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Transcript

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## CHINA IN THE WORLD PODCAST

Host: **Paul Haenle**

Guest: **Ashley Tellis**

Episode 83: Trump and Xi's First Meeting  
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**Haenle:** This week my colleagues at the Carnegie–Tsinghua Center and I were privileged to host our Carnegie colleague, Ashley Tellis. Ashley Tellis is a senior fellow at the Carnegie Endowment based in Washington D.C. He specializes in international security, defense, and Asian strategic issues. From 2001 to 2003 Ashley served as a senior advisor at the U.S. embassy in New Delhi, and in 2003 he also served on the National Security Council staff as a special assistant to the president, senior director for strategic planning in Southwest Asia. While on assignment to the U.S. State Department as a senior advisor to the undersecretary of state for political affairs, Ashley was intimately involved in negotiating the civil nuclear agreement with India. Ashley was in town for the Carnegie–Tsinghua Center’s fourth annual Carnegie Global Dialogue. This is a series of discussions we hold each year with scholars from across Carnegie’s global network of centers to examine China’s evolving foreign policy and international role. This was the first time we did this in conjunction with the new Carnegie center in New Delhi, India, and the center director there, Raja Mohan, who joined Ashley.

In this podcast, I speak with Ashley after a week of dialogue we had with Chinese scholars, government officials, young leaders, students, business leaders, where we discussed President Trump’s “America First” concept and what it might mean for U.S.-China relations. We also discussed our expectations for the first summit meeting between President Xi and President Trump, which will take place at Mar-a-Lago on April 6 and 7. Please enjoy the conversation and leave us a rating on iTunes if you enjoy our podcast. Thank you.

**Haenle:** Thank you for being with us this morning, Ashley.

**Tellis:** It’s a pleasure, Paul. Pleasure.

**Haenle:** While you’ve been in Beijing this week, you’ve spoken to a number of different audiences: Chinese scholars, government officials, business community, diplomats. You’ve engaged a lot and talked a lot about what you think in order to help people understand President Trump’s America First policy. You’ve said the concept suggests a nationalistic sentiment. President Trump articulated this national sentiment in the campaign which resonated with enough Americans to get him elected as president of the United States. But we’ve really yet to hear from President Trump a systematic elaboration of what this means—what America First means. What in your view is meant by the America First approach? How is it new and how is it not new for America?

**Tellis:** That’s a really good question because one important thing to start off when you think about this issue is to recognize that Trump’s views are not uniquely his views. The temptation is to dismiss them as quirky and idiosyncratic because of his personality. But I believe that his views represent a school of thought that has always existed in American political life. Let me explain that briefly by saying that since the country’s founding there have been essentially three schools in the United States. There’s been an isolationist school, which has basically said that America does not need the world, we are a self-contained nation and we should stay that way. At the opposite end, there’s an internationalist school which believes that America’s destiny is somehow linked to what happens in the wider world around it. And there is a nationalist school, which is actually best captured by the slogan, “Don’t threaten me.” It does not dismiss the world, but its point of entrance into politics is really what happens in America, it cares about America. So the world is

important, but only in an instrumental fashion. It's not important for its own sake, whereas the internationalists have always believed that it's important for its own sake, and liberal internationalists have believed that it has value because it represents the American ideal of the promotion of democracy, the rule of law, an ordered system of politics and so on and so forth. Trump is genuinely nationalist. He sees the United States as first—in every sense of the word—and is prepared to engage in the world but only to the degree that it actually advances core American national interests.

**Haenle:** We have not had this kind of approach—it seems to me—over the last few decades. We seem to have been more internationally engaged, and so this aspect is relatively new for us it seems.

**Tellis:** Yes. In fact, throughout the Cold War, we went through the Cold War because there was a tacit alliance between the nationalists and the internationalists. Both agreed that there was a genuine threat to the United States and it was called the Soviet Union. The internationalists used that threat to create an entire architecture of order, because that was to them the best device for dealing with Soviet power. The nationalists went along with them because their objective was to contain the Soviet Union, prevent the Soviet Union from attacking American interests... so there was a meeting of the minds as long as there was competition during the Cold War. But after the Cold War when the major threats to the United States in the form of state power disappeared, the cleavage between the nationalists and the internationalists began to open because nationalists began to look at the edifice that the internationalists had created as being burdensome, and using more American resources than was worth it, whereas for internationalists, the edifice had value in its own terms and therefore was worth paying the price to maintain. Trump today—representing the upsurge of nationalism—is now beginning to say, “Hey, I understand the logic of having created this order to serve a certain purpose during the Cold War, but why should I be continuously paying to maintain it?”

**Haenle:** So the structures that have been created, that we've been using—the architecture, the approach that agencies within the U.S. government have been taking since the end of World War II and since the end of the Cold War—seem to have been consistently engaged in this international approach to the world. How will this change now? Will the structures have to change now to adapt to this new approach?

**Tellis:** This is a very question and I don't think there is an easy answer to it. I think all the agencies of the U.S. government will have to reckon with the fact that they cannot go back to business as usual because this president is going to be asking very hard questions about the utility of the international structures to the United States, and so there will be two sets of bargaining processes that will be taking place simultaneously. One is the United States with the international system, how much of the international structures is the United States prepared to support and subsidize? That's one set of discussions. And there is going to be an internal discussion within the American state system—within the American society and American state—and that is going to be: which of the inherited processes will have to change? I think when Trump complains about the so-called “deep state”, it's really code for saying that all the objectives we've pursued without questioning for sixty years are now open for questioning, and you better get used to that idea. Now there are of course quirky elements to that complaint as well, but I think the broader issue is

Trump essentially signaling to the permanent government that it's not going to be business as usual, you're not going to get the latitude to conduct your business from the old premises, all these have to be revisited.

**Haenle:** And is this in part why there's so much suspicion from Donald Trump and some of his key advisors in the White House towards these agencies? They haven't filled positions, it seems the cabinet secretaries many of them are not necessarily relying on their agencies to support them... This must be part of this.

**Tellis:** This is definitely part of it. There are two dimensions to this challenge. One is what I would think of as the ideation dimension, which Trump seems to believe that the permanent government has not appreciated what the results of this election actually meant. That is, the permanent government is assuming that Trump is going to be an internationalist plain and simple, like his predecessors...

**Haenle:** He will conform. He will come around.

**Tellis:** Correct. And that his nationalism for simply a campaign strategy, but it's not a strategy for governance. I think there will be much more of Trump the nationalist in governance than people recognize. And so the permanent government is having some difficulty sort of understanding that. Then the second is simply plain old politics. Because of the character of the campaign, many individuals who would have otherwise joined a nominally republican administration have chosen not to join this administration or will not be invited into it by Trump and the people around him. And so between the political constraints of having a much smaller pool to now choose from, and the ideational constraint of having really two world views in collision, and this Paul leads to a larger question, which is what is the Republican Party? What does it standard-bearer stand for and what does the Party stand for? We always presumed—particularly in the latter half of the Cold War—that the Republican Party was already internationalist. But that was historically not true. I mean the early Cold War it was the Republicans who were actually quite nationalist, and had to be brought almost to the internationalist table.

**Haenle:** But certainly over the last several decades the Republicans have been much more on the internationalist side...

**Tellis:** Oh absolutely.

**Haenle:** The interesting thing is you see several of his cabinet secretaries are internationalists, traditional probably in their approach: Secretary Mattis at Department of Defense, Secretary Tillerson a CEO of a company that's been engaged in the world... But then in the White House you have people who are maybe more nationalistic. How would you describe that constellation—because he's going to be influenced by people in the White House around him, family members, others, but the Cabinet secretaries will have a role too. How do you see that constellation of advisors?

**Tellis:** I see this as part of the internal negotiation that will constantly be taking place over the next four years. Sometimes the nationalists in the White House—people like Steve Bannon, Steve Miller, Peter Navarro—will have the upper hand...

**Haenle:** Navarro, who is head of the National Trade Council.

**Tellis:** ...will have the upper hand depending on the issues. On other matters, the internationalists will have the upper hand. I think crudely—and this is a very crude generalization—on matters that are more clearly international—foreign policy, defense strategy—I think the internationalists still have the edge because Trump has inherited a global order which he simply cannot walk away from.

**Haenle:** I remember when Secretary of Defense Mattis came to Asia. He went to Korea and Japan and the kinds of thing he was saying, and reassuring our allies of their importance to the United States, sounded very much like what we've heard in the past, and I understand they didn't get a lot of guidance from the White House for those trips so you see that's kind of the automatic feature that will kick in unless told otherwise.

**Tellis:** Absolutely. And I think to the degree that these individuals have international responsibilities, I think their natural instinct will be to act on the internationalist assumptions of the past. I think in many ways that is the smart thing to do. But to the degree that the issues will enter domestic politics, with the respect to the management of the economy, with respect to the role of the United States in the international economic system, I think in these areas the nationalist sentiments of those who think differently from the legacy of the last sixty years, I think that's where in these issue areas this group will have most influence.

**Haenle:** And how do those advisors break down? You've mentioned Navarro leading the nationalist sentiment—Bannon, Miller—who is on the other side, on the economic and trade side?

**Tellis:** I think on the other side are people like Cohn. You will have individuals like Steve Mnuchin, who is secretary of treasury, they see the United States as being part of an international economic architecture, which is part of globalization, part of interdependence, part of a trading system. So while they recognize the need for correctives, they do not want to jettison the system all together... use the same framework but get better bargains. Whereas the nationalist I think are willing to receive more wholesale renovations than the traditionalists would contemplate.

**Haenle:** Fascinating. You're here in China, let's turn to China now. What you've described seems to be where President Trump's instincts are. Looking at U.S.-China relations, where can we expect there will be consistency in the things he will do? Where would you expect to see the most dramatic changes on U.S.-China relations compared to what his predecessors did?

**Tellis:** I think you will see a shift perceptively in the economic relationship with China, and I don't think this is going to involve a wholesale jettisoning of the U.S.-China trade relationship. I think it is simply impossible even for a president to do that no matter how much he wants. But I think Trump is going to be much more hardnosed in demanding that China change certain trade practices—the way it deals with its currency management, the way it deals with the requirement that Americans have local partners, the privileges that are afforded to SOEs in the global trading

system, the very difficult relationship that China seems to have with international property regimes, and particularly American intellectual property—I think on these issues Trump is going to demand changes.

**Haenle:** Those sound to me like things that Hillary Clinton probably would have done, or if another Republican president would have come on board. Somebody said to me the other day, “Is he going to do a 45 percent trade tariff on China?” And I said, “I don’t think so, I think that was more campaign rhetoric.” And somebody said, “Well, he’s going forward with the Muslim ban. He’s going forward with a number of things he said he was going to do, that no one ever thought he would do.” How do we know he’s not going to do more of those types of things such as what Peter Navarro is suggesting? If you look back on things Donald Trump has done in the past, he’s said many illuminating things even as early as 1990 where he said, “I’d love a trade war with China.”

**Tellis:** First I think it’s not productive to get into the prediction business because it’s not a great market for success. But I think the bottom line is this: Hillary Clinton and others had similar sentiments. The big difference is how central is it going to be to the agenda. For Trump it is going to be a lot more central. For Clinton, this would be something she would also engage in and work on but in a much larger context, so there would be an effort made to balance whatever activity there was in these areas with very conscious attempts at engagement, enhancing cooperation, things like that. Whereas for Trump, because this addresses not only his core intellectual interests—the whole nationalist agenda—but also his core electoral interests, because the people who voted for him deeply believe that their economic condition is a direct consequence of the United States’ inability to manage China’s behaviors in these issue areas. So he has to address the political interests that brought him to power. So that becomes far more central to his agenda with China than it might have been for another president.

**Haenle:** How about on the security side? What changes do you expect with Donald Trump from what we’ve seen previously? There was real consistency between Bush and Obama in many ways—in fact I stayed as China director from the Bush administration into the Obama administration, and we used a very similar framework in the early days of the Obama administration. What do you see differently on the security side?

**Tellis:** I don’t see radical differences, even though people advertise Trump’s views about alliances and so on and so forth. I don’t see radical differences for two reasons. One, the United States has enduring interests irrespective of who’s in office. No matter how nationalist Trump may be, he can’t simply walk away from the world order that he has inherited. So that’s a simple reality. Two, the tasks that Bush recognized and that Obama recognized as important for national security are the same tasks that face Donald Trump. What I think he’s going to do is actually do more of the same, more resolutely, so you are going to see increases in the defense budget, you are going to see more muscularity in American defense policy, investments in nuclear forces, continued activity in freedom of navigation, and so on and so forth. So I think there will be far greater continuity on the defense and security side than people imagine.

**Haenle:** So you’ve been here three days now, you’re unfortunately getting ready to leave, you could stay longer if you’d be willing to, even though we know you have to move on to bigger and

better things... a lot of discussion about the state of U.S.-China relations and this upcoming summit in Mar-a-Lago and wanted to get a sense before you left, where you see the state of U.S.-China relations currently and what might we expect to see with this Mar-a-Lago [meeting] and why is it important?

**Tellis:** There is profound uncertainty in the bilateral relationship right now, because the Chinese who have been beneficiaries of American internationalism now have to confront the possibility that that world is at risk. So I think China has two clear objectives going into the summit in Mar-a-Lago. First is to arrive at a political modus operandi with the United States that has a G2-like connotations even if they claim any interest in a G2-like arrangement, because they want the United States to treat them essentially as a peer, because there's all sorts of political that stems from that. So that's a very clear objective: get Trump's consent to treat China as a peer, in exchange for which China can do many things to enhance its domestic economic agenda.

**Haenle:** Have they made an advancement on that objective already when Secretary Tillerson came here and used the language that Xi Jinping has used to describe the new type of great power relationship?

**Tellis:** I think they have made a great advance towards that objective. I think from my vantage point it was an unfortunate advance for U.S. interests because it breaks with U.S. policy, it's threatens the alliance system that we have built in the last 60 years, and it actually creates the preconditions for a Chinese domination in Asia which is neither in America's interests or in the region's interests. But there is a second objective that the Chinese have as well, and that is to entice Trump to do whatever he can to protect globalization at least to the degree that it allows China continued access—unimpeded access—to external markets. I don't think the Chinese are apostles of globalization in an abstract sense. They need continued uninterrupted access to global markets and to the degree the nationalism of Trump begins to have emulative effects elsewhere, that is catastrophic for China's strategy, including for One Belt One Road, and so there's the second prong of Chinese interests.... And they are worried about that, and rightly so.

**Haenle:** Ashley, it's always a pleasure to talk to you. We look forward to you coming back and we look forward to you joining the China in the World podcast again. Thank you very much.

**Tellis:** I'd love that. Thank you so much, Paul.

**Haenle:** That's it for this edition of the Carnegie–Tsinghua China in the World podcast. I encourage you to explore our site and see the work of all our scholars at the Carnegie–Tsinghua Center. Thank you for listening. Be sure to tune in next time.