Mnuchin to discuss economic and trade issues.

June 26, 2019: President Trump [states](#) his willingness to impose tariffs on \$300 billion worth of Chinese products if an agreement isn’t reach with Chairman Xi in Tokyo.

June 28, 2019: Trump [tweets](#): “After some very important meetings, including my meeting with President Xi of China, I will be leaving Japan for South Korea (with President Moon). While there, if Chairman Kim of North Korea sees this, I would meet him at the Border/DMZ just to shake his hand and say Hello(?)!”

June 29, 2019: President Trump and Chairman Xi [agree](#) to restart trade talks.

June 29, 2019: Trump [tweets](#): “I had a great meeting with President Xi of China yesterday, far better than expected. I agreed not to increase the already existing Tariffs that we charge China while we continue to negotiate. China has agreed that, during the negotiation, they will begin purchasing large ... [amounts](#) of agricultural product from our great Farmers. At the request of our High Tech companies, and President Xi, I agreed to allow Chinese company Huawei to buy product from them which will not impact our National Security. Importantly, we have opened up negotiations ... [again](#) with China as our relationship with them continues to be a very good one. The quality of the transaction is far more important to me than speed. I am in no hurry, but things look very good! There will be no reduction in the Tariffs currently being charged to China.”

July 2, 2019: Chinese Foreign Ministry spokesperson Geng Shuang [urges](#) the US and other countries “to act prudently and not interfere in Hong Kong’s internal affairs.”

July 3, 2019: Trump [tweets](#): “China and Europe playing big currency manipulation game and pumping money into their system in order to compete with USA. We should MATCH, or continue being the dummies who sit back and politely watch as other countries continue to play their games - as they have for many years!”

July 6, 2019: Trump [tweets](#): “Joe Biden is a reclamation project. Some things are just not salvageable. China and other countries that ripped us off for years are begging for him. He deserted our military, our law enforcement and our healthcare. Added more debt than all other Presidents combined. Won’t win!”

July 8, 2019: Pentagon's Defense Security Cooperation Agency (DSCA) [says](#) that the possible sale to Taiwan of \$2.2 billion in weapons serves “US national, economic, and security interests by supporting Taiwan's “continuing efforts to modernize its armed forces and to maintain a credible defensive capability.”

July 9, 2019: USTR Lighthizer and Treasury Secretary Mnuchin [talk](#) by phone with Chinese Vice Premier Liu He and Commerce Minister Zhong Shan.

July 9, 2019: US Chief of Naval Operations (CNO) Adm. John Richardson [holds](#) a video teleconference with Vice Adm. Shen Jinlong, commander of the People's Liberation Army (Navy).

July 11, 2019: US peace envoy to Afghanistan Zalmay Khalilzad [arrives](#) in Beijing to engage in Afghan peace talks.

July 12, 2019: Trump [tweets](#): “Mexico is doing great at the Border, but China is letting us down in that they have not been buying the agricultural products from our great Farmers that they said they would. Hopefully they will start soon!”

July 15, 2019: Trump [tweets](#): “China’s 2nd Quarter growth is the slowest it has been in more than 27 years. The United States Tariffs are having a major effect on companies wanting to leave China for non-tariffed countries. Thousands of companies are leaving. This is why China wants to make a deal ... with the US, and wishes it had not broken the original deal in the first place. In the meantime, we are receiving Billions of Dollars in Tariffs from China, with possibly much more to come. These Tariffs are paid for by China devaluing & pumping, not by the US taxpayer!”

July 15, 2019: Secretary of Defense nominee Mark Esper [says](#) the US needs more bases “throughout the Indo-Pacific region” to counter China’s significant technological advancements.

July 15, 2019: President Trump tells [reporters](#) at the White House that, in reference to Xi: “I used to say he’s a good friend of mine, probably not quite as close now,” ... “But I have to be for our country. He’s for China and I’m for the USA., and that’s the way it’s gotta be.”

July 16, 2019: Trump [tweets](#): ““Billionaire Tech Investor Peter Thiel believes Google should be investigated for treason. He accuses Google of working with the Chinese Government.” @foxandfriends A great and brilliant guy who knows this subject better than anyone! The Trump Administration will take a look!”

July 17, 2019: President Trump holds a public [meeting](#) with victims of religious persecution from around the world including one Uyghur woman and three other people from China.

July 18, 2019: Secretary of State Pompeo [states](#) that “China is home to one of the worst human rights crises of our time; it is truly the stain of the century.”

July 18, 2019: Vice Premier Liu He has a telephone [conversation](#) with USTR Lighthizer and Treasury Secretary Mnuchin.

July 22, 2019: Referring to Hong Kong, President Trump [tells](#) reporters that “I think President Xi of China has acted responsibly, very responsibly – they’ve been out there protesting for a long time,” “I hope that President Xi will do the right thing.”

July 23, 2019: Four Chinese nationals and a Chinese company are [indicted](#) for conspiracy to defraud the United States and evade sanctions.

July 23, 2019: Trump [tweets](#): “Farmers are starting to do great again, after 15 years of a downward spiral. The 16 Billion Dollar China “replacement” money didn’t exactly hurt!”

July 24, 2019: USS *Antietam* [sails](#) through the Taiwan Strait.

July 24, 2019: State Council Information Office of China [releases](#) a defense white paper titled “China’s National Defense in the New Era.”

July 26, 2019: President Trump says in a [proclamation](#) that the US will “use all available means” to change the provision of the WTO which allows countries to decide if they qualify as developing countries.

July 28, 2019: Foreign Minister Wang Yi in an interview with *El Mercurio* [states](#) Washington’s “no-holds-barred use of pressure on China is untenable” and that “China must safeguard its own core interests on issues of China’s sovereignty and dignity.”

July 29, 2019: Trump [tweets](#): “The E.U. and China will further lower interest rates and pump money into their systems, making it much easier for their manufacturers to sell product. In the meantime, and with very low inflation, our Fed does nothing - and probably will do very little by comparison. Too bad! ... countries that know how to play the game against the US That’s actually why the E.U. was formed....and for China, until now, the US has been “easy pickens.” The Fed has made all of the wrong moves. A small rate cut is not enough, but we will win anyway!”

July 29, 2019: Secretary of State Pompeo [says](#) the US hopes “the Chinese will do the right thing with respect to respecting the agreements that are in place with respect to Hong Kong.”

July 30, 2019: Trump [tweets](#): “China is doing very badly, worst year in 27 - was supposed to start buying our agricultural product now - no signs that they are doing so. That is the problem with China, they just don’t come through. Our Economy has become MUCH larger than the Chinese Economy is last 3 years.... My [team](#) is negotiating with them now, but they always change the deal in the end to their benefit. They should probably wait out our Election to see if we get one of the Democrat stiffs like Sleepy Joe. Then they could make a GREAT deal, like in past 30 years, and continue ... to [ripoff](#) the USA, even bigger and better than ever before. The problem with them waiting, however, is that if & when I win, the deal that they get will be much tougher than what we are negotiating now...or no deal at all. We have all the cards, our past leaders never got it! ... [China](#) has lost 5 million jobs and two million manufacturing jobs due to the Trump Tariffs. Trumps got China back on its heels, and the United States is doing great. @AndyPuzder @MariaBartirromo”

July 30-31, 2019: USTR Lighthizer, and Treasury Secretary Mnuchin arrive in Shanghai and [meet](#) Vice Premier Liu to resume trade talks.

Aug. 1, 2019: Trump [tweets](#): “Our representatives have just returned from China where they had constructive talks having to do with a future Trade Deal. We thought we had a deal with China three months ago, but sadly, China decided to re-negotiate the deal prior to signing. More recently, China agreed to ... buy agricultural product from the US in large quantities, but did not do so. Additionally, my friend President Xi said that he would stop the sale of Fentanyl to the United States – this never happened, and many Americans continue to die! Trade talks are continuing, and... during the talks the US will start, on September 1st, putting a small additional Tariff of 10% on the remaining 300 Billion Dollars of goods and products coming from China into our Country. This does not include the 250 Billion Dollars already Tariffed at 25% ... [We](#) look forward to continuing our positive dialogue with China on a comprehensive Trade Deal, and feel that the future between our two countries will be a very bright one!”

Aug. 1, 2019: State Department [releases](#) a statement of concern regarding the sentencing of Huang Qi to 12 years in prison.

Aug. 1, 2019: Secretary Pompeo [meets](#) Chinese State Councilor and Foreign Minister Wang Yi in Bangkok to “address issues of bilateral and regional importance.”

Aug. 2, 2019: Foreign Ministry spokesperson [states](#) “The root cause of the fentanyl issue in the United States does not lie with China. To solve the problem, the United States should look harder for the cause at home.”

Aug. 2, 2019: Foreign Ministry spokesperson [says](#) China will take “necessary countermeasures” to defend its core interests if the US increases tariffs on Chinese goods on Sept. 1.

Aug. 3, 2019: Trump [tweets](#): “Things are going along very well with China. They are paying us Tens of Billions of Dollars, made possible by their monetary devaluations and pumping in massive amounts of cash to keep their system going. So far our consumer is paying nothing - and no inflation. No help from Fed!”

Aug. 5, 2019: Secretary Mnuchin [determines](#) that China is a currency manipulator after the China’s Central Bank allows the yuan to fall below seven yuan per dollar.

Aug. 5, 2019: Trump [tweets](#): “China dropped the price of their currency to an almost a historic low. It’s called “currency manipulation.” Are you listening Federal Reserve? This is a major violation which will greatly weaken China over time! ... [Massive](#) “Massive amounts of money from China and other parts of the world is pouring into the United States for reasons of safety, investment, and interest rates! We are in a very strong position. Companies are also coming to the US in big numbers. A beautiful thing to watch! ... [As](#) they have learned in the last two years, our great American Farmers know that China will not be able to hurt them in that their President has stood with them and done what no other president would do - And I’ll do it again next year if necessary!”

Aug. 5, 2019: China [asks](#) state-owned companies to suspend imports of US agricultural products.

Aug. 6, 2019: Deputy Governor of the People’s Bank of China Chen Yulu [states](#) that labeling China as a currency manipulator is wrong and that that US should “show respect for the truth and resolve the economic and trade disputes with China in a more reasonable and pragmatic way.”

Aug. 7, 2019: White House [releases](#) a congressionally mandated rule to prohibit government agencies from buying certain kinds of Huawei equipment. The rule goes into effect on Aug. 13.

Aug. 10, 2019: Trump [tweets](#): “China wants to make a deal so badly. Thousands of companies are leaving because of the Tariffs, they must stem the flow. At the same time China may be hoping for a Democrat to win so they could continue the great ripoff of America, & the theft of hundreds of Billions of \$’s!”

Aug. 12, 2019: Foreign Ministry spokesperson [remarks](#) that “some senior US politicians and diplomatic officials met and engaged with anti-China rabble-rousers in Hong Kong, criticized China unreasonably, propped up violent and illegal activities and undermined Hong Kong’s prosperity.”

Aug. 13, 2019: Trump [tweets](#): “Through massive devaluation of their currency and pumping vast sums of money into their system, the tens of billions of dollars that the US is receiving is a gift from China. Prices not up, no inflation. Farmers getting more than China would be spending. Fake News won’t report! ... [As](#) usual, China said they were going to be buying “big” from our great American Farmers. So far they have not done what they said. Maybe this will be different!”

Aug. 13, 2019: President Trump [tweets](#): “Many are blaming me, and the United States, for the problems going on in Hong Kong. I can’t imagine why?”

Aug. 13, 2019: President Trump [tweets](#): “Our Intelligence has informed us that the Chinese Government is moving troops to the Border with Hong Kong. Everyone should be calm and safe!”

Aug. 13, 2019: Chinese Ministry of Commerce [says](#) USTR Lighthizer, Treasury Secretary Mnuchin, and Vice Premier Liu agreed to commence trade talks within the next two weeks.

Aug. 13, 2019: Politburo member Yang Jiechi and Secretary Pompeo [meet](#) in New York City.

Aug. 13, 2019: USTR [announces](#) that it will delay and drop some of the [tariffs](#) set to go in effect on Sept. 1, 2019.

Aug. 13, 2019: China [denies](#) US requests for port visits to Hong Kong by the *USS Green Bay* and the *USS Lake Erie*.

Aug. 14, 2019: The State Department issues a travel [advisory](#) for Hong Kong due to the unrest, instructing travelers to exercise increased caution.

Aug. 14, 2019: Trump [tweets](#): “Good things were stated on the call with China the other day. They are eating the Tariffs with the devaluation of their currency and “pouring” money into their system. The American consumer is fine with or without the September date, but much good will come from the short ... [deferral](#) to December. It actually helps China more than us, but will be reciprocated. Millions of jobs are being lost in China to other non-Tariffed countries. Thousands of companies are leaving. Of course China wants to make a deal. Let them work humanely with Hong Kong first!”... [I know](#) “President Xi of China very well. He is a great leader who very much has the respect of his people. He is also a good man in a “tough business.” I have ZERO doubt that if President Xi wants to quickly and humanely solve the Hong Kong problem, he can do it. Personal meeting?”

Aug. 14, 2019: House Foreign Affairs Committee Chairman Eliot Engel and Lead Republican Michael McCaul [issue](#) a statement about China’s threats of military intervention against protesters in Hong Kong.

Aug. 15, 2019: Trump [tweets](#): ““If they don’t get this Trade Deal with the U.S. done, China could have it first recession (or worse!) in years. There’s disinvestment in China right now.”

Aug. 15, 2019: Trump [tweets](#): “If President Xi would meet directly and personally with the protesters, there would be a happy and enlightened ending to the Hong Kong problem. I have no doubt!”

Aug. 18, 2019: President Trump [says](#) reaching a trade deal with China would be “very hard” if the Chinese government responded to the protests in Hong Kong with violence.

Aug. 18, 2019: Trump [tells](#) reporters “Huawei is a company we may not do business with at all,” dismissing the notion that the Commerce Department was expecting to delay the implementation of its penalty on Huawei again.

Aug. 18, 2019: Trump [tweets](#): “We are doing very well with China, and talking!”

Aug. 21, 2019: US Department of the Treasury’s Office of Foreign Assets Control (OFAC) and Treasury’s Financial Crimes Enforcement Network [issue](#) a statement identifying two Chinese nationals as significant foreign narcotics traffickers.

Aug. 23, 2019: China’s Ministry of Finance State Council Tariff Commission [announces](#) new tariffs on US goods valued at \$75 billion. The first list will be implemented on Sept. 1 and the second Dec. 15.

Aug. 23, 2019: Trump announces via eight [tweets](#) that beginning Oct. 1, the \$250 billion of goods from China, currently being taxed at 25% will be taxed at 30% and the remaining \$300 billion of goods slated to be taxed at 10% beginning Sept. 1 will now be taxed at 15%.

Aug. 23, 2019: US Navy ship *USS Green Bay* [passes](#) through Taiwan Strait.

Aug. 26, 2019: Trump [tweets](#): “Great respect for the fact that President Xi & his Representatives want “calm resolution.” So impressed that they are willing to come out & state the facts so accurately. This is why he is a great leader & representing a great country. Talks are continuing!”

Aug. 27, 2019: Foreign Ministry spokesperson [says](#) he is not aware of the phone calls between US and Chinese officials President Trump claims occurred to restart trade talks.

Aug. 28, 2019: Trump [tweets](#): “So interesting to read and see all of the free and interesting advice I am getting on China, from people who have tried to handle it before and failed miserably - In fact, they got taken to the cleaners. We are doing very well with China. This has never happened to them before!”

Aug. 28, 2019: China [denies](#) a request by the US Navy to make a port visit in Qingdao.

Aug. 28, 2019: *USS Wayne E. Meyer* [sails](#) into adjacent waters of the Spratly Islands. The Chinese naval and air forces monitor the ship, according to the spokesperson for the Chinese PLA Southern Theater Command.

Aug 29, 2019: A US *MC-130J* aircraft [flies](#) along the line dividing the Taiwan Strait between mainland China and Taiwan, according to the Taiwan’s Defense Ministry.

Aug. 30, 2019: Trump [tweets](#): “Just watched Congresswoman Debbie Dingell, and many other Democrats, wanting to give up on our very successful Trade battle with China, which has had its worst Economic year in memory (and getting worse). We are taking in \$Billions. Will be big for Farmers and ALL!”

Chronology by CSIS Research Interns Kevin Dong, Caroline Wesson, and Sloane Rice

