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US-CHINA RELATIONS

US-CHINA RELATIONS HIT NEW LOWS AMID PANDEMIC

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The COVID-19 virus sent US-China relations into a tailspin as 2020 opened. Recriminations flew over who was responsible for the virus that killed hundreds of thousands of people and brought economic activity to a halt. The Trump administration took a series of measures against Chinese media organizations and journalists in the United States, which provoked Beijing to expel US journalists working in China. The Phase 1 trade deal was signed, and some tariffs were lifted, though the COVID-19 outbreak hampered China's ability to purchase the promised amount of US goods and services. With the 2020 US presidential election picking up speed, Trump campaign strategists are actively targeting China.

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COVID-19 and the Blame Game

The novel coronavirus that spread worldwide in the first four months of 2020 could have catalyzed a period of cooperation in US-China relations. Instead, it led to even greater acrimony between Washington and Beijing, revealing the depth of mistrust and suspicion both sides harbor toward each other. Trump and Chinese President Xi Jinping made countless attempts to control the narrative about an uncontrollable virus to shore up domestic support. With the US presidential elections looming in November, Trump often took to Twitter to either brag about close cooperation with China or to blame China for the virus. To silence any legitimacy doubts, Xi and the Chinese Communist Party (CCP) strategically placed blame on individuals at the local level and spun China's handling of the virus as a success story. Despite glimpses of collaboration, the hostility injected into the bilateral relationship ensured that the impact of COVID-19 will be felt in US-China relations and around the world for a long time to come.

The Discovery of a Novel Coronavirus

On December 31, health officials in the city of Wuhan in China's Hubei Province reported to the World Health Organization (WHO) multiple cases of "pneumonia of unknown etiology." One week later, Chinese scientists confirmed that they had identified and isolated a novel coronavirus as the cause of the illness. The US Centers for Disease Control and Prevention (CDC) <u>responded</u> by issuing a level 1 travel notice for those traveling to Wuhan, which simply encouraged travelers to "practice usual precautions." Further information about the outbreak was released by the WHO on a neardaily basis, from its suspected link to the Huanan Seafood Wholesale Market in Wuhan to the first confirmed case of the novel coronavirus outside China, in Thailand on January 13. As the number of confirmed cases multiplied and the first deaths were reported, the US CDC ramped up its response on January 17 to include enhanced screenings at three major US airports with the most passengers from Wuhan: New York (JFK), Los Angeles (LAX), and San Francisco (SFO).

Trump acknowledged the outbreak in a tweet on January 24, three days after the first confirmed case in the US, <u>complimenting</u> China's "efforts and transparency" in managing the outbreak. A

few days later, Trump touted his "very close communication with China concerning the virus" and publicly pledged to President Xi "any help that is necessary." It was later revealed that US CDC director Robert Redfield made a formal offer of support to China as early as January 4 and US Department of Health and Human Services (HHS) Secretary Alex Azar made subsequent offers to send a CDC team to China. All went unanswered by Chinese officials.

Nevertheless, both sides remained committed to a continued dialogue on the virus, as evidenced by a January 29 phone call between US Secretary of State Mike Pompeo and China's Director of the Office of the Central Commission for Foreign Affairs Yang Jiechi. The same day, after what he called "a briefing on the Coronavirus in China," Trump announced that the US was "working closely with China," a sentiment he echoed on Twitter the next day. Meanwhile, the WHO officially declared the virus to be a Public Health Emergency of International Concern, with HHS Secretary Azar declaring a public health emergency in the US shortly thereafter. On January 31, the US Department of State elevated its travel advisory for China to Level 4—Do Not Travel—<u>defined</u> as "the highest advisory level due to greater likelihood of life-threatening risks." The White House concurrently announced travel restrictions for any foreign national attempting to enter the US from China, which went into effect on February 2.

Within days of the travel restrictions taking effect, Trump and Xi spoke on the phone. According to the <u>readout</u> from China's Ministry of Foreign Affairs, Xi expressed his "hopes that the US will evaluate the situation calmly and develop and adjust its response in line with the actual situation," an apparent reference to the US decisions to bar travelers from China and discourage all travel to the country. At the same time, the recap included vows to increase communication and collaboration on both sides. Trump <u>underscored</u> this positivity in his tweet exclaiming that the US was "working closely with China to help." The US Department of State delivered on that promise on February 7, when it "facilitated the transportation of nearly 17.8 tons of donated medical supplies to the Chinese people, including masks, gowns, gauze, respirators, and other vital materials." goodwill gesture would later draw ire in the US after the domestic need for these items skyrocketed, but at the time it served as a testament to US-China cooperation to combat

the novel coronavirus (officially <u>named</u> COVID-19 and deemed a pandemic on February 11 by WHO Director-General Dr. Tedros Adhanom Ghebreyesus). The US also pledged "up to \$100 million in existing funds to assist China and other impacted countries," though China's foreign ministry spokesperson later <u>said</u> "as a matter of fact, we haven't received \$1 from the US government."

China's Response Timeline Questioned

February 7 marked the death of Dr. Li Wenliang, an ophthalmologist at Wuhan Central Hospital, who had tried to warn the Chinese public on December 30 that multiple people in Wuhan had fallen ill from a coronavirus. Li's death prompted a backlash against China's handling of the virus from Chinese netizens as well as the US and other countries. Authorities in Wuhan had accused Li of spreading false information and forced him to sign a confession admitting his misdemeanor. Li ultimately contracted COVID-19 through a patient at his hospital, and succumbed to the disease. Beijing was quick to pin the accusations of a cover-up on the local authorities, with the state-sanctioned Global Times writing that Li and others "tried to warn other medics of the coronavirus outbreak but were reprimanded by local police."



Figure 1 Mourners at a vigil for Dr. Li Wenliang. Photo: The New York Times

Li's death resulted in stepped-up accusations in the US that China's slow reporting and attempts to control information allowed the exponential spread of the deadly virus. Pompeo's February 25 remarks to the press criticized China's response, asserting that "had China permitted its own and foreign journalists and medical personnel to speak and investigate freely, Chinese officials and other nations would have been far better prepared to address the

challenge." Another doctor at Li's same hospital, Dr. Ai Fen, came forward in early March as the self-proclaimed "one who provided the whistle" in an interview with Chinese magazine Renwu. The interview exposed repeated actions to muzzle doctors in Wuhan attempting to warn others about the virus and take action, but was swiftly censored on Chinese social media. In remarks at the Heritage Foundation on March 11, National Security Adviser Robert O'Brien referenced the silencing of doctors like Li and Ai, declaring that "this outbreak in Wuhan was covered up" and "it probably cost the world community two months to respond." These initial criticisms were just the tip of the iceberg in what was soon to turn into a war of words.

Fanning the Flames

On March 12, Chinese Foreign Ministry spokesperson Zhao Lijian tweeted the shocking accusation that "it might be [the] US army that brought the epidemic to Wuhan," when 280 athletes from the US military participated in the Military World Games. In response, US Assistant Secretary of State for the Bureau of East Asian and Pacific Affairs David Stilwell summoned Chinese Ambassador Cui Tiankai to rebuke Zhao's unsubstantiated theory. A Department spokesperson said that the meeting allowed the Trump administration to make clear that the US would not condone the spread of such "dangerous and ridiculous" rumors, and condemned Beijing for "seeking to deflect criticism for its role in starting a global pandemic and not telling the world." A mutually acrimonious phone call between Secretary Pompeo and Yang Jiechi on March 16 further exacerbated tensions. China's CGTN reported that Yang warned that US efforts to "slander and smear China's efforts" would be countered, and defended China's handling of the virus as "open, transparent, and responsible." A US readout of the call stated bluntly that "Secretary Pompeo conveyed strong US objections to PRC efforts to shift blame for COVID-19 to the United States."

Zhao's attempt to pin blame on the US for the virus provoked a strong response from President Trump. In a tweet that evening, Trump wrote, "The United States will be powerfully supporting those industries, like Airlines and others, that are particularly affected by the Chinese Virus." His description of the virus as "Chinese" subsequently came under fire in the US as racist and xenophobic, and likely to feed

discrimination against Asians and Asian-Americans who were being stigmatized due to fear and misinformation about the virus. Just over one week later, in a March 24 interview with Fox News, Trump notably signaled he would cease using that terminology. Insisting that he did not regret saying it previously, he declared that "everyone knows it came out of China, but I decided we shouldn't make any more of a big deal out of it."

However, others in the Trump administration continued to heap blame on China. In remarks to the press on March 25 regarding that day's G7 ministerial meeting, Pompeo renewed the issue by referring to COVID-19 as the "Wuhan virus." According to Pompeo, China's "intentional disinformation campaign" was a central topic of conversation among the G7 foreign ministers. While Pompeo glossed over the lack of a joint communique from the ministers after the meeting, European officials allegedly reported that Pompeo's insistence on including the "Wuhan virus" terminology was the source of disagreement that led to the failure to produce a statement. Pompeo later refuted that story, chalking it up to "some pretty bad reporting."

An SOS for PPE

The rapid spread of COVID-19 left countless hospitals, cities, and entire countries with a dire shortage of personal protective equipment (PPE), including face masks, respirators, and rapid test kits. China's robust manufacturing sector sought to fill the void with large-scale exports of PPE, which some in the US saw as a move to exploit the COVID-19 pandemic for China's own political and economic benefit. The alleged push to score gains, however, quickly raised concerns about the quality of Chineseproduced medical supplies. In the Czech Republic and Spain in late March, doctors found over 300,000 rapid test kits in each country to be useless after discovering an alarmingly high rate of error. In a move to protect China's reputation, Chinese state-owned newspaper China Daily responded by attributing the low accuracy to "some doctors in Spain us[ing] the test kits the wrong way." At the same time, the Chinese Embassy in Madrid distanced the government from the manufacturing company, Shenzhen Bioeasy Biotechnology, insisting that the company did not have an official license to sell their products. The very next day, the Netherlands Ministry of Health was forced to recall approximately 600,000 N95 masks delivered to medical personnel due to poor fit quality.

The manufacturing blunders by these Chinese companies did little to change the views of many countries that China was behaving irresponsibly in its handling of the pandemic. One week later, Pompeo announced that the US would commit \$225 million toward a global response to the virus. In what some thought to be a dig at China, he emphasized the "high-quality, transparent, and meaningful assistance" the US was providing to its partners.

At the same time, the US, which had depleted its domestic supply of PPE resources, was forced to rely on China's dominant position in the supply chain for its stock. Through the "Project Airbridge" initiative, led by White House Office of American Innovation Director Jared Kushner, received a Federal Emergency Management Agency (FEMA)-funded plane of PPE from China on March 29, including approximately 130,000 N95 masks, over 70,000 thermometers, and millions of surgical masks, gowns, and gloves. Despite the positive PPE exchange between the two countries, White House Office of Trade and Manufacturing Policy Director Peter Navarro still had harsh words for China on its previous quality control issues. He criticized China for globally exporting "fake tests and counterfeit tests" and "profiteering" from its PPE market domination. Chinese Foreign Ministry spokesperson Geng Shuang delivered a scathing critique of Navarro's credibility, labeling him a "habitual liar."

Growing COVID-19 Deaths, Shrinking Opportunities for Cooperation

President Trump appeared loath to allow the US-China relationship to spiral downward. On March 27, Trump and Xi spoke over the phone in what many thought was meant to be a verbal ceasefire after weeks of heated rhetoric. Trump complimented China's "strong understanding" of COVID-19 in a tweet and again trumpeted close collaboration between both countries. Just three days later, however, Pompeo was again making headlines accusing China of spreading disinformation, particularly "confusion about where the virus began." When a March 30 phone call between HHS Secretary Azar and Chinese National Health Commission Minister Ma Xiaowei pointed toward renewed interest in cooperation, it was swiftly <u>followed</u> by the leak of a US intelligence community report that alleged China's reporting on its COVID-19 cases was "intentionally incomplete" and not to be trusted.

Individual US states expressed anger toward China's alleged lies in various ways. In Wisconsin, the state senate received an illconceived request from the Chinese consulate to introduce legislation lauding China's response to the novel coronavirus, including its "unprecedented and rigorous measures for disease control and prevention." Wisconsin Senate President Roger Roth was irate and instead introduced a resolution stating just the opposite: that "the Communist Party of China deliberately and intentionally misled the world on the Wuhan Coronavirus." US Senator Tom Cotton of Arkansas and Texas Congressman Dan Crenshaw brought their own bill to the US Senate floor that would "allow Americans to sue China in federal court to recover damages for death, injury, and economic harm caused by the Wuhan Virus." Both instances resurrected the controversial ascription of the virus to Wuhan. Missouri took things one step further on April 22, when the state's attorney general sued Beijing and the CCP for "the enormous death, suffering, and economic losses they inflicted on the world, including Missourians."

The Blame Game Continues

As April came to a close, the bad blood between the US and China only worsened. Earlier in the month, Trump <u>mused</u> on Twitter that the WHO was "funded largely by the United States, yet very China centric," and deemed their early recommendations in combating the coronavirus as "faulty." Trump later <u>announced</u> that the US would halt funding to the organization, accusing it of "push[ing] China's misinformation about the virus" and regurgitating the Chinese party line without verification.

By the end of April, Trump seemed to be losing patience with China. In an April 27 press briefing, he told reporters that the US was "not happy with China...because we believe [the virus] could have been stopped at the source." This was a far cry from his tweets flattering China's handling of the virus as recent as one month prior. The next day, Chinese Vice Minister of Foreign Affairs Le Yucheng spoke to NBC News in a sit-down interview to defend China's reporting of the virus, deny a cover-up, and instead question the US government's domestic handling of the disease.

Inside the Trump administration, an all-out effort appeared to be underway to identify the cause of COVID-19. A rare statement by the US Office of the Director of National Intelligence (DNI) issued on April 30 maintained that the virus originated in China and "was not manmade or genetically modified." The DNI statement noted that it was investigating "whether the outbreak began through contact with infected animals or if it was the result of an accident at a laboratory in Wuhan." Yet within hours, Trump claimed that he had been given definitive evidence that the virus was indeed from a lab, only adding to the swirl of rumors surrounding COVID-19.

Spat Over Journalists

On February 18, the Trump administration declared that five state-run Chinese news organizations—Xinhua, China Daily, People's Daily, CGTN, and China Radio—would henceforth be regulated as foreign government functionaries. In other words, they would be officially treated as representatives of the Chinese party-state, not as journalists. The new designation would require the five organizations to report to the State Department the names and personal details of their staff, as well as whether they own or lease property in the United States.

Two weeks later, the Trump administration ordered four Chinese news outlets to reduce the number of staff they have working in the United States. The order would permit the four media outlets—Xinhua News Agency, CGTN, China Radio, and China Daily Distribution Corp.—to employ a total of only 100 Chinese citizens, which would require a cut of 40% of their staff. In addition, a senior Trump administration official anonymously <u>revealed</u> plans to restrict the length of time that Chinese citizens are allowed to work in the US on journalist visas. The goal, according to US officials, was to enforce reciprocity between the way the US and China treat each other's journalists, even as the Trump administration insisted that those working for Chinese media companies are not real journalists.

In retaliation against the US measures, China announced on March 17 that it would expel US journalists working for *The New York Times*, *Wall Street Journal*, and *Washington Post*. US journalists employed by those newspapers were not only banned from working in mainland China, but

were also prohibited from working in Hong Kong and Macao. It also required those three media outlets, as well as *Time* and the Voice of America, to provide the Chinese government with details about their operations in China. The Chinese Ministry of Foreign Affairs asserted that its actions were "reciprocal countermeasures that China is compelled to take in response to the unreasonable oppression the Chinese media organizations experience in the US."

Pompeo said China's decision "unfortunate," and added that he hoped Beijing would reconsider the expulsions. In a subsequent phone call with the publishers of the three major US newspapers, Pompeo reportedly acknowledged that the US actions had been poorly timed, and perhaps, even wrong. Yet, the Trump administration is apparently contemplating further actions, including expelling specific Chinese journalists it believes are spies.

Phase I Trade Deal Signed

On January 15, the US and China signed a trade deal that both countries described as the first phase of a more extensive agreement. The eight-chapter trade <u>pact</u> commits Beijing to purchase at least \$200 billion in goods and services from the US over the next two years and implement more effective measures to crack down on Chinese theft of US technology and corporate secrets. China also agreed to make "enforceable commitments to refrain from competitive devaluation" of its currency. In addition, the deal includes increased access to China's financial services market for US companies.

The US agreed to cut by half the tariff rate it imposed last September 1 on \$120 billion of Chinese goods, bringing the rate down to 7.5%. The tariffs on nearly \$160 billion worth of Chinese goods that were scheduled to go into effect on December 15 were suspended indefinitely. However, the 25% import taxes on \$250 billion worth of Chinese products were kept in place.

China's lead negotiator, Vice Premier Liu He, attended a signing ceremony at the White House along with US Treasury Secretary Steven Mnuchin. Trump delivered remarks in which he maintained that the trade deal, which he termed "historic" and an "incredible breakthrough," was "righting the wrongs of the past." He

praised Xi, whom he described as "a very, very good friend of mine." A letter from Xi that was read aloud by Trump at the signing ceremony said that the trade agreement proved that the two countries could work together to manage their differences.



Figure 2 President Donald Trump and Vice Premier Liu He present the signed trade deal at the White House. Photo: Bloomberg

Having closed a limited deal, the US was eager to launch negotiations on thornier matters like Chinese state subsidies to its companies and state-backed cyber espionage for commercial advantage. Trump told the attendees that "as soon as this kicks in, we're starting phase two." With the onset of the coronavirus, however, the trade agenda took a back seat to pressing domestic concerns in both countries. In early February, Beijing slashed tariffs on \$75 billion of US goods that had been imposed in retaliation against tariffs the US applied to Chinese goods in the fall. Observers viewed China's action to be primarily about limiting the economic damage to China from the virus, rather than a gesture to the United States.

Senior Trump administration officials signaled that the US recognized that the outbreak could delay China's purchases of American goods. For example, US Agriculture Secretary Sonny Perdue said on February 5 that the US would have to be patient if the spread of the coronavirus hampered Beijing's ability to buy US farm products. Yet Trump appeared to be closely tracking Chinese purchases. On April 6, the US president told reporters that China was "buying anywhere from \$40 to \$50 billion worth of our agricultural product."

At a press conference on April 14, a China customs spokesperson <u>said</u> that the US-China phase one trade deal was being gradually

implemented. Later that month, a US official told reporters that the US Trade Representative Office was in regular contact with Chinese counterparts to make sure that targets were being met. According to Chinese customs data, in the first quarter of 2020 China imported twice as many US soybeans and six times as much pork than a year ago. Uncertainty persists, however, regarding both US ability to produce large quantities of pork due to supply chain problems created by the pandemic, as well as China's ability to buy the pledged amount of soybeans. In late April, there were reports that China is exploring ways to accelerate purchases of farm products by asking state-owned firms to buy them for government reserves.

a long-awaited move, the administration proposed new restrictions on semiconductor production equipment and other high-tech exports to China with the aim of preventing the Chinese military from acquiring these advanced capabilities. The rules were posted for public inspection on April 29. If they go into effect, licenses will be required for US companies to sell numerous items to Chinese companies whose products support the People's Liberation Army. Announcing the action, Commerce Secretary Wilbur Ross said "it is important to consider the ramifications of doing business with countries that have histories of diverting goods purchased from US companies for military applications."

A few weeks earlier, the Trump administration granted a license to General Electric to supply engines for China's COMAC C919 passenger jet. Trump rejected calls by some of his advisers to block the license. "I want China to buy our jet engines, the best in the World," President Trump tweeted on February 18, adding that he favors making it easy, not difficult, to do business with the United States.

South China Sea Developments

The US Navy conducted four Freedom of Navigation Operations (FONOPs) in the South China Sea in the first four months of 2020. On January 25, the USS Montgomery, a littoral combat ship, sailed near Fiery Cross and Johnson Reefs in the Spratly Islands. In response to a statement by the US Seventh Fleet spokesman that such missions are based on principle, conducted peacefully, and are not aimed at any particular country, China's South Theater Command spokesman insisted that the

US warship's operation was an "intentional provocation" and a "flagrant attempt at navigation hegemony."

Six weeks later, the USS McCampbell, a US Arleigh Burke-class guided missile destroyer, conducted a FONOP around the Paracel Islands. This time the spokesman of China's Southern Theater Command accused the US of entering Chinese territorial waters without permission, which suggests the US warship likely challenged the straight baselines that China established in the Paracels in 1996. The US Navy maintained that the destroyer was conducting "security and stability operations while transiting through the South China Sea."

On two consecutive days in late April, the guided-missile destroyer *USS Barry* conducted a FONOP near the Paracel Islands and the US guided-missile cruiser *USS Bunker Hill* sailed an innocent passage operation past Gaven Reef in the Spratly Islands. China's Southern Theater Command spokesman <u>condemned</u> the acts as "provocative" and warned that they "could easily trigger an unexpected incident."



Figure 3 USS Bunker Hill and USS Barry transit the South China Sea (April 18, 2020) Photo: US Navy

In an unusual episode, the US Navy dispatched two warships in mid-April to waters near Malaysia that are claimed by China, Vietnam, and Malaysia. The precipitating factor appeared to be the appearance of a Chinese flotilla of coast guard and maritime militia vessels as well as a Chinese survey ship, the *Haiyang Dizhi 8*, with the goal of coercing Malaysia's state-run energy company Petronas to halt energy exploration. The US Navy ships were apparently conducting joint exercises with an Australian frigate in the South China Sea. According to one report, the US warships sailed within 50 nautical miles of the *West Capella*, a British drilling ship contracted by

Petronas conducting exploration activities off the Malaysian coast. The involvement of US warships was notable since the US did not send any vessels when the same Chinese survey ship was engaged in a standoff with Vietnam in 2019.

On April 24, Pompeo declared in a video call with Southeast Asian foreign ministers that China's actions were aimed at "intimidating other claimants from engaging in offshore hydrocarbon development." In a public statement, Pompeo accused Beijing of seeking to take advantage of the COVID-19 pandemic to further its control over the South China Sea.

Rather than condemn US military interference, China's foreign ministry spokesman maintained that its survey ship was "conducting normal activities in waters under Chinese jurisdiction" and described the situation in the South China Sea as "basically stable." A US State Department spokesperson had previously condemned China for allegedly sinking a Vietnamese fishing vessel on April 2.

US-China Military Ties: COVID and a Lasing Incident

Speaking at the Munich Security Conference in mid-February, Secretary of Defense Mark Esper charged the CCP with stealing Western technology, intimidating its neighbors, and "seeking advantage by any means, and at any cost." He highlighted the risks of including telecommunication equipment manufactured by Chinese companies in 5G networks "that could render our partners' critical systems vulnerable to disruption, manipulation and espionage." Esper called on China to "change its policies and behaviors." He also insisted that the US hopes to cooperate with China where American and Chinese interests converge, including fighting COVID-19. Chinese Foreign Minister Wang Yi, who also attended the forum, dismissed Esper's accusations as lies and part of a US government campaign to prevent the rejuvenation of China.



Figure 4 Secretary of Defense Mark Esper speaks at the Munich Security Conference. Photo: Reuters

In <u>testimony</u> before the US-China Economic and Security Review Commission a few days later, Deputy Assistant Secretary of Defense for China Chad Sbragia outlined PLA progress in developing capabilities to project power and offset US military advantages. Echoing Esper's remarks, Sbragia stated that "competition with China does not mean confrontation, nor must it lead to conflict." The DoD seeks to maintain a constructive, stable and results-oriented defense relationship with China that includes reducing the risk of miscalculation that could escalate to conflict, Sbragia emphasized.

As the coronavirus pandemic spread in the United States and around the world, Sbragia held a briefing at the Pentagon on April 9 to address the impact of COVID-19 on the US-China military relationship. Noting that the Chinese military has sought cooperation with the US military in fighting the virus, he asserted that "The US certainly welcomes China's call to combat the COVID-19 pandemic together." Sbragia emphasized that the leaders of the two militaries have a consensus that they should avoid issues relating to the virus "being militarized, instead remaining as an area of cooperation." He called China's attempt to blame the US for bringing COVID-19 to China last October when US military athletes competed at the military games in Wuhan "unfounded, futile, and really counterproductive."

On February 17, a Chinese Luyang III-class destroyer lased the pilot of a US Navy P-8A Poseidon maritime patrol aircraft that was operating over international waters about 380 miles west of Guam. The Pacific Fleet called the action "unsafe and unprofessional" and a formal protest was issued to China over the incident. Although the US previously called out

China for using lasers against US military operators in Djibouti, this is the first time that a Chinese warship lased a US Navy aircraft. A spokesman from China's Ministry of Defense denied the charge, saying that the US claim did not "accord with reality." On the contrary, he insisted that the US aircraft's actions were "unfriendly in intention and unprofessional by operation."

On March 3, Esper held a phone call with his counterpart Chinese Defense Minister Gen. Wei Fenghe. According to the Chinese readout of the call, the discussion focused on the pandemic and the steps being taken to control it, including efforts by the Chinese armed forces. The Chinese account included Esper's offer to "enhance dialogue and consultation between the two militaries and strengthen exchanges and cooperation in areas including epidemic prevention and control." The US side indicated that the lasing incident was also discussed on the call.

Taiwan Tensions Simmer

Almost a month after Taiwan's President Tsai Ing-wen was re-elected in a landslide victory, her Vice President-elect William Lai attended the annual National Prayer Breakfast hosted by President Trump in Washington DC. Lai's participation was widely publicized and he was honored with a seat in the first row, near the highest-ranking US officials. During his 8-day visit, the former Taiwan premier and vice president-elect had a meeting at the National Security Council and met senior members of Congress. China was irked and demonstrated its ire by conducting two consecutive days of provocative military exercises with dozens of bombers, jets, and early warning aircraft crossing the centerline of the Taiwan Strait. In one instance, a Chinese fighter jet's radar reportedly locked on to one of Taiwan's F-16 aircraft. A spokesman for mainland China's Taiwan Affairs Office insisted that the PLA was protecting the country's national sovereignty and territorial integrity, and preserving cross-Strait peace.

In a clear signal to China of US concern, a few days later two *B*-52 bombers <u>dispatched</u> from Guam flew along Taiwan's east coast while an *MC*-130*J* special mission aircraft from Kadena Air Base in Okinawa flew from north to south across the Taiwan Strait. Persistent Chinese military activities near Taiwan may have also

prompted the US to increase its transits through the Taiwan Strait. After conducting one transit per month in January, February, and March, the US Navy sent the USS Barry guided-missile destroyer through the Taiwan Strait on April 10 and again on April 22.

On March 26, Trump signed into law the Taiwan International Allies Protection Enhancement Initiative Act, known as the TAIPEI Act, after both houses of the US Congress passed the bill unanimously. The legislation is aimed at promoting Taiwan's ties with other countries and its participation in international organizations. Much of the language in the law is "sense of Congress" language, meaning that the law contains Congress' recommendations; the executive branch is not obligated to implement them. For example, the Act calls for the executive branch to consider "increasing its economic, security, and diplomatic engagement nations that have demonstrably strengthened, enhanced, or upgraded relations with Taiwan" and also consider downgrading relations with countries that "take serious or significant actions to undermine the security or prosperity of Taiwan." The Act requires the secretary of State to report to Congressional committees annually for the next five years on the steps taken to implement it.

China's Foreign Ministry spokesman denounced the legislation as a violation of Beijing's one-China principle and the three US-China joint communiques. He "strongly urged the US to correct its mistake, refrain from implementing this act and obstructing other countries' pursuit of relations with China" or face "resolute countermeasures."

Looking Ahead

The downward slide in US-China relations will probably continue unabated for many months to come. The race for a COVID-19 vaccine is widely viewed as crucial to the broader competition for global power and influence. Rejuvenating economic growth as countries ease social distancing and return to work will be another arena of competition involving supply chains advanced technology. With Washington and Beijing having taken off the gloves and hurled spiteful attacks at each other, it will be impossible to restore a modicum of civility and decorum to the bilateral relationship in the near term.

In the coming months, the US presidential campaign will pick up speed. With nine-of-10 Americans now holding the view that China poses a threat—up from 48% in 2018—Trump campaign strategists are actively targeting China. Efforts to uncover how and where the virus started are aimed at pinning blame on China and paving the way for efforts to compel Beijing to pay reparations. Trump's campaign messaging is already attacking the Democratic candidate, Vice President Joe Biden, as soft on China. Beijing will try to stay out of the fray, while taking advantage of opportunities to advance Chinese interests.

CHRONOLOGY OF US-CHINA RELATIONS

JANUARY - MAY 2020

- **Jan. 3, 2020:** Secretary of State Mike Pompeo speaks to Chinese Politburo Member Yang Jiechi about President Trump's decision to take defensive action to eliminate Qasem Soleimani.
- **Jan. 7, 2020:** Pompeo reaffirms US support for Hong Kong's autonomy and calls on the international community to <u>condemn</u> China over its "brutal treatment" of Uygur Muslims.
- Jan. 8, 2020: US Rep. James P. McGovern of Massachusetts and Sen. Marco Rubio of Florida, chair and co-chair of the bipartisan and bicameral Congressional-Executive Commission on China (CECC), issue the Commission's 2019 Annual Report on human rights and the rule of law in China.
- **Jan. 13, 2020:** US Department of the Treasury drops its designation of China as a currency manipulator.
- **Jan. 13, 2020:** Pompeo <u>speaks</u> to the Commonwealth Club about the national security consequences of doing business with China.
- **Jan. 14, 2020:** US and Chinese defense officials meet in Beijing for the 15th US -China Defense Policy Coordination Talks.
- **Jan. 14, 2020:** US Treasury Department announces <u>sanctions</u> on the Korean Namgang Trading Corp and China-based North Korean lodging facility Beijing Sukbakso for assisting in labor export.
- **Jan. 15, 2020:** Trump and Chinese Vice-Premier Liu He <u>sign</u> the Phase 1 trade deal.
- **Jan. 15, 2020:** Liu <u>tells</u> the press that Beijing does not want to rush into a phase two of the trade deal, following remarks by Trump that next stage talks would start soon.
- **Jan. 15, 2020:** Chinese President Xi Jinping tells Trump in a <u>letter</u> that he welcomes the Phase 1 trade deal and that he is willing to stay in close touch.

- **Jan. 15, 2020:** Deputy Secretary of State Stephen E. Biegun <u>speaks</u> by phone with China's Vice Foreign Minister Le Yucheng.
- Jan. 16, 2020: Trump tweets "The farmers are really happy with the new China Trade Deal and the soon to be signed deal with Mexico and Canada, but I hope the thing they will most remember is the fact that I was able to take massive incoming Tariff money and use it to help them get through the tough times!"
- Jan. 16, 2020: Trump tweets "One of the greatest trade deals ever made! Also good for China and our long term relationship. 250 Billion Dollars will be coming back to our Country, and we are now in a great position for a Phase Two start. There has never been anything like this in US history! USMCA NEXT!"
- **Jan. 17, 2020:** Taiwan's Ministry of National Defense (MND) <u>confirms</u> that a US warship recently sailed through the Taiwan Strait, less than one week after Taiwan's 2020 presidential and legislative elections.
- **Jan. 21, 2020:** In his <u>address</u> to the World Economic Forum, Trump says of Xi: "He's for China, I'm for the US, but other than that we love each other."
- **Jan. 21, 2020:** Pompeo, at a press conference with President Alvarado of Costa Rica, <u>says</u> economic cooperation with the Chinese government often produces debt, dependency, and even the erosion of sovereignty.
- Jan. 22, 2020: Trump tweets "One of the many great things about our just signed giant Trade Deal with China is that it will bring both the USA & China closer together in so many other ways. Terrific working with President Xi, a man who truly loves his country. Much more to come!"
- **Jan. 22, 2020:** Trump <u>remarks</u> at a press conference in Davos that the United States has a great new deal with China and the relationship is the "best...that we've ever had."

- **Jan. 22, 2020:** Pompeo, on a visit to Jamaica, <u>cautions</u> nations against taking "easy money" from China, warning it could be counterproductive.
- **Jan. 23, 2020:** The US-China Economic and Security Review Commission holds a <u>hearing</u> on "China's Quest for Capital: Motivations, Methods, and Implications."
- **Jan. 24, 2020:** Trump <u>tweets</u> "China has been working very hard to contain the Coronavirus. The United States greatly appreciates their efforts and transparency. It will all work out well. In particular, on behalf of the American People, I want to thank President Xi!"
- **Jan. 24, 2020:** US Defense Secretary Mark Esper says China's Communist Party has created a surveillance state that uses artificial intelligence to repress Muslim minorities and prodemocracy demonstrators.
- **Jan. 25, 2020:** US Navy <u>sails</u> a warship that conducts a freedom of navigation operation in the Paracels.
- **Jan. 27, 2020:** Trump tweets "We are in very close communication with China concerning the virus. Very few cases reported in USA, but strongly on watch. We have offered China and President Xi any help that is necessary. Our experts are extraordinary!"
- **Jan. 29, 2020:** Pompeo and Yang Jiechi discuss the coronavirus outbreak by phone.
- **Jan. 29, 2020:** Trump tweets "Just received a briefing on the Coronavirus in China from all of our GREAT agencies, who are also working closely with China. We will continue to monitor the ongoing developments. We have the best experts anywhere in the world, and they are on top of it 24/7!"
- **Jan. 30, 2020:** Pompeo <u>says</u> China is the central threat of our time and the US and its allies must ensure they have the military and technological power to ensure that this century is governed by Western principles.
- **Jan. 30, 2020:** Trump <u>tweets</u> "Working closely with China and others on Coronavirus outbreak. Only 5 people in US, all in good recovery."

- **Jan. 30, 2020:** US Commerce Secretary Wilbur Ross <u>says</u> that the coronavirus outbreak in China could "accelerate the return of jobs to North America," including to the United States.
- **Jan. 30, 2020:** US State Department <u>issues</u> a "do not travel" advisory to China due to the coronavirus.
- **Jan. 31, 2020:** The US lifts <u>sanctions</u> on one of two units of the giant Chinese tanker company, Cosco, partially reversing its punishment of the company for transporting Iranian oil.
- **Feb. 2, 2020:** Pompeo, in a visit to Kazakhstan, <u>tells</u> the country to be wary of Chinese investment and influence.
- **Feb. 2, 2020:** New US restrictions go into <u>effect</u> that bar entry to foreign nationals who have recently visited China due to the coronavirus.
- **Feb. 2, 2020:** In an interview with Fox News, Trump says the US is <u>offering</u> China "tremendous help" in dealing with the epidemic.
- **Feb. 3, 2020:** Trump <u>tweets</u>, "Republicans in Iowa, go out and Caucus today. Your great Trade Deals with China, Mexico, Canada, Japan, South Korea and more, are DONE. Great times are coming, after waiting for decades, for our Farmers, Ranchers, Manufacturers and ALL. Nobody else could have pulled this off!"
- **Feb. 4, 2020:** In his State of the Union Address, Trump <u>says</u> "for decades, China has taken advantage of the United States. Now we have changed that, but, at the same time, we have perhaps the best relationship we've ever had with China, including with President Xi."
- **Feb. 6, 2020:** China <u>announces</u> it will halve additional tariffs on \$75 billion of US products imposed late last year.
- **Feb. 6, 2020:** US Attorney General William Barr <u>says</u> in a speech at the Center for Strategic and International Studies that "China has emerged as the United States' top geopolitical adversary."
- **Feb. 7, 2020:** Xi and Trump <u>discuss</u> the coronavirus outbreak and the trade deal by phone.

- Feb. 7, 2020: Trump tweets "Just had a long and very good conversation by phone with President Xi of China. He is strong, sharp and powerfully focused on leading the counterattack on the Coronavirus. He feels they are doing very well, even building hospitals in a matter of only days. Nothing is easy, but...he will be successful, especially as the weather starts to warm & the virus hopefully becomes weaker, and then gone. Great discipline is taking place in China, as President Xi strongly leads what will be a very successful operation. We are working closely with China to help!"
- **Feb. 7, 2020:** State Department <u>facilitates</u> the sending of 17.8 tons of personal protective equipment (PPE) to China to combat the coronavirus outbreak.
- **Feb. 8, 2020:** Pompeo <u>warns</u> governors of Chinese infiltration into US in a speech on "US States and the China Competition." to the National Governors Association Winter meeting.
- **Feb. 10, 2020:** US Justice Department <u>charges</u> four members of the Chinese military with the 2017 hacking of Equifax.
- **Feb. 10, 2020:** The US <u>revokes</u> WTO subsidy preferences for some developing nations, including China, India, and Singapore.
- **Feb. 12, 2020:** After two consecutive days of PRC military aircraft flights that cross the centerline of the Taiwan Strait, the US <u>dispatches</u> two *B-52 Stratofortress* bombers on southward flights off Taiwan's east coast, while a *MJ-130J Commando II* multi-mission combat transport plane flies over the Taiwan Strait, also heading south.
- **Feb. 13, 2020:** Chinese telecommunications conglomerate Huawei and subsidiaries are <u>charged</u> in racketeering conspiracy and conspiracy to steal trade secrets.
- **Feb. 15, 2020:** *Ticonderoga*-class guided-missile cruiser *USS Chancellorsville* CG-62 <u>transits</u> the Taiwan Strait.
- **Feb. 15, 2020:** Speaking to the Munich Security Conference, Secretary of Defense Esper <u>states</u> "The Communist Party and its associated organs, including the People's Liberation Army, are increasingly operating in theaters outside its borders, including Europe, and seeking advantage by any means, and at any cost."

- **Feb. 15, 2020:** Speaking to the Munich Security Conference, Pompeo states "The United States has woken up to the world where China's unfair trading practices impact us, the Chinese Communist Party's newly aggressive turn, and its military and diplomatic efforts that confront."
- **Feb. 17, 2020:** During a joint press availability with Angolan Minister of External Relations Manuel Augusto, Pompeo <u>promotes</u> US investment as an alternative to Chinese loans.
- **Feb. 17, 2020:** A Chinese destroyer <u>lases</u> a US Navy *P-8A Poseidon* maritime patrol aircraft that is operating over international waters about 380 miles west of Guam.
- **Feb. 18, 2020:** China <u>announces</u> it will allow importers to apply for exemptions to additional trade war tariffs on nearly 700 types of goods from the US, starting from March 2.
- **Feb. 18, 2020:** Trump tweets: "....product and goods to China and other countries. That's what trade is all about. We don't want to make it impossible to do business with us. That will only mean that orders will go to someplace else. As an example, I want China to buy our jet engines, the best in the World..."
- **Feb. 18, 2020:** State Department <u>designates</u> five Chinese media outlets as official government entities under the Foreign Missions Act.
- **Feb. 19, 2020:** China <u>revokes</u> the reporting credentials of three *Wall Street Journal* reporters and expels them from the Beijing bureau.
- **Feb. 19, 2020:** Pompeo <u>delivers</u> a speech in Ethiopia's capital in which he warns countries to "be wary of authoritarian regimes and their empty promises," but doesn't mention China by name.
- **Feb. 20, 2020:** The US-China Economic and Security Review Commission <u>holds</u> a hearing on "China's Military Power Projection and US National Interests." Chad Sbragia, deputy assistant secretary of Defense for China, is among the witnesses.

Feb. 21, 2020: Trump tweets, "IF OUR FORMALLY TARGETED FARMERS NEED ADDITIONAL AID UNTIL SUCH TIME AS THE TRADE DEALS WITH CHINA, MEXICO, CANADA AND OTHERS FULLY KICK IN, THAT AID WILL BE PROVIDED BY THE FEDERAL GOVERNMENT, PAID FOR OUT OF THE MASSIVE TARIFF MONEY COMING INTO THE USA!"

Feb. 25, 2020: In remarks to the press, Pompeo <u>criticizes</u> China's media censorship and says it hindered their ability to address the coronavirus.

Feb. 25, 2020: US Trade Representative Robert Lighthizer and Agriculture Secretary Sonny Perdue <u>sign</u> a letter praising China's progress on the trade deal.

Feb. 26, 2020: House Ways and Means Committee holds <u>hearing</u> on US-China Trade and Competition.

Feb. 27, 2020: During a People's Liberation Army Navy exercise, the Chinese allegedly use a laser against a US pilot of *P8-A* reconnaissance aircraft that is monitoring the exercise.

Feb. 28, 2020: Pompeo, in his speech to the American Conservative Union Foundation, <u>asks</u> partners to step up on the biggest challenges the US faces, including countering China.

Feb. 28, 2020: Acting US Navy Secretary Thomas B. Modly <u>tells</u> the Brookings Institution: "The Chinese navy is growing by leaps and bounds and are on target to be a real threat within a decade. No one should have any illusion about what their long-term objectives are."

Feb. 29, 2020: In a press conference with the US Coronavirus Task Force, Trump <u>says</u> the relationship with China is very good and that he is in close contact with Xi.

March 2, 2020: State Department <u>announces</u> a personnel cap on designated PRC state media entities and Pompeo <u>says</u> the "goal is reciprocity."

March 3, 2020: Chinese State Councilor and Defense Minister Gen. Wei Fenghe and Secretary of Defense Esper hold a phone call. They <u>discuss</u> the prevention and control of the coronavirus, bilateral military ties, and their respective concerns.

March 3, 2020: Treasury Secretary Steven Mnuchin <u>says</u> the US is not considering lowering tariffs on goods from China in response to coronavirus, and will look at all options as the situation evolves.

March 4, 2020: Senate Committee on the Judiciary, Subcommittee on Crime and Terrorism <u>holds</u> a hearing entitled, "Dangerous Partners: Big Tech and Beijing."

March 4, 2020: US House of Representatives passes the Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act, which promotes Taiwan's participation in the international community and reaffirms Congress' strong support for a free, open and democratic Taiwan.

March 4, 2020: Federal law enforcement officials testify at a <u>hearing</u> of the Senate Judiciary Subcommittee on Crime and Terrorism titled "Dangerous Partners: Big Tech and Beijing."

March 10, 2020: USS McCampbell missile destroyer conducts a freedom of navigation operation near the Paracel Islands.

March 11, 2020: Releasing the annual Department of State report on human rights in the world, Secretary of State Pompeo <u>says</u>, "the CCP's record in Xinjiang is the stain of the century. It tries to hide what it's doing by intimidating journalists."

March 11, 2020: National Security Advisor Robert O'Brien <u>says</u> that China's response to the coronavirus "cost the world community two months two respond," during an appearance at the Heritage Foundation.

March 12, 2020: Chinese Foreign Ministry spokesman Zhao Lijian <u>accuses</u> the US military of bringing the coronavirus to Wuhan in October 2019.

March 13, 2020: US Assistant Secretary of State for East Asian and Pacific Affairs David Stilwell delivers a "stern representation" to Chinese Ambassador Cui Tiankai in response to Beijing's suggestion that the US military brought the coronavirus to China.

March 16, 2020: Pompeo <u>holds</u> a phone call with Yang Jiechi about COVID-19.

March 16, 2020: Trump <u>tweets</u>: "The United States will be powerfully supporting those industries, like Airlines and others, that are particularly affected by the Chinese Virus. We will be stronger than ever before!"

March 17, 2020: Chinese Ministry of Foreign Affairs announces that journalists of US citizenship working with *The New York Times*, *Wall Street Journal*, and *Washington Post* will no longer be allowed to work in the People's Republic of China, including Hong Kong and Macao Special Administrative Regions.

March 17, 2020: US Department of State blacklists nine entities, including Chinese entities, for engaging in "significant transactions" to trade in Iranian petrochemicals in violation of US sanctions. The US Commerce Department adds 18 corporations to the US Entity List for aiding Iran's nuclear programs, including two from China.

March 24, 2020: Trump tells Fox News that he will stop using the term "Chinese virus." He says, "Look, everyone knows it came out of China, but I decided we shouldn't make any more of a big deal out of it. I think I made a big deal. I think people understand it. But that all began when they said our soldiers started it. Our soldiers had nothing to do with it."

March 25, 2020: According to Pompeo, the Group of Seven (G7) economies <u>discusses</u> an "intentional disinformation campaign" by China on the coronavirus in a virtual meeting.

March 25, 2020: *USS McCampbell* guided-missile destroyer <u>sails</u> through the Taiwan Strait.

March 26, 2020: Trump <u>signs</u> into law the Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act of 2019, which is aimed at supporting Taiwan's international presence.

March 27, 2020: Trump and Xi <u>hold</u> a phone call. They discuss the coronavirus and bilateral relations.

March 27, 2020: Trump tweets: "Just finished a very good conversation with President Xi of China. Discussed in great detail the CoronaVirus that is ravaging large parts of our Planet. China has been through much & has developed a strong understanding of the Virus. We are working closely together. Much respect!"

March 29, 2020: The first of a series of airlifts bringing medical supplies from China to the US, termed "Project Airbridge," <u>arrives</u> in New York.

March 30, 2020: In a phone interview with Asian media, Pompeo <u>accuses</u> China of spreading disinformation about the coronavirus pandemic and urges transparent sharing of crucial data on case numbers and mortality rates.

March 30, 2020: Ma Xiaowei, minister of China's National Health Commission, holds phone call with Alex M. Azar II, US secretary of health and human services, "to exchange ideas on the two countries' pandemic prevention and control efforts."

April 5, 2020: Chinese Ambassador to the US Cui Tiankai <u>writes</u> op-ed in *The New York Times*, calling for greater cooperation between the US and China: "This is a time for solidarity, collaboration, and mutual support."

April 6, 2020: Department of State issues a <u>statement</u> expressing concern about reports of a PRC Coast Guard vessel's sinking of a Vietnamese fishing boat in the vicinity of the Paracel Islands.

April 7, 2020: Trump tweets "The W.H.O. really blew it. For some reason, funded largely by the United States, yet very China centric. We will be giving that a good look. Fortunately I rejected their advice on keeping our borders open to China early on. Why did they give us such a faulty recommendation?"

April 7, 2020: Trump administration grants a license to General Electric Co. to supply engines for China's new COMAC C919 passenger jet.

April 10, 2020: USS Barry, a US Navy guided-missile destroyer <u>sails</u> through the Taiwan Strait.

April 10, 2020: Chinese consulate <u>requests</u> that the Wisconsin State Senate pass a resolution commending China's response to the coronavirus outbreak.

April 15, 2020: Pompeo <u>holds</u> phone call with Yang to discuss issues related to the COVID-19 epidemic.

April 15, 2020: US State Department publishes report <u>suggesting</u> China secretly conducted low-vield nuclear tests.

April 17, 2020: Trump <u>tweets</u>: "China has just announced a doubling in the number of their deaths from the Invisible Enemy. It is far higher than that and far higher than the U.S., not even close!"

April 18, 2020: Department of State issues a <u>statement</u> condemning the arrest of prodemocracy advocates in Hong Kong.

April 18, 2020: State Department spokesperson expresses concern about "reports of China's repeated provocative actions aimed at the offshore oil and gas development of other claimant states," and calls for China to "cease its bullying behavior and refrain from engaging in this type of provocative and destabilizing activity."

April 20, 2020: Department of State issues a <u>statement</u> calling on China to allow human rights lawyer Wang Quanzhang's freedom of movement.

April 22, 2020: USS Barry guided-missile destroyer transits the Taiwan Strait.

April 22, 2020: Missouri Attorney General Eric Schmitt <u>files</u> lawsuit against China seeking to hold the CCP responsible for the coronavirus outbreak.

April 25, 2020: G20 virtual meeting <u>cancelled</u> because US-China tension over WHO.

April 28, 2020: US <u>publishes</u> new rules that require licenses for US companies to sell certain items to companies in China that support the military, even if the products are for civilian use.

April 28, 2020: US Navy destroyer, the *USS Barry*, conducts a FONOP in the Paracel Islands.

April 29, 2020: US guided-missile cruiser USS Bunker Hill conducts a "freedom of navigation operation" in the Spratly Islands.

April 30, 2020: Trump threatens to levy new tariffs on China in retaliation for the COVID-19 outbreak.

Chronology prepared by CSIS research interns Aidan Powers-Riggs and Jocelyn Wang