

Media Roundup Issue 70 (05/05/18– 11/05/18)

1. America's weak case against China

24/04/2018

Stephen S Roach

Project Syndicate

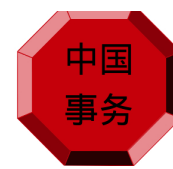
The US playing victim in the US-China trade war with the section 301 report could escalate existing tensions and lead to further retaliation from both countries. Australia, which has strong ties to both nations, would be caught in a delicate balancing act, placed in a difficult position of managing these complex relations. Whilst Australia's interests are deep and direct, there is little that can be done to influence the outcome of US-China negotiations and can only monitor the state of this relationship so any negative impacts can be mitigated.

The US Trade Representative appears to have made an ironclad case against China in the so-called Section 301 report issued on March 22. But the report – now widely viewed as evidence justifying the Trump administration's recent tariffs and other punitive measures against China – is wide of the mark in several key areas.

On the surface, United States Trade Representative Robert Lighthizer appears to have made an ironclad case against China in the so-called Section 301 report issued on March 22. Laid out in a detailed 182-page document (which, with 1,139 footnotes and five appendices, would make any legal team blush with pride), the USTR's indictment of China on charges of unfair trading practices regarding technology transfer, intellectual property, and innovation seems both urgent and compelling. It has quickly been accepted as foundational evidence in support of the tariffs and other punitive trade measures that President Donald Trump's administration has initiated against China in recent months. It is powerful ammunition in a potential trade war.

Read more: <https://www.project-syndicate.org/commentary/ustr-section-301-report-biased-by-stephen-s--roach-2018-04>

2. Why is Kevin Rudd using Chinese social media to criticise Malcolm Turnbull in Mandarin?



05/05/2018

Vicky Xiuzhong Xu

ABC News

Former prime minister Kevin Rudd has taken to popular Chinese social media site Weibo to criticise Prime Minister Malcolm Turnbull's "paranoid and all over the place" policies towards Beijing, as well as muse about various other China-related issues.

One recent post features a photo of Mr Rudd studying President Xi Jinping's 2017 speech at the 19th National Congress of the Communist Party of China with a caption that says "China is entering a new era".

Read more: <http://www.abc.net.au/news/2018-05-05/why-is-rudd-using-weibo-to-slam-turnbulls-china-policies/9726756>

3. Universities tell Beijing Chinese student safety fears unfounded

06/05/2018

Michael Smith

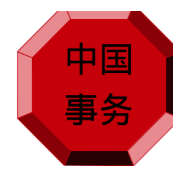
Australian Financial Review

A delegation of vice-chancellors from Australia's leading universities has told senior officials in Beijing that their campuses are the safest in the world for Chinese students as they seek to ensure diplomatic tensions between the two countries do not spill over into the education sector.

Six vice-chancellors from The Group of Eight (Go8), a coalition of Australia's leading universities, were invited to China this week for a meeting of 100 international university leaders and celebrations for the 120th anniversary of Peking University, which was attended by President Xi Jinping.

Group of Eight chairman Ian Jacobs said there was no sign that the education relationship had soured in his meetings with representatives from universities and government officials in China but the delegation was using the opportunity to address concerns about student safety.

Read more (paywall): <http://www.afr.com/news/policy/education/universities-tell-beijing-chinese-student-safety-fears-unfounded-20180505-h0zot9?btis#ixzz5EsgYWylR>



4. Australia deploys footy diplomacy to mend China ties

07/05/2018

Michael Smith

Australian Financial Review

Former US president Richard Nixon used ping pong diplomacy to thaw frosty US-Sino relations in the 1970s. Could "footy diplomacy" be Prime Minister Malcolm Turnbull's key to repairing Australia's ties with Beijing?

The organisers of the upcoming AFL game in China think so.

What initially sounded like a crazy idea has become the only major event in China this year showcasing Australian business, food, wine and of course sport.

Read more (paywall): <http://www.afr.com/news/policy/foreign-affairs/australia-deploys-footy-diplomacy-to-mend-china-ties-20180504-h0zo4s>

5. Australia Gambles Trump-Xi Tensions Won't Derail Budget Recovery

07/05/2018

Jason Scott

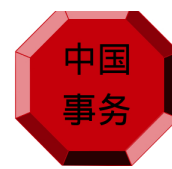
Bloomberg

Australia's leader Malcolm Turnbull will use Tuesday's budget to try and woo back disaffected voters before Donald Trump and Xi Jinping's trade tensions undermine the most China-dependent developed economy.

A sudden surge in revenue is allowing Turnbull to offer tax relief instead of paying down the country's budget deficit early. He's gambling that workers saddled with record household debt and stagnant wage growth will vote with their wallets in an Australian general election that's due within a year.

Read more: <https://www.bloomberg.com/news/articles/2018-05-06/australia-gambles-trump-xi-tensions-won-t-derail-budget-recovery>

6. Oz-China chills in SecWorld, EcWorld, SocWorld, DipWorld & PolWorld



07/05/2018

Graeme Dobell

The Strategist

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Read more: <https://www.aspistrategist.org.au/oz-china-chills-in-secworld-ecworld-socworld-dipworld-polworld/>

7. 200 Years On, Chinese-Australians Are Still Proving They Belong

07/05/2018

Isabella Kwai

New York Times

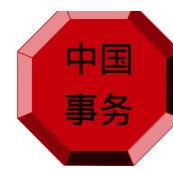
Out of a pile of papers on her dining table, Man-Yee Leanfore, 70, pulled out one: a copy of an old immigration document from 1907.

A young woman in a traditional Chinese dress stared out from the attached photos. Age: 29. Build: Thin. Hair: Dark. Nationality: Chinese.

The document permitted Mrs. Leanfore's great-grandmother, Yuck Land Hing, to come and go from Australia at a time when the White Australia Policy kept out most Asian immigrants. It was a limited reprieve — a three-year exemption to the dictation test commonly used to exclude nonwhite immigrants.

"We suffered," Mrs. Leanfore said as she looked at the photo, recalling the first in a long line of her relatives who emigrated to Australia. "But we didn't do anything wrong."

Read more: <https://www.nytimes.com/2018/05/07/world/australia/china-australia-history.html>



8. US general warns Australia that China 'no longer fears us'

08/05/2018

David Wroe

Sydney Morning Herald

A visiting US military general has used a speech in Canberra to warn that China no longer fears the United States as it used to and that this risks destabilising Asia.

General Robert Brown told an audience of high-ranking Australian defence officials and politicians that the US and its allies needed to regain a military innovation edge to deter China from starting a conflict.

General Brown, who commands US Army forces in the Pacific region, told a dinner hosted by the Australian Strategic Policy Institute that during a visit to China last year to meet top brass from the People's Liberation Army he had realised that "something was different".

"It took me a while to figure out what exactly was different in this visit," he said. "I realised that China ... for the United States, used to fear us and respect us. They don't fear us anymore.

Read more: <https://www.smh.com.au/politics/federal/us-general-warns-australia-that-china-no-longer-fears-us-20180508-p4ze0d.html>

9. Chinese Money Keeps Supporting Australia Despite Investment Restrictions

08/05/2018

Ralph Jennings

Forbes

Australian authorities passed restrictions in February that limit foreign investment. They're not aimed expressly at China, but that's the country a lot of Australians are warily watching.

China is expanding economically around much of Eurasia to build trade routes and open more space for domestic companies that are cramped at home.



Australia is part of that plan, the Belt and Road initiative, and according to central bank figures it received the equivalent of \$26.3 billion in Chinese capital over the decade ending last year.

But despite the restrictions, Chinese investment is still coming in, helping to boost the Australian economy, economists say. The treasury's controls apply largely to foreign investment in farmland and electricity grids. But Australian law lets Chinese firms invest now as before in mining, a major Australian economic engine, and a boom of infrastructure projects. It encourages the same in technology.

Read more: <https://www.forbes.com/sites/ralphjennings/2018/05/08/chinese-money-keeps-supporting-australia-despite-investment-restrictions/#7290d8a62150>

10. Diplomatic efforts frozen as China sends Australia a message

08/05/2018

Primrose Riordan

The Australian

There has been no progress on major pledges made during Malcolm Turnbull's meeting last year with Chinese Premier Li Keqiang amid strained ties between Australia and China.

The Australian first reported on the diplomatic freeze between the two nations in February, and the Prime Minister and Foreign Minister Julie Bishop are yet to confirm plans to visit China -despite it being "their turn" because their counterparts visited Australia last year.

Australia has been one of the most active Western countries to push back at Chinese interference and is pursuing new laws aimed at countering such practices.

The move has angered Beijing, despite the country's own regulations against foreign influence, and caught the attention of politicians in other countries with similar concerns.

Read more: <https://www.theaustralian.com.au/national-affairs/foreign-affairs/diplomatic-efforts-frozen-as-china-sends-australia-a-message/news-story/5d8122e56fe4bbd7b57d0b7d25be5ce1>



11. Beyond the myth of Chinese omnipotence in Australia

08/05/2018

Shahar Hameiri

Australian Financial Review

Each week that goes by seems to bring a news story or piece of research on Australian public institutions' integrity being under attack from China. Most notably, Clive Hamilton's book, *Silent Invasion*, paints a dark picture of systematic, well co-ordinated efforts by the Chinese Communist Party (CCP) to undermine Australian sovereignty. The Australian government has adopted a similar view, proposing tough legislation against "foreign interference".

Although it is unlikely their authors had intended it, many of these publications appear as though written by CCP propagandists. Their representation of the CCP, and of the People's Republic of China (PRC), as an effective and efficient machine, is precisely the image Chinese leaders like to sell, domestically and internationally. But to most Chinese people and long-term China observers, this idea would seem preposterous.

Read more: <http://www.afr.com/opinion/columnists/beyond-the-myth-of-chinese-omnipotence-in-australia-20180507-h0zrc0>

12. Australia hikes aid to win hearts and minds in Pacific as China's influence grows

09/05/2018

South China Morning Post

Australia is refocusing its foreign aid programmes in a move to win hearts and minds in the island nations of the Pacific, as an increasingly assertive China flexes its muscles in the region.

The country has pledged more than A\$1.3 billion (US\$970 million) – its largest ever aid commitment to the Pacific – to fund projects including an undersea communications cable to Papua New Guinea and the Solomon Islands.



The government said the reorientation of its aid priorities, revealed in a budget on Tuesday, reflected “the fundamental importance to Australia of the stability and economic progress of Pacific island countries”.

Read more: <http://www.scmp.com/news/asia/diplomacy/article/2145364/australia-hikes-aid-win-hearts-and-minds-pacific-chinas>

13. Budget highlights long-term value of China trade

09/05/2018

Dan Wilkie

Australia China Business Review

Increased spending in Australia’s federal budget has underscored the long-term importance of the country’s trade relationship with China, but the government’s commitment to return to surplus could yet be derailed by global trade tension.

Malcolm Turnbull’s Liberal government unveiled a wide range of infrastructure spending commitments in its annual budget, while at the same time forecasting a return to surplus by 2019-20.

Read more: <http://www.acbr.com.au/budget-highlights-long-term-value-china-trade>

14. Business has eye on calmer waters

09/05/2018

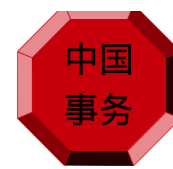
Darryl Daisley

Australia China Business Review

For China-watchers in Australia, interpreting the public messages sent by Chinese leaders can be an art as much as a science.

Take the recent comments by Chinese Ambassador to Australia Cheng Jingye, who reportedly criticised the state of Canberra and Beijing’s relationship, warning that Australia needs to do more to “increase mutual trust”.

Ambassador Cheng Jingye told The Australian newspaper in April the risk of “a growing lack of mutual trust” between the countries could impact on trade relations.



Read more: <http://www.acbr.com.au/business-has-eye-calmer-waters>

15. Australia Weighs the Cost of Resisting China's Meddling

10/05/2018

Jason Scott

Bloomberg

When Chinese Premier Li Keqiang visited Australia in March 2017, he had a clear message for policy makers: There's no need to pick sides between Washington and Beijing.

More than a year later, that's becoming ever harder for Prime Minister Malcolm Turnbull. A slew of recent media reports showed that China's Communist Party was covertly meddling with media, universities and lawmakers, prompting a public outcry.

Turnbull responded by backing new legislation to clamp down on foreign interference in politics and business, which may be put to a vote in the coming weeks. In December, he used broken Mandarin to paraphrase a quote attributed to Chairman Mao Zedong during China's founding, saying "the Australian people stand up and assert their sovereignty."

Read more: <https://www.bloomberg.com/news/articles/2018-05-09/australia-weighs-the-cost-of-resisting-china-s-meddling>

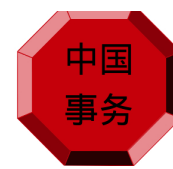
16. Clinton tells Australia: Stand up to China

10/05/2018

SBS News

Former US secretary of state Hillary Clinton says Chinese efforts to gain political power and manipulate policy outcomes is an urgent problem. Australia must not allow an expansionist China to subvert Australia's national interests, former US secretary of state Hillary Clinton warns.

Ms Clinton said Australia must stand up to "under the radar" efforts to influence Australian politics as China extends its influence and power. The former US presidential candidate said Australia must be a strong and savvy advocate for its own interests and understand how best to deal with an expansionist China.



Read more: <https://www.sbs.com.au/news/clinton-tells-australia-stand-up-to-china>

17. Vital Signs: how inflation in China and the US could affect Australia

11/05/2018

Richard Holden

The Conversation

Business conditions in Australia have been strong enough to see a surge in company tax revenue that led Treasurer Scott Morrison to outline cuts to personal income taxes over the next seven years in Tuesday's federal budget.

Both the US and China will factor heavily into two key things in Australia. The first is, of course, the RBA's interest rate decisions later this year. The second is the key number in the federal budget - the 3.0% real GDP growth assumption that underpins the forecast return to surplus and the rationale for the personal income tax plan.

At least for the next few months, what happens overseas will be more important for the Australian economy than domestic factors per se.

Read more: <https://theconversation.com/vital-signs-how-inflation-in-china-and-the-us-could-affect-australia-96357>

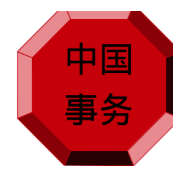
18. Chinese meddling at unis and in politics may prompt a Coalition response

11/05/2018

Jason Scott

Australian Financial Review

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Read more (paywall): <http://www.afr.com/news/politics/national/chinese-meddling-at-unis-and-in-politics-may-prompt-a-coalition-response-20180510-h0zxdw>

19. China undermining Australian democracy, writes professor of public ethics in Silent Invasion: China's Influence in Australia

11/05/2018

Nicholas Green

South China Morning Post

Australian senator Sam Dastyari of the Labor Party resigned in January after a year-long scandal involving foreign donations and influence peddling. In his support for China's claims in the South China Sea, Dastyari disagreed with the China policy of both the government and the Australian Labor Party. It was revealed that Dastyari had accepted money from Huang Xiangmo, a Chinese businessman with links to the Chinese Communist Party.

In response to the scandal, Prime Minister Malcolm Turnbull proposed a new law that would limit foreign influence in Australian politics. Beijing has responded by claiming that the legislation is motivated by "typical anti-China hysteria".

Read more: <http://www.scmp.com/culture/books/article/2145542/china-undermining-australian-democracy-writes-professor-public-ethics>