

China Politics Weekly

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Dear friends and colleagues,

Happy Valentine's Day! My partner is my first love, but my readers are my second (It's a 1,567-way tie). I'm in Beijing for the next ten days. If you are around and would like to meet, let me know.

Your comments and feedback are always welcome. Old issues are always available at www.chinapoliticsweekly.com. Sign up or unsubscribe by sending an email to info@chinapoliticsweekly.com.

All eyes on DC

Conversations in Beijing have been remarkably similar to most of the conversations that I have been having in London and the States of late. They've all been a bit like the below, with slight variations depending on the latest tweet, letter, leak or phone call:

A: *Trump trump trump trump.*

B: *Bannon?!?*

A: *Trump Bannon trump.*

B: *Trump trump trump.*

A: *Trump Tillerson Mattis Cohn trump trump.*

B: *Navarro Pillsbury and Bannon!?!?!?!?*

A: *Trump trump trump trump.*

B: *Trump trump trump trump trump trump trump trump trump.*

A: **Kushner*....*

B: *Trump trump.*

A: *Trump trump trump trump.*

US-China relations will get rockier

Trump's decision to honor the One China policy (at Xi's request) is great news. It ratchets down tensions and reduces the prospect of major conflict.

But it hardly means that US-China relations are now on a stable footing. Working in the Trump administration appears to be a blood sport, and the status and influence of officials are in constant flux. Michael Flynn is likely

not the last official to fall from favor. There are many competing voices and ideas, and It is too soon to tell who will ultimately drive Asia policy.

Trump is not into engagement

The one person who will be involved is Donald Trump. Given this, it's important to understand his views on China. For nearly twenty years, Trump has been explicitly hostile and advocated for a more confrontational approach to China, as evidenced by the quotes below:

From *The America We Deserve* (2000)

"Our biggest long-term challenge will be China"

"The Clinton administration, like the Bush administration before it, follows a policy of 'constructive engagement' with China...How's this policy working? It isn't."

"We should... identify China for what it is: a growing military threat abroad and an oppressive regime at home."

"And let's also operate with the understanding that China doesn't aspire to a strategic partnership. It sees us as a rival in its ambitions to dominate Asia."

From *Time to Get Tough* (2011)

"Get it straight: China is not our friend. They see us as the enemy... If America doesn't get wise soon, the damage will be irreversible."

"We just have to get tough, get smart, and get a president willing to stand up for America and stick it to the Chinese."

"The military threat from China is gigantic – and it's no surprise that the Communist Chinese government lies about how big its military budget is."

"Look, when it comes to China, America better stop messing around. China sees us a naïve, gullible, foolish enemy."

From *Crippled America* (2015)

"There are people who wish I wouldn't refer to China as our enemy. But that's exactly what they are."

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What's important to note about the statements above are that they come from his "serious" policy-focused books. If one were to include his statements in interviews or on the campaign trail (e.g. May 2016's "We can't continue to allow China to rape our country, and that's what they're doing."), he appears even more hostile.

Trump has never expressed strong opinions on Taiwan or One China in the past, and likely does not hold any now, so it is unsurprising that he has shown flexibility there. But he does hold strong beliefs that China is a competitor, both economically and strategically. For the moment, caution and conciliation seem to be prevailing with respect to China policy. There is no guarantee that this will continue to be the case.

Party over state

Last week showed clearly how the locus of policymaking has moved away from the government and into the Party under Xi. The Leading Small Group on Comprehensively Deepening Reform (LSGCDR) meeting last week deliberated and passed 12 documents covering a wide range of issues including foreign affairs, environmental protection, mass organizations, science and technology, the industrial workforce and others. This shows that

there is an extensive and robust system for drafting and reviewing policy under the direction of LSGCDR Office Director Wang Huning.

In contrast, last week's State Council meeting passed one document – on pesticides.

PBSC Week in Review

Xi Jinping <i>Party General Secretary; PRC President; Chairman of Central Military Commission</i>	Feb 13	Xi attended and spoke at the opening session of a workshop on the 6th Plenum held at the Central Party School. <i>For senior ministerial and provincial officials. Xi said "Leading officials should strengthen their political capability, firm their political ideals, uphold political direction, be steadfast in their stance and strictly observe political rules."</i>
	Feb 12	Xi extended congratulations to Frank-Walter Steinmeier on his election as German president.
	Feb 10	Xi spoke with United States President Donald Trump by telephone.
	Feb 7	Xi exchanged congratulatory messages with President Maithripala Sirisena of Sri Lanka on the 60th anniversary of establishment of diplomatic relations.
	Feb 6	Xi chaired a meeting of the Leading Small Group for Comprehensively Deepening Reform. The meeting deliberated and approved 12 documents on: 1) improving the quality of industrial workers; 2) enhancing Party participation in the foreign affairs-related activities of local governments; 3) reforming the leadership and management of overseas bodies; 4) improving recruitment and selection of foreign affairs workers; 5) optimizing foreign aid; 6) standardizing the development of non-government think tanks; 7) improving consultation on national science and technology decision making; 8) further opening public information resources; 9) a plan for setting up environmental supervision and law enforcement agencies; 10) improving the personnel system within state media organizations; 11) a plan for reforming the permanent residence permit system for foreigners; and 12) improving the responsibility system for advancing knowledge of laws and regulations. The meeting also heard three reports on: 1) pilot reforms for the All-China Federation of Trade Unions; 2) Shanghai's pilot reforms for mass organizations; 3) Chongqing's pilot reforms for mass organizations. Xi appointed new ambassadors. <i>Eritrea and Rwanda.</i>
Li Keqiang <i>Premier</i>	Feb 13	Chaired workshop on 6th Plenum at Central Party School.
	Feb 8	Li chaired an executive meeting of the State Council. <i>Promised to further cut administrative fees for businesses; improve the construction industry; develop high-standard farmland; and approved a new draft</i>

		<i>regulation on agricultural chemicals.</i>
	Feb 7	Li exchanged congratulatory messages with Prime Minister Ranil Wickremesinghe of Sri Lanka on the 60 th anniversary of the establishment of diplomatic relations.
	Feb 6	Attended meeting of Leading Small Group on Comprehensively Deepening Reform.
	Feb 5	Li, along with Australian Prime Minister Malcolm Turnbull, sent congratulations to the official launch of the China-Australia Year of Tourism 2017.
Zhang Dejiang <i>Chair of the National People's Congress</i>	Feb 14	Zhang chaired an NPC Standing Committee chairperson's meeting. <i>Next NPC Standing Committee meeting will be February 22-24.</i>
	Feb 13	Attended workshop on 6 th Plenum at Central Party School.
	Feb 8	Zhang chaired a seminar to discuss the NPC's annual work report. <i>NPC annual meeting begins March 5th.</i>
Yu Zhengsheng <i>Chair of the Chinese People's Political Consultative Conference</i>	Feb 13	Attended workshop on 6 th Plenum at Central Party School.
Liu Yunshan <i>Head of Party Secretariat; Head of Propaganda</i>	Feb 13	Attended workshop on 6 th Plenum at Central Party School.
	Feb 6	Attended meeting of Leading Small Group on Comprehensively Deepening Reform.
Wang Qishan <i>Secretary of the Central Commission for Discipline Inspection</i>	Feb 13	Attended workshop on 6 th Plenum at Central Party School.
Zhang Gaoli <i>Executive Vice</i>	Feb 13	Attended workshop on 6 th Plenum at Central Party School.

Premier	Feb 10	Zhang chaired and spoke at a work conference to push forward with construction of One Belt One Road.
	Feb 8	Zhang inspected the National Bureau of Statistics. <i>Said officials caught faking statistics will get demerits.</i>
	Feb 6	Attended meeting of Leading Small Group on Comprehensively Deepening Reform.

About CPW

China Politics Weekly aims to keep business leaders, investors, diplomats, scholars and other China hands up to date on important trends in China. It is produced by Trey McArver, a London-based consultant providing advice and intelligence to firms and investors engaged in China and the region. You can find out more about Trey and CPW in [this interview](#).

Want to help? Please tell us how we can make this newsletter more useful to you. Feedback on both form and content are always welcome, as are suggestions for topics to be covered. Please contact us at info@chinapoliticsweekly.com. We look forward to hearing from you.

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