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With Branstad Pick, Trump Sends Signal He's Willing to Work With China

EMILY STEWART · DEC 9, 2016 10:13 AM EST

Donald Trump's selection of Iowa Governor Terry Branstad as U.S. Ambassador to China will likely calm a few nerves regarding the president-elect's stance towards the Asian superpower, but it won't smooth things over entirely.

[China](#) was a favorite talking point for the self-described billionaire on the campaign trail, and since his November 8 election, he has signaled his tough talk may translate to action. "They haven't played by the rules, and they know it's time that they're going to start," he warned at a rally in Des Moines, Iowa on Thursday evening.

Branstad appeared alongside Trump at the event, the third stop on the president-elect's thank you tour. "We're going to have mutual respect, and China is going to benefit and we're going to benefit. And Terry is going to lead the way," Trump said.

State-owned *China Daily* in an [editorial](#) on Friday wrote that a mutually beneficial relationship entails more than a trusted messenger, noting that "a diplomat's success to a great extent hinges on his country's foreign policies."

Trump raised eyebrows last week by [holding a call](#) with Taiwanese President Tsai Ing-wen, breaking with nearly 40 years of the U.S.'s "One China" diplomatic practice. On Sunday, the president-elect, who has not held a press conference since July, took a swipe at China on Twitter. "Did China ask us if it was OK to devalue their currency (making hard for our companies to compete), heavily tax our products going into their country (the U.S. doesn't tax them) or build a massive military complex in the middle of the South China Sea? I don't think so!" [hewrote](#).

China Daily [responded](#) to Trump in an editorial published on Tuesday, encouraging him to "stop acting like the diplomatic rookie he is."

Trump's announcement of his intention to nominate Branstad, who has a long-standing relationship with China, might help to smooth things over, experts said.

"I don't know whether it will fully offset it, but clearly this appointment will be welcomed in China," said Edward Alden, senior fellow at the Council on Foreign relations who specializes in U.S. economic competitiveness and trade policy.

Branstad, who during two separate stints has served 18 years as Iowa governor, the longest-serving in American history, has led six trade missions to China throughout his career. He collaborated with the Ministry of Agriculture for China to further relationships between American states and Chinese provinces and has known President Xi Jinping and other leaders for years.

"The governor brings two important strengths to this role: strong existing relationships with China at multiple levels and experience as a leading advocate for trade. These strengths will benefit international commerce and help further advance China's goal of modernizing its agricultural industry," said Paul Schickler, president of DuPont Pioneer.

Iowa is a major exporter of farm products to China. According to the [U.S.-China Business Council](#), Iowa sold \$1.4 billion in agriculture products to China in 2015.

"Surely the governor understands that China is a large export market for U.S. agricultural products and that a trade war with China, which is threatened by the U. S. president-elect, would not be good for Iowa farmers. This might suggest to Chinese leaders that Trump's threats of a trade war are just a bluff in the hopes of a better trade deal for the U.S. with China," said Edward Friedman, professor emeritus at the University of Wisconsin-Madison and expert on Chinese foreign policy.

While campaigning, Trump pledged to instruct his Treasury Secretary to label China a currency manipulator and ask the U.S. Trade Representative to bring trade cases against it in the United States and the World Trade Organization.

He has also threatened tariffs and other actions that some say could incite retaliation from China, including a trade war.

"It now seems apparent that Trump is taking an aggressive stance towards China. If he really is challenging the one China policy, it will create a major confrontation that would be very destructive to U.S.-China relations," said Albert Park, economist at Hong Kong University of Science and Technology.

Trump has often focused his criticism on steel. China has subsidized its steel industry heavily, and its production has increased dramatically, in turn displacing U.S. production. Wilbur Ross, the billionaire investor Trump intends to nominate as Secretary of Commerce, has extensive experience in the steel industry and could exacerbate tensions that Branstad could calm, said Alden.

"He is likely to bring in a very different perspective on trade with China than somebody whose experience were forged through an industry like steel," said Alden.

Scott Kennedy, deputy director at Washington, D.C.-based think tank the Center for Strategic International Studies, warned that Branstad's nomination may not be all that significant in terms of modifying Trump's stance towards China.

"You can expect that President-elect Trump, once he gets into office, is going to follow through on his campaign promises to rebalance the relationship between the United States and China in a way he believes is fair for the United States," he said. "The ambassador doesn't set policy, he implements policy."

Ann Lee, adjunct professor of economics and finance at New York University, said the effect of Trump's Taiwan call and tweets are exaggerated. Still, she thinks Branstad's nomination will help, even if it's not so obvious.

"Trump is demonstrating that he wants relations to go smoothly behind the scenes while also publicly he wants to sound tough on China so that he doesn't lose legitimacy with his supporters," she said.