

Historical Trends: U.S. China Relations

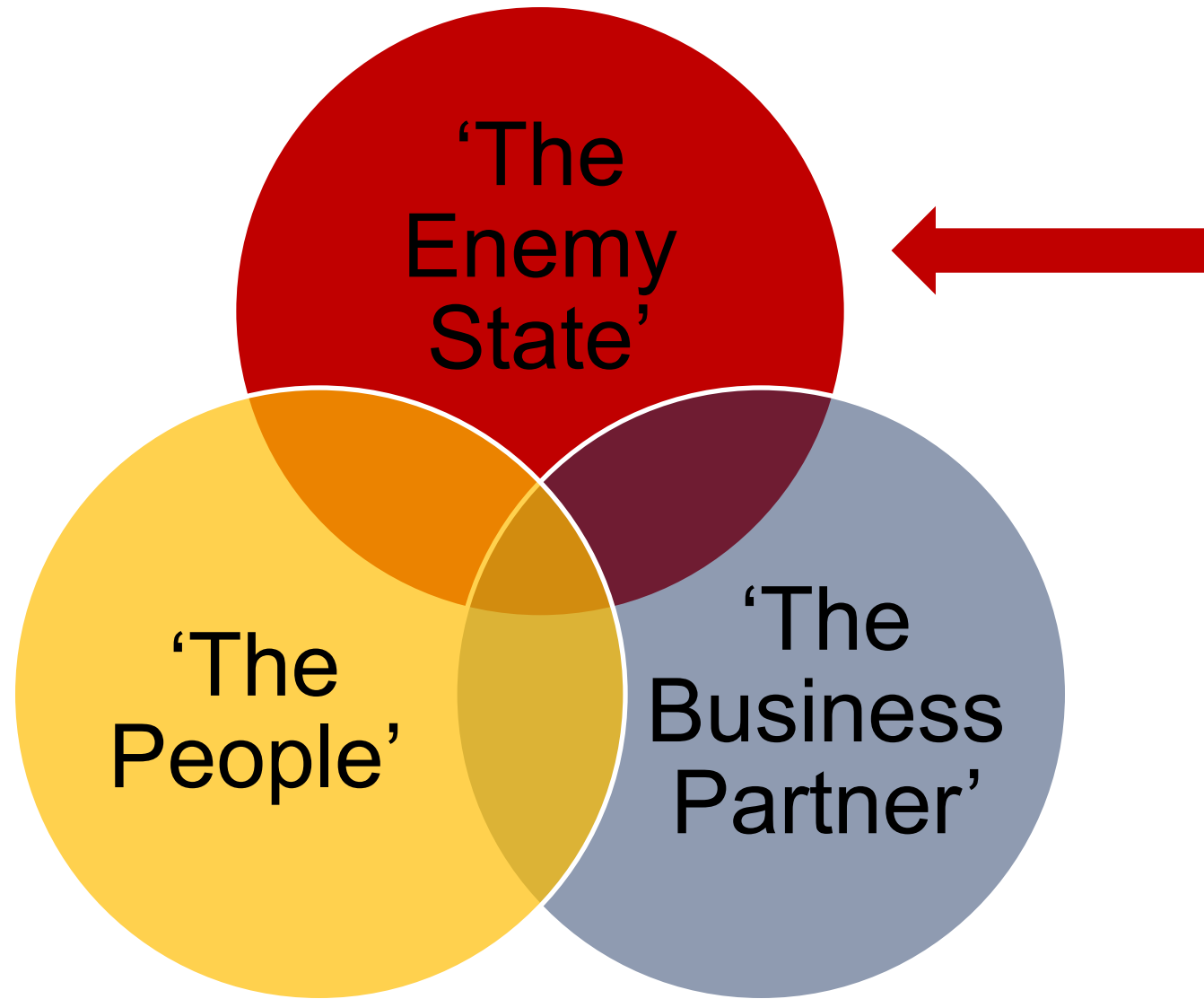
美国中国关系

MSOD PHI Prime China Culture Webinar
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Our Lens:





Since 1949, U.S.-China relations have evolved from tense standoffs to a complex mix of intensifying diplomacy, growing international rivalry, and increasingly intertwined economies.

Council on Foreign Relations





- The party leader is the country's paramount leader.
- The current paramount leader is **Xi Jinping**, elected at the 18th National Congress held in October 2012.
- The CPC is committed to communism and continues to participate in the International Meeting of Communist and Workers' Parties each year.

1949



Mao Zedong

(1893 – 1976)

Founding father of the People's Republic of China. Chairman from 1949 to 1976. Author of Maoism. Was considered by many a cult figure. During this time PRC was a mystery to the world with no formal relations with the U.S.

1958



The Great Leap Forward

(1958 – 1962)

Disastrous policy to transform China which motivated one of the most deadly mass killings of human history.

1966



The Cultural Revolution

(1966 – 1976)

Movement to preserve Communism by purging remnants of capitalist and traditional elements from Chinese society.

1972



Nixon in China (1972)
(Opening China to the world)

1978



Deng Xiaoping
(1904 –1997)

Leader of China
(1978–1989).
Combined socialist
ideology with free
enterprise. Opened
China to foreign
investment and the
global market.



Deng and Carter in China
(1978)

China-US relations move from hostility to engagement
One China policy

1979



Deng visits the U.S.
(1979)

Current Relations: China as an Adversary

North Korea:

- China is North Korea's primary and most critical trading partner
- US has questioned China's commitment to trade restrictions
 - accusations of going around sanctions
- China supports punishing nuclear ambitions of North Korea
 - despite this, trade has increased tenfold (2000-2015) from \$488 million to \$5.4 billion
- Differing priorities: China = *stability* vs. US = *de-stablization*



South China Sea:

- China has built artificial islands and equipment in the area
- Justification: 1947 map showing the “nine-dash line”
- US regularly conducts “Freedom-of-navigation operations” (FONOPS) i.e. it sends warships and aircraft through disputed waters
- China demands that other countries obtain consent for military transits through these waters

Current Relations: China as an Adversary - Continued

Cybersecurity:

- China has been accused by the US of economic espionage through cyber-hacking
- US has called on China to stop stealing privately owned intellectual property
- It's believed that the Obama-Xi Cyber agreement in 2015 did slow down cyber hacking by China
- has progressively started to increase again
- China's hacking targets include telecommunications



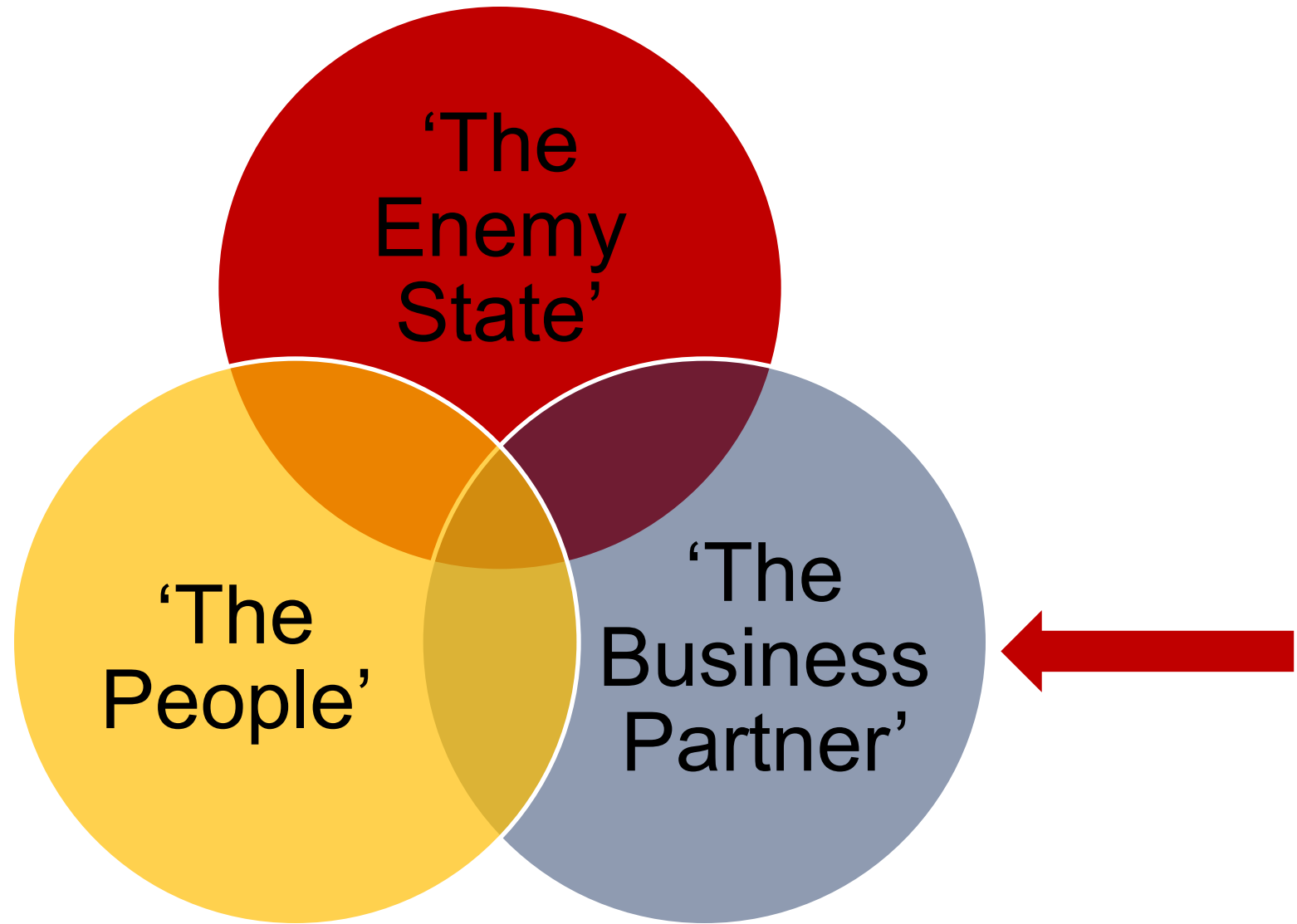
Taiwan:

- US officially maintains a “One China Policy” i.e. it does not recognize Taiwan's independence
- Committed to supporting Taiwan's self-defense
- This a politically tense situation: February 28th, the U.S. sent 2 warships through the Taiwan Strait, which China viewed as a provocative action threatening peace and stability in the area

Future Implications - The Thucydides Trap



Our Lens:



Historical Trends of Business Relations Between China & U.S.

1979 - American firms entered China. China wanted to be trained by manufacturing and distribution to build Chinese brands

1983 - U.S. firms complained about restricted access to Chinese markets

2000 – President Clinton signs U.S.-China Relations Act granting Beijing permanent normal trade relations with the United States

2001 - China joins World Trade Organization (WTO)

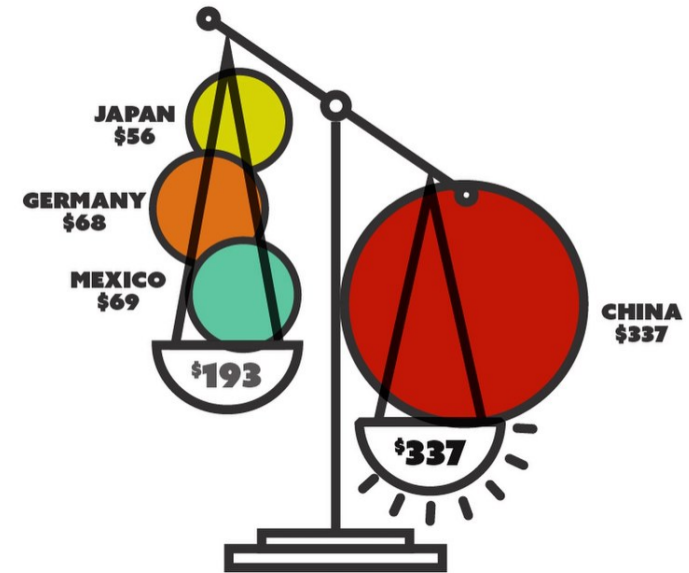
2003 - About \$150 million a day in foreign investments pour into China, and foreign trade totals \$850 billion annually

2008 - China becomes largest U.S. foreign creditor

2010 - China is on track to overtake the United States as the world's #1 economy by 2027

2012 - The U.S. trade deficit with China rises from \$273.1 billion in 2010 to an all-time high of \$295.5 billion in 2011

**U.S. TRADE DEFICIT BY COUNTRY
IN BILLIONS OF DOLLARS**



Historical Trends of Business Relations Between China & U.S.

2017 – Agreement between Beijing and Washington to expand trade of products and services like beef, poultry, and electronic payments.

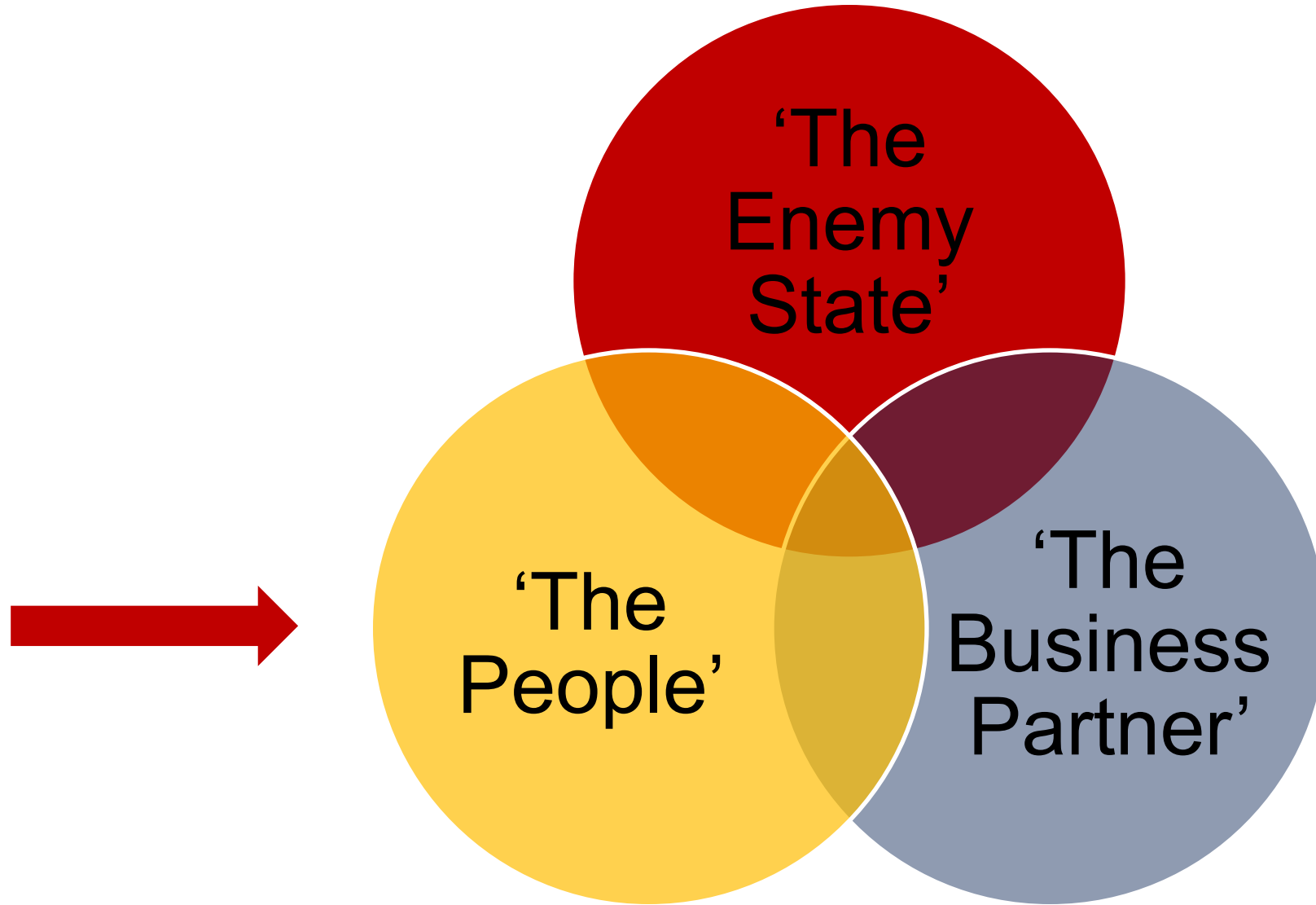
March 2018 - **Sweeping tariffs** on Chinese imports, worth at least \$50 billion due to what the White House alleges is Chinese theft of U.S. technology and intellectual property

July 2018 - President Trump believes that China is “**ripping off**” the US, taking advantage of free trade rules to the detriment of U.S. firms operating in China. Beijing criticizes the Trump administration’s moves as “**trade bullying**”

2019 - US and Chinese lawmakers are in talks to negotiate trade deal; deal could lead to stabilization of tariffs which could maintain tensions



Our Lens:

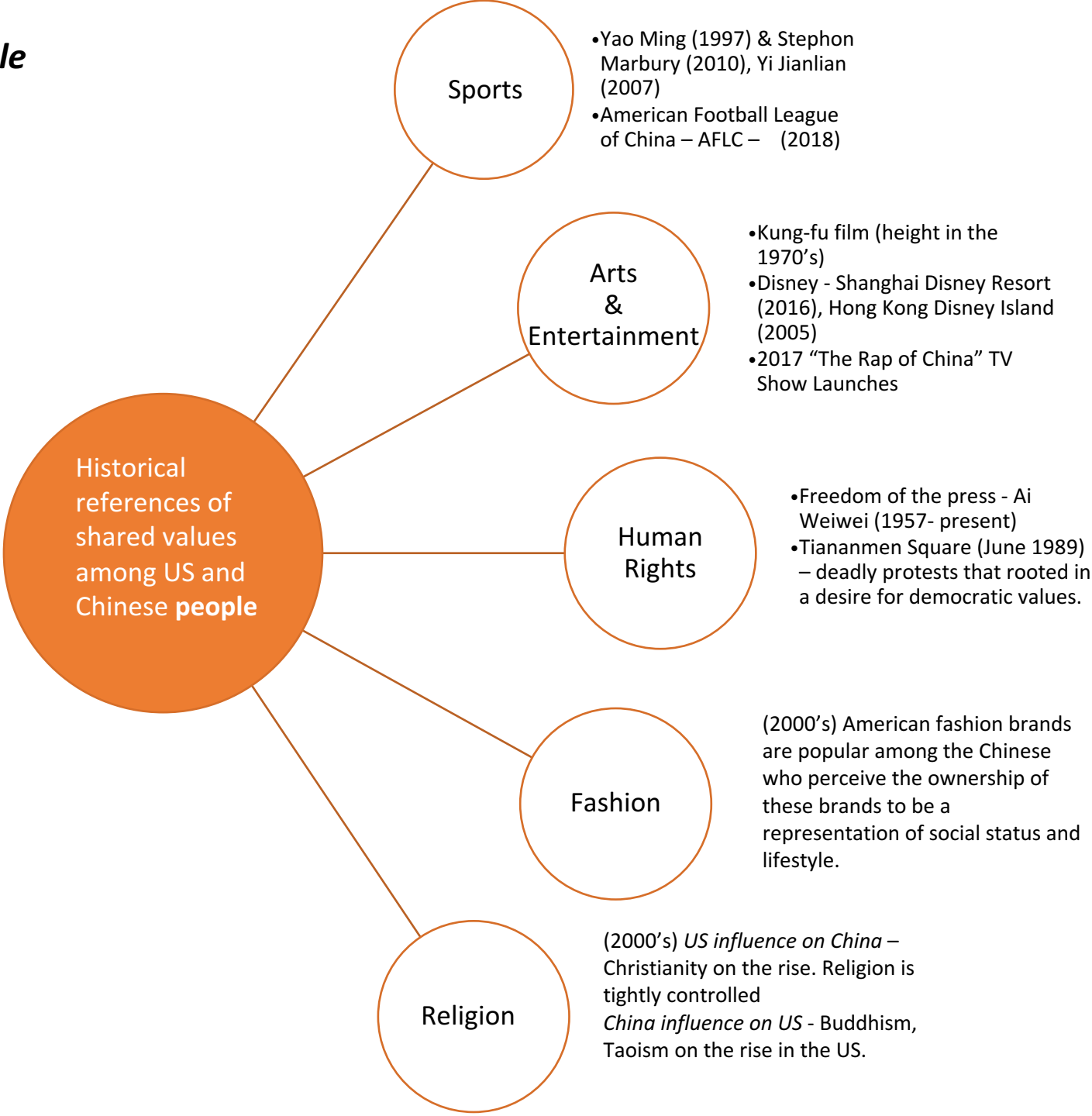


US & China History: *commonality amongst the **people***

Media is saturated with stories of our past in terms of China as the enemy nation-state and as the business competitor (and partner.)
*But what about the shared history of the American and Chinese **people**?*

Historical examples prove that **people** of the two countries share common values.

Helpful for us as we look to find sources of informal dialogue to build bonds with the Chinese **people**.



Xie Xie!

