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President Pence - v1 [DLM=For-Official-Use-Only]

Remarks by Vice

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s22(1)(a)(ii)
Full text of the speech is below. s22(1)(a)(ii)

Thank you, Ken, for that kind introduction. To the Members of the Board of Trustees, to Dr. Michael Pillsbury, to our distinguished guests, and to all of you who, true to your mission, “think about the future in unconventional ways” – it’s an honor to be back at the Hudson Institute.

For more than half a century, this Institute has dedicated itself to “advancing global security, prosperity, and freedom.” And while Hudson’s hometowns have changed over the years, one thing has held constant: You have always advanced that vital truth, that American leadership lights the way.

And today, I bring greetings from a champion of American leadership, at home and abroad – the 45th President of the United States of America, President Donald Trump.

From early in this administration, President Trump has made our relationship with China and President Xi a priority. On April 6th of last year, President Trump welcomed President Xi to Mar-A-Lago. On November 8th of last year, President Trump traveled to Beijing, where China’s leader welcomed him warmly.

Over the course of the past 2 years, our President has forged a strong personal relationship with the president of the People’s Republic of China, and they’ve worked closely on issues of common interest, most importantly the denuclearization of the Korean Peninsula...

But I come before you today because the American people deserve to know... as we speak, Beijing is employing a whole-of-government approach, using political, economic, and military tools, as well as propaganda, to advance its influence and benefit its interests in the United States.

China is also applying this power in more proactive ways than ever before, to exert influence and interfere in the domestic policy and politics of our country.

Under our administration, we’ve taken decisive action to respond to China with American leadership, applying the principles, and the policies, long advocated in these halls.

In the “National Security Strategy” that President Trump released last December, he described a new era of “great power competition.” Foreign nations have begun to “reassert their influence regionally and globally,” and they are “contesting [America’s] geopolitical advantages and trying to change the international order in their favor.”

In this strategy, President Trump made clear that the United States of America has adopted a new approach to China. We seek a relationship grounded in fairness,

reciprocity, and respect for sovereignty, and we have taken strong and swift action to achieve that goal.

As the President said last year on his visit to China, “we have an opportunity to strengthen the relationship between our two countries and improve the lives of our citizens.” Our vision of the future is built on the best parts of our past, when America and China reached out to one another in a spirit of openness and friendship...

When our young nation went searching in the wake of the Revolutionary War for new markets for our exports, the Chinese people welcomed Americans traders laden with ginseng and fur...

When China suffered through indignities and exploitation during her so-called “Century of Humiliation,” America refused to join in, and advocated the “Open Door” policy, so that we could have freer trade with China, and preserve their sovereignty...

When American missionaries brought the good news to China’s shores, they were moved by the rich culture of an ancient but vibrant people, and not only did they spread faith; they also founded some of China’s first and finest universities...

When the Second World War arose, we stood together as allies in the fight against imperialism... And in that war’s aftermath, America ensured that China became a Charter member of the United Nations, and a great shaper of the post-war world.

But soon after it took power in 1949, the Chinese Communist Party began to pursue authoritarian expansionism. Only five years after our nations had fought together, we fought each other, on the mountains and in the valleys of the Korean Peninsula. My own father saw combat on those frontlines of freedom.

Not even the brutal Korean War could diminish our mutual desire to restore the ties that for so long bound us together. China’s estrangement from the United States ended in 1972, and soon after, we re-established diplomatic relations, began to open our economies to one another, and American universities began training a new generation of Chinese engineers, business leaders, scholars, and officials.

After the fall of the Soviet Union, we assumed that a free China was inevitable. Heady with optimism, at the turn of the 21st Century, America agreed to give Beijing open access to our economy, and bring China into the World Trade Organization.

Previous administrations made this choice in the hope that freedom in China would expand in all forms – not just economically, but politically, with a newfound respect for classical liberal principles, private property, religious freedom, and the entire family of human rights... but that hope has gone unfulfilled.

The dream of freedom remains distant for the Chinese people. And while Beijing still pays lip service to “reform and opening,” Deng Xiaoping’s famous policy now rings hollow.

Over the past 17 years, China’s GDP has grown 9-fold; it has become the second-largest economy in the world. Much of this success was driven by American investment in China. And the Chinese Communist Party has also used an arsenal of policies inconsistent with free and fair trade, including tariffs, quotas, currency manipulation, forced technology transfer, intellectual property theft, and industrial subsidies doled out like candy, to name a few. These policies have built Beijing’s manufacturing base, at the expense of its competitors – especially America.

China’s actions have contributed to a trade deficit with the United States that last year ran to \$375 billion – nearly half of our global trade deficit. As President Trump said just this week, “we rebuilt China” over the last 25 years.

Now, through the “Made in China 2025” plan, the Communist Party has set its sights on controlling 90% of the world’s most advanced industries, including robotics, biotechnology, and artificial intelligence. To win the commanding heights of the 21st Century economy, Beijing has directed its bureaucrats and businesses to obtain American intellectual property – the foundation of our economic leadership – by any means necessary.

Beijing now requires many American businesses to hand over their trade secrets as the cost of doing business in China. It also coordinates and sponsors the acquisition of American firms to gain ownership of their creations. Worst of all, Chinese security agencies have masterminded the wholesale theft of American technology – including cutting-edge military blueprints.

And using that stolen technology, the Chinese Communist Party is turning plowshares into swords on a massive scale...

China now spends as much on its military as the rest of Asia combined, and Beijing has prioritized capabilities to erode America’s military advantages – on land, at sea, in the air, and in space. China wants nothing less than to push the United States of America from the Western Pacific and attempt to prevent us from coming to the aid of our allies.

Beijing is also using its power like never before. Chinese ships routinely patrol around the Senkaku Islands, which are administered by Japan. And while China’s leader stood in the Rose Garden of the White House in 2015 and said that his country had “no intention to militarize the South China Sea,” today, Beijing has deployed advanced anti-ship and anti-air missiles atop an archipelago of military bases constructed on artificial islands.

China’s aggression was on display this week, when a Chinese naval vessel came

within 45 yards of the USS Decatur as it conducted freedom-of-navigation operations in the South China Sea, forcing our ship to quickly maneuver to avoid collision. Despite such reckless harassment, the United States Navy will continue to fly, sail and operate wherever international law allows and our national interests demand. We will not be intimidated; we will not stand down.

America had hoped that economic liberalization would bring China into greater partnership with us and with the world. Instead, China has chosen economic aggression, which has in turn emboldened its growing military.

Nor, as we hoped, has Beijing moved toward greater freedom for its people. For a time, Beijing inched toward greater liberty and respect for human rights, but in recent years, it has taken a sharp U-turn toward control and oppression.

Today, China has built an unparalleled surveillance state, and it's growing more expansive and intrusive – often with the help of U.S. technology. The “Great Firewall of China” likewise grows higher, drastically restricting the free flow of information to the Chinese people. And by 2020, China's rulers aim to implement an Orwellian system premised on controlling virtually every facet of human life – the so-called “social credit score.” In the words of that program's official blueprint, it will “allow the trustworthy to roam everywhere under heaven, while making it hard for the discredited to take a single step.”

And when it comes to religious freedom, a new wave of persecution is crashing down on Chinese Christians, Buddhists, and Muslims...

Last month, Beijing shut down one of China's largest underground churches. Across the country, authorities are tearing down crosses, burning bibles, and imprisoning believers. And Beijing has now reached a deal with the Vatican that gives the avowedly atheist Communist Party a direct role in appointing Catholic bishops. For China's Christians, these are desperate times.

Beijing is also cracking down on Buddhism. Over the past decade, more than 150 Tibetan Buddhist monks have lit themselves on fire to protest China's repression of their beliefs and culture. And in Xinjiang, the Communist Party has imprisoned as many as one million Muslim Uyghurs in government camps where they endure around-the-clock brainwashing. Survivors of the camps have described their experiences as a deliberate attempt by Beijing to strangle Uyghur culture and stamp out the Muslim faith.

But as history attests, a country that oppresses its own people rarely stops there. Beijing also aims to extend its reach across the wider world. As Hudson's own Dr. Michael Pillsbury has said, “China has opposed the actions and goals of the U.S. government. Indeed, China is building its own relationships with America's allies and enemies that contradict any peaceful or productive intentions of Beijing.”

China uses so-called “debt diplomacy” to expand its influence. Today, that country is offering hundreds of billions of dollars in infrastructure loans to governments

from Asia to Africa to Europe to even Latin America. Yet the terms of those loans are opaque at best, and the benefits flow overwhelmingly to Beijing.

Just ask Sri Lanka, which took on massive debt to let Chinese state companies build a port with questionable commercial value. Two years ago, that country could no longer afford its payments – so Beijing pressured Sri Lanka to deliver the new port directly into Chinese hands. It may soon become a forward military base for China's growing blue-water navy.

Within our own hemisphere, Beijing has extended a lifeline to the corrupt and incompetent Maduro regime in Venezuela, pledging \$5 billion in questionable loans that can be repaid with oil. China is also that country's single largest creditor, saddling the Venezuelan people with more than \$50 billion in debt. Beijing is also corrupting some nations' politics by providing direct support to parties and candidates who promise to accommodate China's strategic objectives...

And since last year, the Chinese Communist Party has convinced 3 Latin American nations to sever ties with Taipei and recognize Beijing. These actions threaten the stability of the Taiwan Strait – and the United States of America condemns these actions. And while our administration will continue to respect our One China Policy, as reflected in the three joint communiques and the Taiwan Relations Act, America will always believe Taiwan's embrace of democracy shows a better path for all the Chinese people.

These are only a few of the ways that China has sought to advance its strategic interests across the world, with growing intensity and sophistication. Yet previous administrations all but ignored China's actions – and in many cases, they abetted them. But those days are over.

Under President Trump's leadership, the United States of America has been defending our interests with renewed American strength...

We've been making the strongest military in the history of the world stronger still. Earlier this year, the President signed into law the largest increase in our national defense since the days of Ronald Reagan – \$716 billion to extend our military dominance in every domain.

We're modernizing our nuclear arsenal, we're fielding and developing new cutting-edge fighters and bombers, we're building a new generation of aircraft carriers and warships, and we're investing as never before in our Armed Forces. This includes initiating the process to establish the United States Space Force to ensure our continued dominance in space, and authorizing increased capability in the cyber world to build deterrence against our adversaries.

And at President Trump's direction, we're also implementing tariffs on \$250 billion in Chinese goods, with the highest tariffs specifically targeting the advanced

industries that Beijing is trying to capture and control. And the President has also made clear that we'll levy even more tariffs, with the possibility of substantially more than doubling that number, unless a fair and reciprocal deal is made.

Our actions have had a major impact. China's largest stock exchange fell by 25% in the first 9 months of this year, in large part because our administration has stood up to Beijing's trade practices.

As President Trump has made clear, we don't want China's markets to suffer. In fact, we want them to thrive. But the United States wants Beijing to pursue trade policies that are free, fair, and reciprocal.

Sadly, China's rulers have refused to take that path – so far. The American people deserve to know that, in response to the strong stand that President Trump has taken, Beijing is pursuing a comprehensive and coordinated campaign to undermine support for the President, our agenda, and our nation's most cherished ideals.

I want to tell you today what we know about China's actions – some of which we've gleaned from intelligence assessments, some of which are publicly available. But all of which is fact.

As I said before, Beijing is employing a whole-of-government approach to advance its influence and benefit its interests. It's employing this power in more proactive and coercive ways to interfere in the domestic policies and politics of the United States.

The Chinese Communist Party is rewarding or coercing American businesses, movie studios, universities, think tanks, scholars, journalists, and local, state, and federal officials.

Worst of all, China has initiated an unprecedented effort to influence American public opinion, the 2018 elections, and the environment leading into the 2020 presidential elections...

To put it bluntly, President Trump's leadership is working; and China wants a different American President.

China is meddling in America's democracy. As President Trump said just last week, we have "found that China has been attempting to interfere in our upcoming 2018 [midterm] election[s]."

Our intelligence community says that "China is targeting U.S. state and local governments and officials to exploit any divisions between federal and local levels on policy. It's using wedge issues, like trade tariffs, to advance Beijing's political

influence.”

In June, Beijing circulated a sensitive document, entitled “Propaganda and Censorship Notice,” that laid out its strategy. It states that China must “strike accurately and carefully, splitting apart different domestic groups” in the United States.

To that end, Beijing has mobilized covert actors, front groups, and propaganda outlets to shift Americans’ perception of Chinese policies. As a senior career member of our intelligence community recently told me, what the Russians are doing pales in comparison to what China is doing across this country.

Senior Chinese officials have also tried to influence business leaders to condemn our trade actions, leveraging their desire to maintain their operations in China. In one recent example, they threatened to deny a business license for a major U.S. corporation if it refused to speak out against our administration’s policies.

And when it comes to influencing the midterms, you need only look at Beijing’s tariffs in response to ours. They specifically targeted industries and states that would play an important role in the 2018 election. By one estimate, more than 80% of U.S. counties targeted by China voted for President Trump in 2016; now China wants to turn these voters against our administration.

And China is also directly appealing to the American voter. Last week, the Chinese government paid to have a multipage supplement inserted into the Des Moines Register – the paper of record in the home state of our Ambassador to China, and a pivotal state in 2018. The supplement, designed to look like news articles, cast our trade policies as reckless and harmful to Iowans.

Fortunately, Americans aren’t buying it. For example: American farmers are standing with this President and are seeing real results from the strong stands that he’s taken, including this week’s U.S.-Mexico-Canada Agreement, where we’ve substantially opened North American markets to U.S. products – a great win for American farmers and manufacturers.

But China’s actions aren’t focused solely on influencing our policies and politics. Beijing is also taking steps to exploit its economic leverage, and the allure of China’s large domestic market, to advance its influence over American corporations.

Beijing now requires American joint ventures that operate in China to establish “party organizations” within their company, giving the Communist Party a voice – and perhaps a veto – in hiring and investment decisions.

Chinese authorities have also threatened U.S. companies that depict Taiwan as a distinct geographic entity, or that stray from Chinese policy on Tibet. Beijing

compelled Delta Airlines to publicly apologize for not calling Taiwan a “province of China” on its website. It also pressured Marriott to fire a U.S. employee who liked a tweet about Tibet.

Beijing routinely demands that Hollywood portray China in a strictly positive light, and it punishes studios and producers that don’t. Beijing’s censors are quick to edit or outlaw movies that criticize China, even in minor ways. “World War Z” had to cut the script’s mention of a virus originating in China. “Red Dawn” was digitally edited to make the villains North Korean, not Chinese.

Beyond business, the Chinese Communist Party is spending billions of dollars on propaganda outlets in the United States, as well as other countries.

China Radio International now broadcasts Beijing-friendly programming on over 30 U.S. outlets, many in major American cities. The China Global Television Network reaches more than 75 million Americans – and it gets its marching orders directly from its Communist Party masters. As China’s top leader put it during a visit to the network’s headquarters, “The media run by the Party and the government are propaganda fronts and must have the Party as their surname.”

That’s why, last month, the Department of Justice ordered that network to register as a foreign agent.

The Communist Party has also threatened and detained the Chinese family members of American journalists who pry too deep. And it has blocked the websites of U.S. media organizations and made it harder for our journalists to get visas. This happened after the New York Times published investigative reports about the wealth of some of China’s leaders.

But the media isn’t the only place where the Chinese Communist Party seeks to foster a culture of censorship. The same is true of academia.

Look no further than the Chinese Students and Scholars Associations, of which there are more than 150 branches across American campuses. These groups help organize social events for some of the more than 430,000 Chinese nationals studying in the United States; they also alert Chinese consulates and embassies when Chinese students, and American schools, stray from the Communist Party line.

At the University of Maryland, a Chinese student recently spoke at her graduation ceremony of what she called the “fresh air of free speech” in America. The Communist Party’s official newspaper swiftly chastised her, she became the victim of a firestorm of criticism on China’s tightly-controlled social media, and her family back home was harassed. As for the university itself, its exchange program with China – one of the nation’s most extensive – suddenly turned from a flood to a trickle.

China exerts academic pressure in other ways, too. Beijing provides generous funding to universities, think tanks, and scholars, with the understanding that they will avoid ideas that the Communist Party finds dangerous or offensive. China experts in particular know that their visas will be delayed or denied if their research contradicts Beijing's talking points.

And even scholars and groups who avoid Chinese funding are targeted by that country, as the Hudson Institute found out firsthand. After you offered to host a speaker Beijing didn't like, your website suffered a major cyber-attack, originating from Shanghai. You know better than most that the Chinese Communist Party is trying to undermine academic freedom and the freedom of speech in America today.

These and other actions, taken as a whole, constitute an intensifying effort to shift American public opinion and public policy away from the America First leadership of President Donald Trump. But our message to China's rulers is this: This President will not back down – and the American people will not be swayed. We will continue to stand strong for our security and our economy, even as we hope for improved relations with Beijing.

Our administration will continue to act decisively to protect American interests, American jobs, and American security.

As we rebuild our military, we will continue to assert American interests across the Indo-Pacific.

As we respond to China's trade practices, we will continue to demand an economic relationship with China that is free and fair and reciprocal, demanding that Beijing break down its trade barriers, fulfill its trade obligations, and fully open its economy, just as we have opened ours.

We will continue to take action until Beijing ends the theft of American intellectual property, and stops the predatory practice of forced technology transfer...

And to advance our vision of a free and open Indo-Pacific, we're building new and stronger bonds with nations that share our values, across the region – from India to Samoa. Our relationships will flow from a spirit of respect, built on partnership, not domination.

We're forging new trade deals, on a bilateral basis, just as last week, President Trump signed an improved trade deal with South Korea, and we will soon begin negotiating a historic bilateral free-trade deal with Japan.

And we're streamlining international development and finance programs, giving foreign nations a just and transparent alternative to China's debt-trap diplomacy.

To that end, President Trump will sign the BUILD Act into law in the days ahead. And next month, it will be my privilege to represent the United States in Singapore and Papua New Guinea, at ASEAN and APEC. There, we will unveil new measures and programs to support a free and open Indo-Pacific – and on behalf of the President, I will deliver the message that America’s commitment to the Indo-Pacific has never been stronger.

To protect our interests here at home, we’ve strengthened CFIUS – the Committee on Foreign Investment in the United States – heightening our scrutiny of Chinese investment in America, to protect our national security from Beijing’s predatory actions.

And when it comes to Beijing’s malign influence and interference in American politics and policy, we will continue to expose it, no matter the form it takes. And we will work with leaders at every level of society to defend our national interests and most cherished ideals. The American people will play the decisive role – and in fact, they already are...

As we gather here, a new consensus is rising across America...

More business leaders are thinking beyond the next quarter, and thinking twice before diving into the Chinese market if it means turning over their intellectual property or abetting Beijing’s oppression. But more must follow suit. For example, Google should immediately end development of the “Dragonfly” app that will strengthen Communist Party censorship and compromise the privacy of Chinese customers...

More journalists are reporting the truth without fear or favor, and digging deep to find where China is interfering in our society, and why – and we hope that more American, and global, news organizations will join in this effort.

More scholars are speaking out forcefully and defending academic freedom, and more universities and think tanks are mustering the courage to turn away Beijing’s easy money, recognizing that every dollar comes with a corresponding demand. We’re confident that more will join their ranks.

And across the nation, the American people are growing in vigilance, with a newfound appreciation for our administration’s actions to re-set America’s economic and strategic relationship with China, to finally put America First.

And under President Trump’s leadership, America will stay the course. China should know that the American people and their elected representatives in both parties are resolved.

As our National Security Strategy states: “Competition does not always mean hostility.” As President Trump has made clear, we want a constructive relationship with Beijing, where our prosperity and security grow together, not apart. While Beijing has been moving further away from this vision, China’s rulers can still change course, and return to the spirit of “reform and opening” and greater

freedom. The American people want nothing more; the Chinese people deserve nothing less.

The great Chinese story-teller Lu Xun often lamented that his country “has either looked down at foreigners as brutes, or up to them as saints, but never as equals.” Today, America is reaching out our hand to China; we hope that Beijing will soon reach back – with deeds, not words, and with renewed respect for America. But we will not relent until our relationship with China is grounded in fairness, reciprocity, and respect for sovereignty.

There is an ancient Chinese proverb that tells us that “men see only the present, but heaven sees the future.” As we go forward, let us pursue a future of peace and prosperity with resolve and faith...

Faith in President Trump’s leadership, and the relationship that he has forged with China’s president...

Faith in the enduring friendship between the American people and the Chinese people...

Faith that heaven sees the future – and by God’s grace, America and China will meet that future together.

Thank you. God bless you. And God bless the United States of America.

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From: s 22(1)(a)(ii)
To: s 22(1)(a)(ii)
Subject: FW: Trade Media Roundup - 18 March
Date: Monday, 18 March 2019 9:37:23 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

From: s 22(1)(a)(ii)
Sent: Monday, 18 March 2019 9:36:36 AM (UTC+10:00) Canberra, Melbourne, Sydney
Subject: Trade Media Roundup - 18 March

Australia

- Australia's monopoly on the E3 visa, a unique US two-year visa allowing Australian professionals and their spouses to work in the US with no limit to the number of additional two-year extensions, appears set to be broken with President Trump reportedly ceding to a lobbying effort by Ireland, the West Australian [reports](#). The US does not offer the E3 to any other nation, but that could soon change after it was on Irish Prime Minister Leo Varadkar's agenda when he met with President Trump at the White House on Thursday.
- Australia is slipping down international rankings and will emerge this year with the second highest OECD headline corporate tax rate, according to a policy paper commissioned by the Minerals Council of Australia that makes the case for shelved company tax cuts to be revisited, The Australian [reports](#). This year, Australia slips from having the equal-fifth highest headline company tax rate in the OECD to having the second highest behind Portugal.
- The AFR [reports](#) that Labor's accelerated tax deductions for corporate capital expenditure will favour the manufacturing sector and be less beneficial for other construction-intensive industries such as mining, a report commissioned by the Minerals Council has concluded. The report warns Australia's 30 per cent company tax rate is increasingly uncompetitive and the equal second-highest corporate tax rate in advanced economies.
- Environmentalists have launched a new front in their relentless campaign to try to block the Adani Carmichael mine project, the Daily Telegraph [reports](#). The Environmental Defenders Office Queensland has added another ground to its existing court action challenging the Federal Government's approval of the resources company's proposed pipeline.
- Andrew Forrest's Fortescue Metals Group is inching forward with a proposed \$1.5 billion iron ore project after an amended mine plan earned a tick of approval from Western Australia's environmental watchdog, the AFR [reports](#).

The EPA revealed last week that it had signed off on a big increase in groundwater use for the Iron Bridge magnetite project about 110 kilometres south east of Port Hedland.

- The willingness of Australian universities to get into partnerships in India contrasts with American universities' lack of interest in collaboration and was behind the link up between the Indian Institute of Technology, Delhi and University of Queensland which will produce 360 PhD students over 10 years, the AFR [reports](#).
- A number of Australian tech firms that were showcased at the Australia House stand at the recent South-by-South West festival in Austin, Texas The Australian [reports](#). Austrade's San Francisco-based trade and investment commissioner, Patrick Hanlon, said US firms saw Australia as a good early step for international expansion because Australians were early adopters for technology and were also attracted by Australia's proximity to Asia.

International

- President Xi will visit Europe this week with expectations of signing a MoU with Italy to support his Belt and Road Initiative, The Australian [reports](#). But the date for his visit to Florida to meet President Trump continues to be delayed, with expectations President Xi would head to the President Trump's Mar-a-Lago resort after his visit to Europe to sign a trade deal have been scotched as negotiations continue.
- China has passed a new foreign investment law that it hopes will help smooth the way to a new trade deal with the US, granting foreign companies equal standing with state-owned businesses, the FT [reports](#). However, the foreign business community has complained the law leaves out many details compared with a 2015 version drafted by the Ministry of Commerce, opening the door to hidden impediments being written into the more detailed regulations.
- The grounding of Boeing's 737 Max 8 threatens to complicate US-China trade talks by making it more difficult for Beijing to present President Trump with a headline-grabbing boost to the value of goods it buys from the US, the FT [reports](#). Chinese airlines and financial leasing companies have the largest order book outside the US for the 737 Max, which is under scrutiny from regulators worldwide after two deadly crashes within the last six months.
- Toyota has raised its planned investment in its US operations through 2021 by about a third to nearly \$US13 billion (\$18bn) to build more models and parts in the country, a move that comes as the Trump administration considers imposing tariffs of up to 25 per cent on car imports, the WSJ [reports](#). Toyota

said the spending would go towards adding production of two new hybrid vehicles in the US and expanding plants that build engines, axles and other vehicle components.

- The FT [reports](#) that UK tariff proposals for a no-deal Brexit are illegal and raise the prospect of immediate dispute between Britain and the WTO once London leaves the EU, according to Europe's agriculture commissioner Phil Hogan. Mr dismissed Prime Minister May's plan as a "stunt" and said the proposal, which will treat Northern Ireland differently to the rest of the UK, will not work.
- Britain's Labour leader Jeremy Corbyn has signalled he would back a proposal by MPs to hold a public vote or "confirmation ballot" on Prime Minister May's Brexit deal if it is approved by parliament, the Daily Telegraph [reports](#).
- Prime Minister May is pinning her hopes of pushing her Brexit deal through the House of Commons on winning over the Democratic Unionist party in last-minute talks on Monday the FT [reports](#). Prime Minister is expected to table a third Commons vote on her Brexit deal on Tuesday or Wednesday, after it was heavily defeated twice in large-scale rebellions by Eurosceptic Conservative MPs and the DUP's 10 MPs.
- The possibility of Brexit being delayed or overturned in a second referendum is swinging some Tory Eurosceptics reluctantly behind Theresa May's deal ahead of a third vote on the package, the SMH [reports](#). Talks are continuing with the DUP, which said there were "still issues to be discussed" with ministers about the deal and the contentious Irish backstop measures.
- Business and farm groups in Northern Ireland including the Ulster Farmers' Union is campaigning for the Democratic Unionist Party to support Prime Minister May's Brexit deal, the FT [reports](#). These groups say that Prime Minister May's agreement gives them an advantage in allowing them to trade freely within the UK and the EU.
- Indonesian exports and imports fell steeply in February, taking the country's current account back into positive territory ahead of April's general election, the FT [reports](#). Year-on-year exports in February dropped 11 per cent as trade tensions weighed on its economy, while imports also fell by 14 per cent, reflecting the government's success in curbing foreign purchases.

Commentary, analysis and research

- Australian companies are studying the implications of China's new foreign investment law, which was passed by the National People's Congress on Friday, Glenda Korporaal [writes](#) in The Australian. But it contains new provisions that have made some foreign groups wary how it will operate in practice, including the potential for retaliation against countries which are seen to discriminate against Chinese companies, increased reporting requirements by foreign companies operating in China and a new procedure

for handling their complaints.

- In 2019 China could well run its first annual current-account deficit since 1993, The Economist [reports](#). The shift from lender to borrower will create a knock-on effect, gradually forcing it to attract more foreign capital and liberalise its financial system. However, instead of focusing on urging China to free its financial system, the US is more concerned that China keeps the yuan from falling.
- If Australia wants to be part of the boom in Indian tertiary education: It can't expect Indian students to flood its domestic market the way China has done for the past 10 years Robert Bolton [writes](#) in the AFR. Instead, Australian universities will have to integrate themselves into the sub-continent and be part of the long-term fabric.
- For the sake of Britain, members of the House of Commons cannot afford to ignore Prime Minister May's warning about a protracted and potentially indefinite delay to Brexit if they fail to agree to a deal this week, The Australian [editorialises](#). Prime Minister May is correct to point out that MPs from all sides have only themselves to blame for a situation in which, having twice rejected her agreement with Brussels — the only viable deal on the table for a negotiated exit — they have brought Britain to a point where Brexit could be delayed indefinitely.
- Two positives emerged from the Brexit mayhem of the past week, the FT [editorialises](#). Parliament voted against leaving the EU without a deal, and in favour of extending the withdrawal process. That gives MPs a chance this week to begin charting a way out of the mire.
- When China grounded 96 Boeing planes on Monday last week — two days before US regulators did the same — it was doing more than responding to a pair of fatal airline crashes Trefor Moss [writes](#) in the WSJ. It was also asserting its growing clout as an aviation superpower. China is forecast to dethrone the US as the world's biggest aviation market by 2024, according to the International Air Transport Association.

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Sent: Monday, 18 March 2019 9:37 AM
Subject: Trade Media Roundup - 18 March

Australia

- Australia's monopoly on the E3 visa, a unique US two-year visa allowing Australian professionals and their spouses to work in the US with no limit to the number of additional two-year extensions, appears set to be broken with President Trump reportedly ceding to a lobbying effort by Ireland, the West Australian [reports](#). The US does not offer the E3 to any other nation, but that could soon change after it was on Irish Prime Minister Leo Varadkar's agenda when he met with President Trump at the White House on Thursday.
- Australia is slipping down international rankings and will emerge this year with the second highest OECD headline corporate tax rate, according to a policy paper commissioned by the Minerals Council of Australia that makes the case for shelved company tax cuts to be revisited, The Australian [reports](#). This year, Australia slips from having the equal-fifth highest headline company tax rate in the OECD to having the second highest behind Portugal.
- The AFR [reports](#) that Labor's accelerated tax deductions for corporate capital expenditure will favour the manufacturing sector and be less beneficial for other construction-intensive industries such as mining, a report commissioned by the Minerals Council has concluded. The report warns Australia's 30 per cent company tax rate is increasingly uncompetitive and the equal second-highest corporate tax rate in advanced economies.
- Environmentalists have launched a new front in their relentless campaign to try to block the Adani Carmichael mine project, the Daily Telegraph [reports](#). The Environmental Defenders Office Queensland has added another ground to its existing court action challenging the Federal Government's approval of the resources company's proposed pipeline.
- Andrew Forrest's Fortescue Metals Group is inching forward with a proposed

\$1.5 billion iron ore project after an amended mine plan earned a tick of approval from Western Australia's environmental watchdog, the AFR [reports](#). The EPA revealed last week that it had signed off on a big increase in groundwater use for the Iron Bridge magnetite project about 110 kilometres south east of Port Hedland.

- The willingness of Australian universities to get into partnerships in India contrasts with American universities' lack of interest in collaboration and was behind the link up between the Indian Institute of Technology, Delhi and University of Queensland which will produce 360 PhD students over 10 years, the AFR [reports](#).
- A number of Australian tech firms that were showcased at the Australia House stand at the recent South-by-South West festival in Austin, Texas The Australian [reports](#). Austrade's San Francisco-based trade and investment commissioner, Patrick Hanlon, said US firms saw Australia as a good early step for international expansion because Australians were early adopters for technology and were also attracted by Australia's proximity to Asia.

International

- President Xi will visit Europe this week with expectations of signing a MoU with Italy to support his Belt and Road Initiative, The Australian [reports](#). But the date for his visit to Florida to meet President Trump continues to be delayed, with expectations President Xi would head to the President Trump's Mar-a-Lago resort after his visit to Europe to sign a trade deal have been scotched as negotiations continue.
- China has passed a new foreign investment law that it hopes will help smooth the way to a new trade deal with the US, granting foreign companies equal standing with state-owned businesses, the FT [reports](#). However, the foreign business community has complained the law leaves out many details compared with a 2015 version drafted by the Ministry of Commerce, opening the door to hidden impediments being written into the more detailed regulations.
- The grounding of Boeing's 737 Max 8 threatens to complicate US-China trade talks by making it more difficult for Beijing to present President Trump with a headline-grabbing boost to the value of goods it buys from the US, the FT [reports](#). Chinese airlines and financial leasing companies have the largest order book outside the US for the 737 Max, which is under scrutiny from regulators worldwide after two deadly crashes within the last six months.
- Toyota has raised its planned investment in its US operations through 2021 by about a third to nearly \$US13 billion (\$18bn) to build more models and parts

in the country, a move that comes as the Trump administration considers imposing tariffs of up to 25 per cent on car imports, the WSJ [reports](#). Toyota said the spending would go towards adding production of two new hybrid vehicles in the US and expanding plants that build engines, axles and other vehicle components.

- The FT [reports](#) that UK tariff proposals for a no-deal Brexit are illegal and raise the prospect of immediate dispute between Britain and the WTO once London leaves the EU, according to Europe's agriculture commissioner Phil Hogan. Mr dismissed Prime Minister May's plan as a "stunt" and said the proposal, which will treat Northern Ireland differently to the rest of the UK, will not work.
- Britain's Labour leader Jeremy Corbyn has signalled he would back a proposal by MPs to hold a public vote or "confirmation ballot" on Prime Minister May's Brexit deal if it is approved by parliament, the Daily Telegraph [reports](#).
- Prime Minister May is pinning her hopes of pushing her Brexit deal through the House of Commons on winning over the Democratic Unionist party in last-minute talks on Monday the FT [reports](#). Prime Minister is expected to table a third Commons vote on her Brexit deal on Tuesday or Wednesday, after it was heavily defeated twice in large-scale rebellions by Eurosceptic Conservative MPs and the DUP's 10 MPs.
- The possibility of Brexit being delayed or overturned in a second referendum is swinging some Tory Eurosceptics reluctantly behind Theresa May's deal ahead of a third vote on the package, the SMH [reports](#). Talks are continuing with the DUP, which said there were "still issues to be discussed" with ministers about the deal and the contentious Irish backstop measures.
- Business and farm groups in Northern Ireland including the Ulster Farmers' Union is campaigning for the Democratic Unionist Party to support Prime Minister May's Brexit deal, the FT [reports](#). These groups say that Prime Minister May's agreement gives them an advantage in allowing them to trade freely within the UK and the EU.
- Indonesian exports and imports fell steeply in February, taking the country's current account back into positive territory ahead of April's general election, the FT [reports](#). Year-on-year exports in February dropped 11 per cent as trade tensions weighed on its economy, while imports also fell by 14 per cent, reflecting the government's success in curbing foreign purchases.

Commentary, analysis and research

- Australian companies are studying the implications of China's new foreign investment law, which was passed by the National People's Congress on Friday, Glenda Korporaal [writes](#) in The Australian. But it contains new provisions that have made some foreign groups wary how it will operate in practice, including the potential for retaliation against countries which are

seen to discriminate against Chinese companies, increased reporting requirements by foreign companies operating in China and a new procedure for handling their complaints.

- In 2019 China could well run its first annual current-account deficit since 1993, The Economist [reports](#). The shift from lender to borrower will create a knock-on effect, gradually forcing it to attract more foreign capital and liberalise its financial system. However, instead of focusing on urging China to free its financial system, the US is more concerned that China keeps the yuan from falling.
- If Australia wants to be part of the boom in Indian tertiary education: It can't expect Indian students to flood its domestic market the way China has done for the past 10 years Robert Bolton [writes](#) in the AFR. Instead, Australian universities will have to integrate themselves into the sub-continent and be part of the long-term fabric.
- For the sake of Britain, members of the House of Commons cannot afford to ignore Prime Minister May's warning about a protracted and potentially indefinite delay to Brexit if they fail to agree to a deal this week, The Australian [editorialises](#). Prime Minister May is correct to point out that MPs from all sides have only themselves to blame for a situation in which, having twice rejected her agreement with Brussels — the only viable deal on the table for a negotiated exit — they have brought Britain to a point where Brexit could be delayed indefinitely.
- Two positives emerged from the Brexit mayhem of the past week, the FT [editorialises](#). Parliament voted against leaving the EU without a deal, and in favour of extending the withdrawal process. That gives MPs a chance this week to begin charting a way out of the mire.
- When China grounded 96 Boeing planes on Monday last week — two days before US regulators did the same — it was doing more than responding to a pair of fatal airline crashes Trefor Moss [writes](#) in the WSJ. It was also asserting its growing clout as an aviation superpower. China is forecast to dethrone the US as the world's biggest aviation market by 2024, according to the International Air Transport Association.

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s 22(1)(a)(ii)



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From: [PMC Trade Policy](#)
To: s 22(1)(a)(ii)
Subject: FW: Update from Washington -- 6 March [SEC=UNCLASSIFIED]
Date: Saturday, 7 March 2020 6:10:49 AM

From: s 22(1)(a)(ii) On Behalf OfMedia US
Sent: Saturday, 7 March 2020 6:09:41 AM (UTC+10:00) Canberra, Melbourne, Sydney
Subject: Update from Washington -- 6 March [SEC=UNCLASSIFIED]

UNCLASSIFIED

WASHINGTON DAILY UPDATE

Update:

- President Trump visited **Nashville, Tennessee today** to view the damage and visit those affected by deadly tornadoes. He will visit the **CDC headquarters in Atlanta** later today (after initially cancelling the trip) and then travels to Florida for a fundraising event and to spend the weekend at his Mar-a-Lago resort.
- Trump today signed a USD 8.3 billion **emergency funding bill to fight coronavirus** with the majority of funding going to state and local public health agencies, hospitals and medical facilities, and supporting the development of a vaccine and new treatments. Besides HHS, CDC, NIH and FDA, supplemental funding will also go to State, USAID and the Small Business Administration.
- Vice President Pence led a White House Coronavirus Task Force meeting in the Situation Room again today. Responding to criticism about the availability of testing, HHS Secretary said today that the **production and shipping of tests was “completely on schedule”** and would ramp up further next week.
- The US Labor Department released a **strong jobs report for February** which showed the US economy added 273,000 jobs with the unemployment rate slightly lower at 3.5 percent.

Meetings/Calls:

- President Trump will meet **Brazilian President Bolsonaro** at his Mar-a-Lago resort on 7 March. The leaders will discuss opportunities for restoring democracy in Venezuela, bringing peace to the Middle East, implementing pro-growth trade policies, and investing in infrastructure.
- US Special Representative for Iran Brian Hook concluded a trip to the **UK and France, March 3-5** where he met with Members of Parliament to discuss US strategy in the Middle East. In Paris, he met with his counterparts from the UK, France, and Germany for discussions on Iran.

Key Media Summary

Coronavirus

Stocks plunged on Friday, investors rushed to the safety of government bonds, and oil prices nose-dived as financial markets were gripped by another wave of worry over the spreading coronavirus. Money surged into the safety of U.S. government bond markets — the traditional safe haven for global investors. The rush of buying pushed yields, which move in the opposite direction as prices, down to levels that would have been considered unthinkable just two weeks ago. The yield on the 10-year note was 0.68 percent in early trading in New York. Such a stark drop reflects near panic, analysts said, given that there was very little news overnight. A strong report on the American job market on Friday didn't change the direction of the markets. The U.S. government said employers added 273,000 jobs in February. But the data was a snapshot of a point in time when the prevailing sentiment was that the United States would remain relatively unaffected by the coronavirus. Nor did it help that President Trump signed a \$8.3 billion

emergency spending bill aimed at funding efforts to contain the spread.

[Stocks Fall and Bond Yields Sink: Live Updates](#) (NYT)

[Live updates: Coronavirus fears reverberate as cases pass 100,000; U.S. officials widen states of emergency](#) (WP)

[Stocks Tumble, Bonds Surge on Virus Fallout Fears: Markets Wrap](#) (Bloomberg – Randall Jensen and Vildana Hajric)

[Coronavirus Could Cost the Global Economy \\$2.7 Trillion. Here's How](#) (Bloomberg)

White House economic adviser Larry Kudlow said Friday that the administration is considering “targeted” relief to workers and businesses hindered by the steadily growing cases of the COVID-19 coronavirus. Kudlow expressed confidence that the U.S. economy would not need a significant stimulus package to overcome a broad economic slowdown, but floated measures meant to protect industries suffering from efforts to contain the virus. “The story I am trying to tell is a story of timely and targeted microforms of assistance, not gargantuan, across-the-board, throw money at the problem, which has not worked in the past,” Kudlow told reporters at the White House.

[Kudlow floats 'targeted' economic aid as coronavirus spreads](#) (The Hill – Sylvan Lane and Morgan Chalfant)

...Unlike Dr. Anthony S. Fauci, another member of the coronavirus task force and the oft-quoted director of the National Institute of Allergy and Infectious Diseases, Dr. Birx — who carried the rank of ambassador at the State Department — is stepping gingerly into the public eye. She has taken pains not to contradict the president, praising the White House for its “energy and efficiency.” That kind of political savvy helps explain why Dr. Birx is one of only a handful of Obama political appointees who is still working for the Trump administration. (Another is Dr. Francis S. Collins, the director of the National Institutes of Health.) “Thank God she’s in charge,” said Katy Talento, a former health policy adviser to Mr. Trump.

[Top Coronavirus Official for U.S. Has Fought an Epidemic Before](#) (NYT – Sheryl Gay Stolberg)

[As coronavirus cases climb, the White House line is consistent: Everything is well in hand](#) (WP Analysis – Philip Bump)

[The coronavirus is a globalist. Here are 5 ways that's a problem for Trump.](#) (Politico – Ryan Heath and Eli Okun)

...Advanced economies like the United States are hardly immune to these effects. To the contrary, a broad outbreak of the disease in them could be even worse for their economies than in China. That is because face-to-face service industries — the kind of businesses that go into a tailspin when fearful people withdraw from one another — tend to dominate economies in high-income countries more than they do in China. If people stay home from school, stop traveling and don’t go to sporting events, the gym or the dentist, the economic consequence would be worse. In a sense, this is the economic equivalent of the virus’s varied health effects. Just as the disease poses a particular threat to older patients, it could be especially dangerous for more mature economies.

[Why the Coronavirus Could Threaten the U.S. Economy Even More Than China's](#) (NYT – Austan Goolsbee)

[China Stocks Are Handily Beating U.S. Since Coronavirus Outbreak. Here's Why](#) (Bloomberg – Moxy Ying)

Immigration

The Trump administration plans to begin taking DNA samples from migrants crossing the border or held in detention for use in a federal criminal database, a significant expansion of immigration laws that is certain to raise privacy concerns. The new rule, posted by the Justice Department on Friday and set to take effect in April, will require immigration officers to collect cheek swabs

from what could amount to hundreds of thousands of unauthorized immigrants taken into federal custody each year, including migrants at the border and people asking for asylum. The move, which is sure to face court challenges, injects a new civil-rights issue into the debate about immigration policy.

[Trump Administration to Collect DNA From Immigrants Taken Into Custody](#) (WSJ – Michelle Hackman)

The Justice Department is asking the Supreme Court to block an appeals court ruling that threatens to prevent the Trump administration from carrying out its remain-in-Mexico asylum policy along much of the southern border starting next week. The 9th Circuit Court of Appeals issued an order Wednesday that would halt the policy in California and Arizona starting on March 12.

[Supreme Court asked to block order threatening Trump's return-to-Mexico asylum policy](#) (Politico – Josh Gerstein)

Economy

Hiring jumped in February as employers added 273,000 jobs, evidence that the economy was in strong shape before the coronavirus began to sweep through the United States. The Labor Department said Friday that the unemployment rate fell to 3.5%, matching a 50-year low, down from 3.6% in January. The job gain comes from a survey of payrolls in the second week of February, predating the viral outbreak. So far, there are few signs that the job market has been affected by the disease, but most economists expect hiring to slow in the coming months.

[U.S. added robust 273K jobs in February before virus escalated](#) (Politico – AP)

Climate

Super Tuesday whittled down the Democratic race for the White House to two viable candidates — and two different visions for what to do about climate change. Both Joe Biden and Bernie Sanders agree Earth's steadily rising temperatures are an “existential threat.” Both say President Trump made a grave mistake when he promised to pull the United States out of the Paris climate accord. And both offer more ambitious proposals for tackling climate change than any U.S. president ever has. But beyond that, the former vice president and the independent senator from Vermont have diverging proposals about how exactly — and how quickly — to try to cut the country's contributions to global warming. Here are the biggest differences on the issues, as voters head to the polls in Idaho, Michigan, Mississippi, Missouri, North Dakota and Washington next Tuesday:

[The four biggest differences between the Biden and Sanders climate plans](#) (WP Analysis – Dino Grandoni)

Australian Fires

... The bush fires that raged for eight months in southeastern Australia inflicted widespread damage on the vineyards of the Hunter Valley, not directly from flames, but through the invisible taint of smoke. Winemakers like Mr. Riggs have abandoned hopes for some 2020 vintages. Grapes that were closest to the fires are being left on the vine. Those farther away are being tested for smoke contamination, though it is an inexact science, and in some cases producers won't know whether a wine can be sold until it has fermented in tanks. Millions of dollars, and the good names of venerable wineries, are on the line.

[‘Like Licking an Ashtray’: Fires’ Invisible Threat to Australia’s Wines](#) (NYT World – Jamie Tarabay and Michelle Elias)

From: [Hubbard, Paul](#)
To: [International - MENATAR](#)
Subject: FW: Update from Washington -- 18 Apr [SEC=UNCLASSIFIED]
Date: Friday, 19 April 2019 5:38:11 AM

From: PMC Trade Policy
Sent: Friday, 19 April 2019 5:37:40 AM
To: Hubbard, Paul; § 22(1)(a)(ii) ; Craig, Jaclin;
§ 22(1)(a)(ii) ; Schofield, Shelby; § 22(1)(a)(ii)
Subject: FW: Update from Washington -- 18 Apr [SEC=UNCLASSIFIED]

From: § 22(1)(a)(ii) On Behalf OfMedia US
Sent: Friday, 19 April 2019 5:36:55 AM (UTC+10:00) Canberra, Melbourne, Sydney
Subject: Update from Washington -- 18 Apr [SEC=UNCLASSIFIED]

UNCLASSIFIED

This email is prepared by the Public Diplomacy and Political branches of the Australian Embassy, Washington DC.

Update:

- The redacted **report from Special Counsel Mueller was released today**, sparking triumphant tweets from President Trump, however the revelation that the Trump Administration received a sneak preview of the report has Democrats concerned, with House Speaker Pelosi urging that Special Counsel Mueller testify before Congress. See separate reporting.
- The State Department released a [statement](#) today, stating the US supports a **transition to a peaceful and democratic Sudan** led by the Sudanese society.
- During a speech in Miami to veterans of the 1961 Bay of Pigs invasion, National Security Advisor Bolton announced that the **US would reimpose limits on remittances to Cuba and implement new restrictions on travel by US citizens to the island**. He also announced additional sanctions against Venezuela and Nicaragua.
- Today the State Department confirmed the announcement of **financial sanctions against Nicaragua**. The sanctions are for Laureano Ortega, son of President Daniel Ortega and Vice President Rosario Murillo, and on Banco Corporativo SA (Bancorp), calling the organisation a personal slush fund for the Ortega family and the instrument for corrupt deals with Nicolas Maduro and his regime in Venezuela.

Meetings/calls:

- Acting Secretary of Defense Shanahan meets with **Albanian Minister for Defense Xhaçka** at the Pentagon today.
- Secretary of State Pompeo met with **Emirati Foreign Minister Al Nahyan** at the State Department today.
- President Trump delivered remarks at the Wounded Warrior Project Soldier Ride this morning, and will **travel to Mar-a-Lago** this evening to spend the weekend.

Key Media Summary

Mueller Report

President Trump, upon first learning of the appointment of special counsel Robert S. Mueller III, cursed and declared, "this is the end of my presidency," according to the redacted 400-page report by Mueller released Thursday by the Justice Department. The detailed document depicts a Trump campaign that expected to "benefit electorally" from information stolen and released by Russia and a president who subsequently engaged in several alarming actions, including

seeking the ouster of former officials and ordering a memo that would clear his name. A team of Post reporters is reading the Mueller report. This page will update frequently with their findings. [\[Read the Mueller report: The full redacted version, annotated\]](#)

[Mueller rejects argument that Trump is shielded from obstruction laws](#) (Washington Post)

[Mueller Report Says 'Fairness Concerns' Prevented Obstruction Judgment on Trump](#) (WSJ – Sadie Gurman and Aruna Viswanatha)

[Mueller cannot confidently state Trump didn't obstruct justice](#): The report lays out in great detail how President Donald Trump repeatedly tried to interfere in the Russia probe. (Politico – Josh Gerstein and Darren Samuelsohn)

[Trump legal team hails Mueller report: 'A total victory'](#) (The Hill – Justin Wise)

[2020 Democratic Candidates React to Barr's Framing of Mueller Report](#) (NYT – Matt Stevens)

[Mueller Spells Out Trump's 'Multiple Acts' to Undermine Russia Probe](#) (Bloomberg –Chris Strohm and David McLaughlin)

Immigration

A federal appeals court dismissed the Trump administration's request to block California from enforcing some sanctuary laws aimed at protecting the state's undocumented immigrant populations. A three-judge panel of the Ninth Circuit Court of Appeals, in a ruling Thursday, agreed with a lower court's decision to throw out the Justice Department's complaint in which the government claimed California is circumventing federal authority by imposing its own rules for cooperation with U.S. immigration agents. The Ninth Circuit often draws the ire of President Donald Trump for having frequently ruled against the president's immigration agenda. The decision is likely to be appealed.

[Trump Loses Bid to Block California's Immigration-Sanctuary Laws](#) (Bloomberg – Kartikay Mehrotra)

About one in 10 U.S. counties grew in the fiscal year that ended last June primarily because of immigration—a significant increase from 2011—showing how new arrivals are shaping the nation as the population ages and the birthrate slows, new census figures show. The share of U.S. population growth that comes from immigration has risen steadily since the start of the decade, when the fallout from the financial crisis prompted many people to delay having children.

[Immigrants Propel Population Growth in 10% of U.S. Counties](#) (WSJ – Janet Adamy and Paul Overberg)

US Defense

The commander in charge of U.S. military operations in the Pacific wants Congress to give the command more money for defense programs to counter China, reflecting his concerns that the Pentagon's budget isn't realigning quickly enough to address the threat from Beijing. Adm. Phil Davidson, the head of U.S. Indo-Pacific Command, believes the Defense Department's fiscal 2020 budget doesn't include enough funding to provide "immediate and necessary resources" for the region he oversees, according to a letter he wrote late last month to members of the Senate Armed Services Committee. The letter was reviewed by The Wall Street Journal.

[U.S. Pacific Commander Seeks More Funding to Counter China](#) (WSJ – Gordon Lubold)

From: [PMC Trade Policy](#)
To: [Trade Policy](#)
Subject: FW: Update from Washington -- 19 Jan [SEC=UNOFFICIAL]
Date: Wednesday, 20 January 2021 6:44:25 AM

From: Media US
Sent: Wednesday, 20 January 2021 6:43:44 AM (UTC+10:00) Canberra, Melbourne, Sydney
Subject: Update from Washington -- 19 Jan [SEC=UNOFFICIAL]

UNOFFICIAL

UPDATE FROM WASHINGTON

This update is compiled by the Public Diplomacy and Political Branches at the Embassy of Australia, Washington DC

Update:

- President-elect Biden and Vice President-elect Harris arrive in Washington today before their inauguration tomorrow. Their first event this evening will be to lead a **"national moment of unity" from the Lincoln Memorial Reflecting Pool, which will be illuminated with 400 lights, symbolising the almost 400,000 Americans who have died from COVID-19.** The incoming director of the Centers for Disease Control and Prevention, Rochelle Walensky, said **by the middle of February she expects half a million deaths across the US.**
- Secretary of State Pompeo made a **determination today that China, under the direction and control of the CCP, has committed crimes against humanity and genocide against Uyghurs and other members of ethnic and religious minority groups in Xinjiang.** These crimes, according to State, include the arbitrary imprisonment of more than one million civilians, forced sterilisation, torture of a large number of those arbitrarily detained, forced labour, and the imposition of draconian restrictions on freedom of religion or belief, freedom of expression, and freedom of movement.
- President Trump is spending his final day in the White House and is **expected to issue pardons for around 100 people before he departs.** He will leave Washington for his Florida Mar-a-Lago resort at 8am (local time) on Wednesday with a departure ceremony at Andrews Air Force Base. He will not meet President-elect Biden. The last president who chose not to attend his successor's inauguration was Andrew Johnson in 1869, who was also impeached. According to a final Gallup poll of his presidency, **Trump will leave office with a 34 percent approval rating, a new low for him.**
- **Senate confirmation hearings begin today for a number of key Biden Cabinet nominees, including Antony Blinken for Secretary of State; Janet Yellen for Treasury Secretary; Avril Haines for DNI; Alejandro Mayorkas for Homeland Security Secretary; and Lloyd Austin for Secretary of Defense.**
 - Biden today named **Barbara Leaf as Special Assistant to the President and Senior Director for Middle East and North Africa affairs** on the National Security Council. She was formerly Ambassador to the UAE. Over the weekend, he announced experienced nominees for several senior State Department positions, including **Deputy Secretaries Wendy Sherman and Brian McKeon (Management), and Under Secretaries Victoria Nuland (Political Affairs), Bonnie Jenkins (Arms Control & International Security), and Uzra Zeya (Civilian Security, Democracy and Human Rights), as well as the appointment of Derek Chollet as Counselor.**
 - Biden also named Rachel Levine as Assistant Secretary of Health in the Department of Health and Human Services. She would be the **first openly**

transgender person confirmed to a federal position by the US Senate. She currently serves as Pennsylvania's health secretary and has led that state's response to the pandemic.

- **Democratic Senators-elect Jon Ossoff, Raphael Warnock and Alex Padilla are expected to be sworn in Wednesday after Biden's inauguration, effectively giving control of the chamber to Democrats,** since Vice President-elect Kamala Harris will be able to cast tie-breaking votes as needed.
 - o Senate Democratic leader Chuck Schumer and Senate Republican leader Mitch McConnell met today to discuss the 50-50 Senate split and impeachment trial process. **Speaker Pelosi has not yet indicated when she will send the article of impeachment to the Senate.**
- All **25,000 National Guard members currently in Washington providing additional security for the inauguration, are being vetted by law enforcement** for insider threats.
- Secretary Pompeo announced more sanctions today on his last day in office. **The US sanctioned a Russian entity and a vessel engaging in the construction of Nord Stream 2. Also sanctioned were three individuals and 14 entities for their ties to a network helping Nicolas Maduro and his regime evade US sanctions on Venezuela's oil sector.**
- **Biden plans to sign dozens of executive orders and send legislation to Congress in his first days in office,** aiming to roll back some of Trump's signature policies on immigration and climate change while taking action to ramp up the government's response to the pandemic. He also **plans to extend travel restrictions** barring travel by most people who have recently been in Europe and Brazil - reversing an EO President Trump recently signed which lifted those requirements from January 26.
- The powerful **National Rifle Association filed for bankruptcy over the weekend,** following leadership shake-ups and allegations of financial mismanagement in recent years.
- A political scientist and expert on Iran's nuclear policy who has taught at several US universities was **charged today with conspiring to act as an unregistered foreign agent for Iran.** Kaveh Afrasiabi, a permanent resident born in Iran, was arrested Sunday and accused of working to influence US public opinion on Iran's behalf.
- Acting Secretary of Defense Miller and UK Secretary of State for Defense Wallace have **co-signed a Joint Declaration for the Carrier Strike Group 2021 deployment,** which enables the deployment of US Marines and Navy personnel and equipment as part of a UK-US combined carrier strike group, led by the UK's aircraft carrier, HMS Queen Elizabeth.

Key Media Summary

Presidential Transition

Outgoing Senate Majority Leader Mitch McConnell (R-Ky.) on Tuesday accused President Trump of provoking the violent crowd that stormed the U.S. Capitol on Jan. 6. "The last time the Senate convened, we had just reclaimed the Capitol from violent criminals who tried to stop Congress from doing our duty. The mob was fed lies. They were provoked by the president and other powerful people," McConnell said on the Senate floor, marking the first convening of the full Senate since the attack. McConnell's statements carry significance ahead of an anticipated Senate impeachment trial.

[McConnell: Trump 'provoked' crowd that stormed Capitol](#) (The Hill – Alexander Bolton)

The Senate has a jam-packed schedule of hearings on Tuesday to begin considering President-elect Joseph R. Biden Jr.'s nominees for his Cabinet, but the process has been badly delayed, likely making Mr. Biden the first president in decades to take office without his national security team in place on Day 1. The delay by congressional Republicans in recognizing Mr. Biden's election victory, coupled with two Georgia runoff elections that left the Senate majority up in the air until Jan. 5, held up confirmation hearings for Mr. Biden's team. That has made it impossible

for the Senate to move quickly to fill top national security posts, including the secretary of defense, a job normally filled immediately after the president takes office to illustrate continuity of American power.

[With Biden's cabinet delayed, the Senate faces a marathon day of confirmation hearings.](#) (NYT – Live Updates)

- [Biden plans to propose a sweeping immigration overhaul on his first day in office.](#)
- [Biden and Harris will spend the day honoring Americans who died in the pandemic.](#)
- [Trump's final wave of pardons includes names pushed by criminal justice reform advocates.](#)
- [Critical questions on security, pardons and politics will be answered in the next 24 hours.](#)
- [Pompeo's parting message as secretary of state: Multiculturalism is 'not who America is.'](#)
- [Janet Yellen's confirmation hearing for Treasury secretary centers on the pandemic.](#)
- [Avril Haines, pick for national intelligence director, says she'll help with a public threat assessment of QAnon.](#)

Senate leaders Chuck Schumer and Mitch McConnell have yet to strike an agreement on how to run an evenly split Senate, with a meeting on Tuesday afternoon between the two leaders expected to set the tone at a critical moment in Washington, D.C. Schumer is likely to formally become majority leader on Wednesday, wielding an effective 51-50 majority after his new Democratic senators are sworn in and Kamala Harris becomes vice president and Senate tie-breaker, according to a source familiar with the schedule. But the Senate will still need to pass an organizing resolution and work out committee ratios and other rules of the road.

[Schumer and McConnell try to cut a deal on a 50-50 Senate:](#) Buy-in from both party leaders is needed, particularly ahead of Trump's impeachment trial. (Politico – Burgess Everett)

President-elect Joe Biden's nominee for secretary of state will tell a Senate panel Tuesday that China and Russia are increasingly U.S. rivals and that he hopes to pursue foreign policy with more humility and respect for U.S. diplomats than did the Trump administration. Longtime Biden aide Antony Blinken is set to face senators who broadly respect his career and qualifications but have strong opinions about policy issues, including whether the Biden administration will attempt to work with China on some issues in a potential step back from the Trump administration's confrontation with Beijing... Despite his connections with the committee, its members aren't immune from the bipartisan division that has riven Capitol Hill and Washington in recent years... The political ambitions and policy disagreements on the committee will emerge in tough questioning about the 2015 Iran nuclear deal, the path forward with China, and recent U.S. actions against the Cuban regime, GOP aides said.

[Blinken to Address U.S. Rivalry With China, Russia in Senate Hearing](#) (WSJ – William Mauldin and Michael R. Gordon)

Coronavirus

With the United States approaching a once-unthinkable coronavirus pandemic death toll of 400,000 people, Joseph R. Biden Jr., on the eve of his inauguration as president, is assuming the role of mourner in chief and projecting an air of command of the issue that has vexed the Trump administration for the past year. The president-elect will arrive in the nation's capital Tuesday evening for a somber inauguration-eve ceremony at the Lincoln Memorial, where 400 lights will be illuminated along the perimeter of the reflecting pool. Each is meant to represent approximately 1,000 Americans who have died during the pandemic.

[As the U.S. death toll nears 400,000 and his inauguration approaches, Biden takes charge.](#) (NYT – Live updates)

With only about half of the 31 million coronavirus vaccine doses distributed to states having been administered, according to data tracked by The Washington Post, Americans are wondering when they will be able to get their shots. But as they wait, the death toll in the United States continues to grow by the thousands each day. The United States will probably surpass 400,000 coronavirus-related deaths by the end of Tuesday, according to [data tracked by The Post](#). More than 24 million cases have been reported in the United States.

[U.S. on track to surpass 400,000 deaths](#) (WP – Live updates)

Rochelle Walensky, the incoming director of the U.S. Centers for Disease Control and Prevention, said she will start her new job with a big to-do list: helping states fix Covid-19 vaccination programs and persuading exhausted Americans to wear masks and take other

precautions. In an interview with The Wall Street Journal, Dr. Walensky said the agency will try to help people overcome doubts about Covid-19 vaccines, and she vowed to increase public trust in the CDC. Dr. Walensky will take the helm of the CDC Wednesday, as a highly transmissible mutant, or variant, of the novel coronavirus threatens to cause a new surge in infections in the next few weeks.

[New CDC Director Pledges to Speed Vaccinations, Restore Trust in Agency](#) (WSJ – Live coverage)

Economy

President-elect Joe Biden this week inherits an economic recovery that's challenged by the raging pandemic and a still-suffering labor market. The latest data show how the untamed virus continues to constrain the U.S. rebound. Business restrictions to curb the spread helped drive a jump in initial jobless claims, while a weekly measure of retail sales has eased to a five-week low. "The drag from Covid-19 restrictions is intensifying, but the economic impact has been much more muted compared to the first wave," said Bloomberg economist Eliza Winger. "The risk of the economy sinking back into a recession is low and another round of proposed fiscal relief package is lifting growth prospects."

[U.S. Economic Recovery Loses Steam Just as Biden Takes Office](#) (Bloomberg – Reade Pickert, Yue Qui and Alexander McIntyre)

Janet Yellen told lawmakers Tuesday she would make the needs of America's workers her core focus if confirmed as the next U.S. Treasury secretary and ensure the U.S. has a competitive economy that offers good jobs and wages workers in cities and rural areas... Ms. Yellen said that additional spending that provides relief for struggling families and businesses could provide the most "bang for the buck" for the economy as a whole, including extended jobless benefits and nutrition assistance. Ms. Yellen also affirmed the U.S.'s commitment to market-determined exchange rates, and she made clear the U.S. doesn't seek a weaker dollar for competitive advantage. She added that efforts by foreign countries to artificially manipulate their currencies are "unacceptable."

[Yellen Tells Lawmakers That American Workers Would Be Her Focus](#) (WSJ – Kate Davidson)

US-China

The State Department on Tuesday declared China's human rights abuses in the Xinjiang region a "genocide" against ethnic Uighur Muslims in one of Secretary of State Mike Pompeo's final acts before leaving office... The declaration comes less than a week after the Department of Homeland Security effectively banned imports of all cotton and tomato products from Xinjiang over concerns of widespread forced labor in the agricultural sector, which U.S. officials say is akin to "modern day slavery."

[State Department accuses China of genocide against Uighur Muslims](#) (Politico – Gavin Bade and Quint Forgey)

Treasury Secretary nominee Janet Yellen said Tuesday that the Biden administration is prepared to use the "full array of tools" necessary to curb China's economic malfeasance, including a major investment in the U.S. economy. "We need to take on China's abusive, unfair and illegal practices," the former Federal Reserve chairwoman said during her Tuesday confirmation hearing before the Senate Finance Committee, calling China "our most important strategic competitor." Yellen criticized the Chinese government for actions that have been widely condemned by economists and the international community, including dumping cheap products in foreign markets, illegally subsidizing domestic companies, imposing trade barriers and stealing intellectual property.

[Yellen vows to use 'full array of tools' to fight Chinese economic abuse](#) (The Hill – Sylvan Lane)

From: [Hubbard, Paul](#)
To: [International - MENATAR](#)
Subject: FW: Update from Washington -- 20 March [SEC=UNCLASSIFIED]
Date: Thursday, 21 March 2019 4:02:50 AM

From: PMC Trade Policy
Sent: Thursday, 21 March 2019 4:02:31 AM
To: Hubbard, Paul; § 22(1)(a)(ii) ; Craig, Jaclyn;
§ 22(1)(a)(ii) ; Schofield, Shelby; § 22(1)(a)(ii)
Subject: FW: Update from Washington -- 20 March [SEC=UNCLASSIFIED]

From: § 22(1)(a)(ii) On Behalf OfMedia US
Sent: Thursday, 21 March 2019 4:01:21 AM (UTC+10:00) Canberra, Melbourne, Sydney
Subject: Update from Washington -- 20 March [SEC=UNCLASSIFIED]

UNCLASSIFIED

This email is prepared by the Public Diplomacy and Political branches of the Australian Embassy, Washington DC.

Update:

- President Trump travelled to the **Joint Systems Manufacturing Plant in Ohio** today to deliver remarks and tour an army tank plant. Meanwhile he continues to criticise General Motors for closing an auto plant in another area of Ohio, a state important for his re-election bid. He will also speak this evening at a fundraising reception before returning to Washington.
- Vice President Pence delivered remarks today to the **American Petroleum Institute** meeting in Washington.
- President Trump said yesterday during a joint press conference with Brazilian President Bolsonaro, that he intended to **designate Brazil as a “Major Non-NATO Ally” or “maybe a NATO ally”**.
- President Trump has nominated Steve Dickson, a pilot and former vice president at Delta Air Lines, as **Administrator of the Federal Aviation Administration**.
- The Supreme Court ruled yesterday in a 5-4 decision that **certain immigrants with criminal convictions must be held without bail** during deportation proceedings. This comes as media have reported the Trump Administration plans to stop sending some migrant families who illegally cross the border in the Rio Grande Valley to detention facilities due to overcrowding.
- The Chair of the House Oversight and Reform Committee, Elijah Cummings (D-Maryland) has written in an op-ed that the “complete refusal by the Trump White House to produce any documents or witnesses to the primary investigative committee in the House reflects a decision at the highest levels to **deny congressional oversight** altogether”.
- A US District Court judge said yesterday that her **injunction preventing the president’s transgender military policy from taking effect** remains in place for now. This follows the Pentagon’s recent release of a memo to implement the policy.

Meetings/Calls:

- The White House announced yesterday that President Trump will meet **Caribbean leaders from The Bahamas, Dominican Republic, Haiti, Jamaica and Saint Lucia at Mar-a-Lago on 22 March**.
- Secretary of State Pompeo is in Kuwait where he met Amir Sheikh Sabah Al-Ahmed Al-

Sabah and attended the **US-Kuwait Strategic Dialogue** Opening Session. He is scheduled to travel to Jerusalem later today to meet Prime Minister Netanyahu and participate in an **Eastern Mediterranean 3+1 meeting with Netanyahu, Greek Prime Minister Tsipras and Cypriot President Anastasiades**.

- Director of National Intelligence Coats travelled to South Korea and met **ROK President Moon** today.

Key Media Summary

Trade

The Commerce Department submitted the report to the White House in mid-February, triggering a 90-day period for Trump to decide whether to impose tariffs, which could reach as high as 25 percent, on imported autos. It concluded that Trump could justify the tariffs on national security grounds and offered a range of options in response — putting the decision in the president's hands, four people familiar with its conclusions told POLITICO.

[Trump Administration withholds report justifying 'shock' auto tariffs](#) (Politico, Elaina Johnson and Andrew Restuccia)

[Trump faces failing strategy on auto jobs as he heads to Ohio](#) (Politico, Timothy Noah and Adam Behsudi)

[Trump to visit 'surging' Ohio military factory near closing GM plant](#) (Bloomberg, Margaret Talev)

US-China

U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin plan to fly to Beijing next week to meet with Chinese Vice Premier Liu He, Trump administration officials said. The following week, a Chinese delegation led by Mr. Liu is expected to continue talks in Washington, the officials said. People tracking the negotiations said the talks appear to be in their final stages, following a rocky patch after Chinese leaders were unnerved by President Trump's decision to abruptly break off nuclear-disarmament talks with North Korean leader Kim Jong Un in February.

[High-level US-China trade talks to resume in final push for deal](#) (Wall Street Journal, Bob Davis)

[US stocks hit by reports Beijing pushing back on Washington's trade demands](#) (Financial Times, Peter Wells)

[It's China's slowdown—not the trade war—investors see as the bigger risk](#) (Bloomberg, Natalie Lung)

Economy

The Trump administration pushed a \$1.5 trillion tax cut through Congress in 2017 on the promise that it would spark sustained economic growth. While the tax cuts have goosed the economy in the short term, officials now concede they will not be enough to deliver the 3 percent annual growth the president promised over the long term. To produce that average growth rate for the next decade, White House forecasters say, the American economy would need additional rollbacks in labor regulations, a \$1 trillion infrastructure plan and another round of tax cuts.

[Trump's tax cut won't power the growth he predicts, officials concede](#) (New York Times, Jim Tankersley)

[What you need to know about Wednesday's Fed meeting](#) (New York Times, Jim Tankersley)

[Trump's budget relies on up to \\$1.2 trillion in potentially phantom revenues](#) (Wall Street Journal)

Mueller Investigation

After more than two years of criminal indictments and steady revelations about contacts between associates of Donald J. Trump and Russia, we already know a lot about the work done by Robert S. Mueller III, the special counsel investigating Russia's interference in the 2016 election. Here are the main findings and lines of inquiry and the people involved in each.

[The Mueller report is highly anticipated. Here's what we already know.](#) (New York Times, Larry Buchanan and Karen Yourish)

[Mueller's old boss delays departure as probe wraps up](#) (Politico, Darren Samuelsohn and Josh Gerstein)

[Shifting hopes as Republicans and Democrats await Mueller](#) (Associated Press, Jonathan Lemire and Mary Clare Jalonick)

US Politics

-- **Sen. Elizabeth Warren (D-Mass.) put this issue on the front-burner when she announced during a televised town hall on CNN Monday night that she wants to replace the system we've used to elect presidents since 1789.** Her answer was clearly rehearsed, and she used a question about voting rights for the formerly incarcerated to call for the abolition of the electoral college. She's made it a central theme of a three-day swing through the South.

[The Daily 202: A debate over abolishing the electoral college, surprisingly, gins up the base in both parties](#) (Washington Post, James Hohmann)

From: [Hubbard, Paul](#)
To: [International - MENATAR](#)
Subject: FW: Update from Washington - 21 Nov [SEC=UNCLASSIFIED]
Date: Thursday, 22 November 2018 5:08:59 AM

From: PMC Trade Policy
Sent: Thursday, 22 November 2018 5:08:16 AM (UTC+10:00) Canberra, Melbourne, Sydney
To: Hubbard, Paul; s 22(1)(a)(ii) ; Craig, Jaclin; s 22(1)(a)(ii)
Subject: FW: Update from Washington - 21 Nov [SEC=UNCLASSIFIED]

From: s 22(1)(a)(ii) On Behalf Of Media US
Sent: Thursday, 22 November 2018 5:06:27 AM (UTC+10:00) Canberra, Melbourne, Sydney
Subject: Update from Washington - 21 Nov [SEC=UNCLASSIFIED]

UNCLASSIFIED

This email is prepared by the Public Diplomacy and Political branches of the Australian Embassy, Washington DC.

Note the Embassy is closed for Thanksgiving on Thursday 22 November and Friday 23 November. The update will resume as per usual next week.

Update:

- President Trump is in Florida with his family to **celebrate Thanksgiving at his Mar-a-Lago resort in Palm Beach**.
- Senators and Members of Congress pushed back against President Trump's statement yesterday that the US would maintain its relationship with Saudi Arabia regardless of any role the Saudi Crown Prince may have played in Jamal Khashoggi's murder. Senate Foreign Relations Committee Chairman Corker tweeted **"I never thought I'd see the day a White House would moonlight as a public relations firm for the Crown Prince of Saudi Arabia"**. Corker and his Democratic counterpart on the Committee, Senator Menendez, sent a second Global Magnitsky letter to Trump yesterday requiring him to specifically determine whether MbS was responsible for Khashoggi's death.
- Congress returns from recess on Monday 26 November.
- The US State Department released a [statement](#) today, calling for **credible and transparent elections on December 23 for the Democratic Republic of Congo**.
- The US State Department released a statement yesterday, condemning the **attack in Kabul at a Milad-un-Nabi religious gathering that killed at least 40** and wounded over 60 civilians.

Meetings/calls:

N/A

Key Media Summary

Trump statement on Jamal Khashoggi

President Trump has long viewed foreign policy as a series of business deals, stripped of values and idealism. But his [633-word statement](#) on Tuesday about the brutal killing of the Saudi dissident Jamal Khashoggi showed the extent to which he believes that raw, mercantilist calculations should guide the United States' decisions about the Middle East and the wider world. Mr. Trump [made clear](#) that he sees alliances as transactional, based on which foreign partners buy the most weapons. American jobs outweigh American values. And all countries act abhorrently, so an American president should never hold friends to different standards than enemies.

[In Pardoning Saudi Arabia, Trump Gives Guidance to Autocrats](#) (New York Times – Analysis – Mark Mazzetti and Ben Hubbard)

[For Trump, the bottom line on Saudi Arabia takes precedence over human rights](#) (Washington Post – Analysis – Anne Gearan)

[Donald Trump stands by his Saudi man](#) (Financial Times – Opinion – David Gardner)

The bipartisan leadership of the Senate Foreign Relations Committee is demanding a definitive determination from President Donald Trump about whether Crown Prince Mohammed bin Salman of Saudi Arabia ordered the killing of journalist Jamal Khashoggi. ... under the Magnitsky Act, Trump can be required to make a determination about human rights violations by global leaders. The law requires the president to do so within 120 days of the committee's request, as well as apply any sanctions. Corker and Menendez made their first request on Oct. 10, without specifically asking about bin Salman.

[Senators demand Trump say whether Saudi prince ordered Khashoggi killing](#) (Politico – Burgess Everett)

Immigration

The probability that American border guards will face violence at the southwestern border is "minimal," an internal Homeland Security Department document has concluded, undercutting a Trump administration proposal to protect the security officials from migrant attacks by pairing them with military troops. The border intelligence analysis contrasts with statements by the department and the White House citing concerns about migrants overrunning official ports of entry and attacking border guards to enter the United States.

[Homeland Security Dept. Finds 'Minimal' Risk to Border Guards, Undercutting Trump Plan](#) (New York Times – Ron Nixon, Helene Cooper and Thomas Gibbons-Neff)

Special Counsel Mueller investigation

Lawyers for President Trump said they have submitted written responses to questions posed by [special counsel Robert Mueller](#) about possible collusion with Russia during the 2016 presidential election. Jay Sekulow, a lawyer for the president, said the questions were on "Russia-related topics" of the Mueller investigation. Rudy Giuliani, another lawyer for Mr. Trump, in a statement called for the probe to end.

[Trump Lawyers Submit Written Responses to Mueller's Questions](#) (Wall Street Journal – Rebecca Ballhaus)

[Mueller got some answers, but he's not done with Trump](#) (Politico – Darren Samuelsohn)

Trade

China has not changed unfair and discriminatory practices that prompted President Donald Trump to impose tariffs on around \$250 billion worth of Chinese goods, U.S. Trade Representative Robert Lighthizer said on Tuesday. The U.S. trade chief made the statement in conjunction with a 53-page update it released on a report on its investigation into China's intellectual property practices under Section 301 of the 1974 Trade Act. That probe and the initial report from March provided the legal basis for Trump to impose tariffs on nearly half of all imports from China.

[Lighthizer: China has not corrected actions that led to tariffs](#) (Politico – Doug Palmer)

The World Trade Organization agreed Wednesday to investigate the legality of U.S. tariffs on steel and aluminum imports based on national security concerns, a decision the U.S. says could undermine the legitimacy of the Geneva-based trade body. Members including the European Union and China asked the WTO to examine the U.S. levies, which they say don't bolster security but further U.S. economic interests. Any review of America's essential security interests "would undermine the legitimacy of the WTO's dispute settlement system and even the viability of the WTO as a whole," the American delegation said at a Wednesday meeting of the WTO dispute settlement body, according to prepared remarks seen by Bloomberg.

[WTO Starts U.S. Tariffs Probe, Crossing Trump's Red Line](#) (Bloomberg – Bryce Baschuk)

Government funding

Congress just can't help itself: With a partial government shutdown potentially two weeks away, Democrats and Republicans are dug in, each side upping its demands and vowing not to buckle to the other. President Donald Trump is pressuring Republicans to obtain at least \$5 billion for his border wall, far more than what Senate Democrats are prepared to give. Democrats in turn are considering pushes for legislation to protect special counsel Robert Mueller and the elimination of a citizenship question from the next census, according to people familiar with the negotiations.

[Stalemate on Trump's wall amid threat of shutdown](#) (Politico – Burgess Everett)

From: [Hubbard, Paul](#)
To: [International - MENATAR](#)
Subject: FW: Update from Washington -- 22 March [SEC=UNCLASSIFIED]
Date: Saturday, 23 March 2019 4:01:33 AM

From: PMC Trade Policy
Sent: Saturday, 23 March 2019 4:01:02 AM
To: Hubbard, Paul; § 22(1)(a)(ii) Craig, Jaclin;
§ 22(1)(a)(ii) ; Schofield, Shelby; § 22(1)(a)(ii)
Subject: FW: Update from Washington -- 22 March [SEC=UNCLASSIFIED]

From: § 22(1)(a)(ii) On Behalf OfMedia US
Sent: Saturday, 23 March 2019 4:00:28 AM (UTC+10:00) Canberra, Melbourne, Sydney
Subject: Update from Washington -- 22 March [SEC=UNCLASSIFIED]

UNCLASSIFIED

This email is prepared by the Public Diplomacy and Political branches of the Australian Embassy, Washington DC.

Update

- On 21 March, President Trump tweeted “After 52 years it is time for the United States to fully recognize Israel’s Sovereignty over the **Golan Heights**, which is of critical strategic and security importance to the State of Israel and Regional Stability!”. At a dinner with Israeli Prime Minister Netanyahu on 21 March, Secretary Pompeo confirmed the US’ policy change, saying “President Trump made the decision to recognize that that hard-fought real estate, that important place, is proper to be a sovereign part of the state of Israel”.
 - Trump will host Netanyahu for a visit to the US 25-26 March.
- On 21 March, State Department **amended the terrorist designation of ISIS** to include Amaq News Agency and Al Hayat Media Center, its two media wings.
- On 22 March, State and Treasury **sanctioned 31 Iranian entities and individuals** linked to Iran’s Organization of Defensive Innovation and Research under Executive Order 13382, which targets proliferators of weapons of mass destruction and WMD delivery systems and their supporters. In a statement, the State Department said this sanctions action “shows the flaws in the Joint Comprehensive Plan of Action (JCPOA), why the US was right to cease participation in it, and the importance of also permanently ensuring Iran is unable to reconstitute any past weapons-related activities in the future”

Meetings

- Today, **DFAT Secretary Adamson** met Deputy United States Trade Representative Ambassador Jeffrey Gerrish, Deputy Assistant to the President and National Security Council Senior Director for Asian Affairs, Matt Pottinger and Under Secretary of State for Arms Control and International Security Andrea Thompson.
- **President Trump** will meet Caribbean Leaders 22-24 March in Mar-a-Lago to discuss Venezuela and the US-Caribbean 2020 Strategy.
- **Secretary Pompeo** is in Lebanon and met Prime Minister Hariri, Speaker of the Parliament Berri and Minister for the Interior Al Hassan on 22 March. Topics of discussion included security and economic prosperity issues such as the importance of the US-Lebanese security partnership, Syrian refugees, economic reforms and Hezbollah’s activities in Lebanon.

Key Media Summary

Trade

President Donald Trump says imports of autos and auto parts do not pose a national security threat, but the U.S. balance sheet with the rest of the world does...Last year, the Commerce Department launched an investigation into whether imports of autos and auto parts pose a national security threat to the United States. A positive finding would allow Trump to impose restrictions on the imports, similar to the tariffs and quotas he imposed last year on steel and aluminum imports.

[Trump: Trade gap, not autos, poses national security threat](#) (Politico, Doug Palmer)

Global Security

Iran's Ministry of Defense unit responsible for developing nuclear weapons is poised to restart work and is using front companies to buy materials from Russia and China that could be used to reactivate its banned bomb program, U.S. officials alleged Friday. The Trump administration leveled the charges as the Treasury and State Departments sanctioned more than two dozen Iranian officials, scientists and alleged front companies connected to the Tehran-based Organization of Defensive Innovation and Research, or SPND, as it is known by its Farsi initials.

[US says Iran poised to resume work on nuclear weapons](#) (Wall Street Journal, Ian Talley)

Secretary of State Mike Pompeo told me today that if Israel does not limit its ties with China, the U.S. could reduce intelligence sharing and security cooperation. Why it matters: The U.S. has raised the topic of Chinese influence with Israel several times in the last months, but this is the most public stance that the Trump administration has taken on the issue. In the last few years, Prime Minister Netanyahu has led a diplomatic initiative to dramatically enhance trade with China. China has won several big infrastructure contracts in Israel, including one for a new sea port in Haifa — where the U.S. Navy currently operates. Pompeo told me in an interview in Jerusalem Thursday that China presents economic opportunities for Israel, but also threatens

[Scoop: US could reduce intelligence sharing with Israel due to China ties](#) (Axios, Barak Ravid)

US-Israel

Syria and its Russian and Iranian allies slammed President Trump's call to recognize Israeli sovereignty over the Israeli-occupied Golan Heights on Friday, inflaming regional tensions at a time when the Trump administration is seeking to curtail Iran's expanding influence. A statement by Syria's Foreign Ministry said the move would increase Syria's determination to recover the territory occupied by Israel "by all available means," and Russia and Iran both said it violated international law. Turkey, a U.S. ally, said it risked creating a new Middle East crisis.

[Trump's Golan tweet inflames regional tensions as Syria vows to recover the strategic plateau](#) (Washington Post, Liz Sly)

[In Golan Heights, Trump bolsters Israel's Netanyahu but risks roiling Middle East](#) (New York Times, Mark Landler and Edward Wong)

[Trump's Golan Fiasco](#) (Politico, Tamara Cofman Wittes and Ilan Goldenberg)

Democrats are scrambling to reinforce their party's support for the U.S.-Israel relationship as accusations of anti-Semitism roil the party and President Trump upends decades of bipartisan consensus by endorsing Prime Minister Benjamin Netanyahu's right-wing priorities. Two Jewish House Democrats introduced a resolution Thursday that condemns a boycott movement against Israel and reaffirms support for a two-state solution to the Israeli-Palestinian conflict, a move to counter the perception that the party is fractured in its support of Israel. The legislation, however, was overshadowed by Trump's endorsement of permanent Israeli control over the disputed Golan Heights — a pronouncement hailed by Netanyahu, who is seeking reelection next month.

[With Trump and Netanyahu in lockstep, Democrats wrestle over support for Israel](#) (Washington Post, Mike DeBonis, Sean Sullivan and Rachel Bade)

[Democrats unveil bipartisan measure rebuking boycott movement against Israel](#) (Washington Post, Rachel Bade and Mike DeBonis)

US Politics

Rep. Elijah Cummings (D., Md.), the committee's chairman, said in a letter Thursday to White House counsel Pat Cipollone that the panel confirmed late last year with a lawyer for Mr. Kushner and Ms. Trump that the president's son-in-law and daughter had used their personal emails or the messaging service WhatsApp for official business. He also said the panel had obtained documents showing that former deputy national security adviser K.T. McFarland and former chief strategist Steve Bannon conducted official business on their personal accounts. [House Democrats probe White House official's email use](#) (Wall Street Journal, Rebecca Ballhaus) [Kushner lawyer told lawmakers that Trump's son-in-law uses WhatsApp for White House business, Cummings said](#) (Washington Post, Tom Hamburger and Josh Dawsey)

Defence

The Coast Guard falls under the Department of Homeland Security, the agency at the center of President Trump's demands for more border-wall funding. When funding for the DHS lapsed in late December that temporarily froze Coast Guard spending and prevented guard members from being paid. The military service hasn't fully replenished its supply warehouses and caught up with maintenance work after the 35-day federal shutdown, Rear Admiral Peter Gautier told reporters Wednesday at the Coast Guard station in San Diego. He commands the service's District 11, which includes California and much of the West Coast. [Coast Guard says it took a hit from government shutdown](#) (Wall Street Journal, Ben Kesling)

US- Korea

The sanctions linked to North Korea were the first that the Treasury Department has imposed since late last year and come less than a month after a summit meeting between President Trump and Kim Jong-un, North Korea's leader, collapsed in Hanoi, Vietnam, without a deal. Mr. Trump wanted North Korea to fully denuclearize in exchange for sanctions relief, while North Korea favored a more gradual rollback of its nuclear program in exchange for the removal of sanctions that are most painful to its citizens. [Trump imposes North Korea sanctions amid stalled talks](#) (New York Times, Alan Rapeport)

Immigration

The federal government deported 66,549 immigrants in the last three months of 2018, up 10% from the year-earlier period, but the figure remained far below the peak during the Obama administration, according to data released Thursday by U.S. Immigration and Customs Enforcement. A greater share of the removals involved arrests by Customs and Border Protection, the agency that polices the U.S. border, said Nathalie Asher, the acting head of the enforcement and removals team at ICE. [US deportations rise, but remain below peak in Obama era](#) (Wall Street Journal, Louise Radnofsky)

From: [Hubbard, Paul](#)
To: [International - MENATAR](#)
Subject: FW: Update from Washington -- 28 March [SEC=UNCLASSIFIED]
Date: Friday, 29 March 2019 5:10:03 AM

From: PMC Trade Policy
Sent: Friday, 29 March 2019 5:09:36 AM
To: Hubbard, Paul; s 22(1)(a)(ii) Craig, Jaclin;
s 22(1)(a)(ii); Schofield, Shelby; s 22(1)(a)(ii)
Subject: FW: Update from Washington -- 28 March [SEC=UNCLASSIFIED]

From: s 22(1)(a)(ii) On Behalf OfMedia US
Sent: Friday, 29 March 2019 5:08:08 AM (UTC+10:00) Canberra, Melbourne, Sydney
Subject: Update from Washington -- 28 March [SEC=UNCLASSIFIED]

UNCLASSIFIED

This email is prepared by the Public Diplomacy and Political branches of the Australian Embassy, Washington DC.

Update:

- President Trump travelled to Michigan today for a **Make America Great Again rally** this evening and will overnight at his Mar-a-Lago resort in Florida.
- Vice President Pence travelled to Florida today to participate in **two separate Trump Victory events**.
- President Trump **called today for OPEC to increase the flow of oil**, tweeting "World Markets are fragile, price of Oil getting to high. Thank you!"
- Republicans on the House Intelligence Committee submitted a **letter today formally calling on Chairman Adam Schiff (D-CA) to step down as chairman**. They said they had no faith in his ability to lead and claimed he abused his position to promote false information that the Trump campaign colluded with Russia. Trump stepped up his harsh criticism of Schiff following the Mueller report, tweeting today that he should be forced to resign. House Speaker Pelosi has defended Schiff.
- The **House passed a nonbinding resolution today by 238-185 opposing the Trump administration's move to restrict transgender troops**, with five Republicans joining Democrats in supporting the measure. Overturning the military transgender ban in the Senate faces long odds.
- Secretary of Homeland Security Nielsen has signed a regional **Memorandum of Cooperation (MOC) on border security** with Honduras, Guatemala and El Salvador.

Meetings/Calls:

- The US and Laos held their **ninth annual Comprehensive Bilateral Dialogue** yesterday in Washington. Principal Deputy Assistant Secretary of State Murphy and US Ambassador to Laos Bitter led the US delegation with representatives from agencies including Defense, Commerce, Agriculture, USTR, USAID and Homeland Security.
- A US delegation led by USTR Lighthizer and Treasury Secretary Mnuchin arrived in **Beijing for trade talks** with Chinese officials.
- Secretary Pompeo met **Iraqi Speaker of Parliament Mohammad Halbousi** today at the State Department. He also met separately with **Saudi Prince Khalid Bin Salman**.
- Principal Deputy Assistant Secretary for East Asian and Pacific Affairs Murphy participated in the **32nd US-ASEAN Dialogue** in Washington today.

Key Media Summary

Huawei

The British government on Thursday [released a scathing assessment](#) of the security risks posed by the Chinese telecom company Huawei to Britain's telecom networks, as London weighs whether to heed U.S. calls to bar the firm from the next-generation 5G network over fears it will enable spying by the Chinese government and potential cyberattacks. This is the second consecutive year the Government Communications Headquarters, or GCHQ — the British spy agency equivalent to the U.S. National Security Agency — has identified serious problems. This year, officials said they have found “further significant technical issues” in the firm's engineering processes, as well as continued “concerning issues” in Huawei software, “leading to new risks” in Britain's 4G telecom networks. Most ominously, the spy agency, which oversees a center that vets Huawei hardware and software for bugs and security vulnerabilities, said it can provide “only limited assurance” that the long-term national security risks can be managed in the Huawei equipment deployed in Britain, and that “it will be difficult” to manage the risk of future products until the current defects are fixed.

[Britain's spy agency delivers a scathing assessment of the security risks posed by Huawei to the country's telecom networks](#) (Wash Post — Ellen Nakashima)

[Huawei Security 'Defects' Are Found by British Authorities](#) (NYT — Adam Satariano)

[UK intelligence panel warns on Huawei security flaws](#) (FT — David Bond and Nic Fildes)

Tech security

U.S. national-security officials have ordered a Chinese company to sell gay-dating app Grindr, citing the risk that the personal data it collects could be exploited by Beijing to blackmail individuals with security clearances, according to people familiar with the situation. The move by U.S. officials signals that a range of social-media companies and apps will now be off limits to Chinese buyers, alongside deals involving sensitive technology such as chips and weapons.

[U.S. Orders Chinese Firm to Sell Dating App Grindr Over Blackmail Risk](#) (WSJ — Georgia Wells and Kate O'Keefe)

[US government is forcing Chinese owners to sell Grindr](#) (FT — Eric Platt, James Fontanella-Khan and Demetri Sevastopulo)

Facebook

The Department of Housing and Urban Development sued Facebook on Thursday for engaging in housing discrimination by allowing advertisers to restrict who is able to see ads on the platform based on characteristics like race, religion and national origin.

In addition to targeting Facebook's advertising practices, the housing department, known as HUD, claims in its lawsuit that the company uses its data-mining practices to determine which of its users are able to view housing-related ads. On both counts, the agency said, Facebook was in violation of the federal Fair Housing Act.

[Facebook Engages in Housing Discrimination With Its Ad Practices, U.S. Says](#) (NYT — Katie Benner and Glenn Thrush)

[A Watchful Eye on Facebook's Advertising Practices](#): Is the social media giant finally facing consequences for ads that discriminate? (NYT — Opinion by Olivier Sylvain)

US-China Trade Talks

China is offering foreign technology firms better access to the country's fast-growing cloud-computing market, according to people briefed on the matter, as Beijing fashions a compromise in a tech sector the U.S. wants opened as part of a trade deal. Premier Li Keqiang disclosed the proposal to allow trial operations for foreign cloud service providers at a Monday meeting with about three-dozen corporate chieftains, including those from IBM Corp. , Pfizer Inc., Rio Tinto PLC, BMW AG and Daimler AG . The plan is part of a package of offers on technology-related issues Chinese negotiators are expected to discuss with their U.S. counterparts during high-level

meetings scheduled for Friday, the people said.

[China Floats Cloud Concession to Foreign Tech Firms in U.S. Trade Talks](#) (WSJ – LingLing Wei)

US Economy

The U.S. economy grew 2.2 percent in the final quarter of last year, the Commerce Department said Thursday, less than the 2.6 percent the government initially estimated and another sign of a slowdown. President Trump, however, has focused on how fast the economy grew in 2018, which was widely expected to be a strong year after the GOP tax cuts and infusion of more government spending. Trump contends the economy is taking off, while most economists say growth peaked last year. Trump has been touting 3.1 percent economic growth in 2018. But officially, the Commerce Department said Thursday, the economy grew 2.9 percent last year.

[GDP revised downward for 2018 as U.S. economy shows more signs of slowing](#) (Wash Post – Heather Long)

[Trump Owns the Economy Now, for Better or Worse](#) (NYT – Jim Tankersley)

Infrastructure

Sen. Amy Klobuchar wants to devote more than \$1 trillion to rebuild the nation's aging network of roads, highways and bridges, in a proposal that aims to break the partisan logjam in Washington. President Trump campaigned in 2016 on an infrastructure plan that has so far failed to materialize. Sen. Klobuchar, a Minnesota Democrat who is running for the party's 2020 presidential nomination, would seek \$650 billion in direct federal funding for infrastructure, more than three times the amount that Mr. Trump has prescribed, to repair roads and bridges, rebuild public schools and expand broadband internet across the nation.

[Sen. Amy Klobuchar Proposes National Infrastructure Plan](#) (WSJ – Ken Thomas)

[Amy Klobuchar Proposes \\$1 Trillion Infrastructure Plan](#) (NYT – Lisa Lerer)

Republican Sen. Tim Scott declared Thursday that it's very unlikely Congress will pass an infrastructure bill this session. "The chance of us getting something done in a big way on infrastructure is very small," Scott said during POLITICO's Future of Prosperity event. Both Republicans and Democrats have introduced plans for a \$1 trillion investment in infrastructure during President Donald Trump's tenure, with Trump himself saying infrastructure is a top priority for his administration. However, the two parties have so far failed to find common ground on any specific bill.

[Tim Scott says there's a 'very small' chance that an infrastructure bill will pass](#) (Politico – Rebecca Morin)

US Military

The House passed a resolution formally condemning the Trump administration's transgender military ban in a 238-185 vote on Thursday...The resolution's passage comes shortly after the administration announced that the requirement for members of the military to serve as the gender they were assigned at birth would be implemented next month, effectively undoing the Obama administration's policy from June 2016. .. The resolution is not expected to see any movement in the GOP-controlled Senate.

[House votes to condemn Trump's transgender military ban](#) (The Hill - JulieGrace Brufke and Rebecca Kheel)

From: [Hubbard, Paul](#)
To: [International - MENATAR](#)
Subject: FW: Update from Washington -- 29 Mar [SEC=UNCLASSIFIED]
Date: Saturday, 30 March 2019 4:23:51 AM

From: PMC Trade Policy
Sent: Saturday, 30 March 2019 4:23:26 AM
To: Hubbard, Paul; § 22(1)(a)(ii) ; Craig, Jaclin;
§ 22(1)(a)(ii) ; Schofield, Shelby; § 22(1)(a)(ii)
Subject: FW: Update from Washington -- 29 Mar [SEC=UNCLASSIFIED]

From: § 22(1)(a)(ii) On Behalf OfMedia US
Sent: Saturday, 30 March 2019 4:23:10 AM (UTC+10:00) Canberra, Melbourne, Sydney
Subject: Update from Washington -- 29 Mar [SEC=UNCLASSIFIED]

UNCLASSIFIED

This email is prepared by the Public Diplomacy and Political branches of the Australian Embassy, Washington DC.

Update:

- President Trump visited a dam in Florida today and will **spend the weekend at his Mar-a-Lago resort** again. Vice President Pence is in Chicago today attending a Republican student activist conference.
- National Security Advisor **Bolton issued a statement today condemning Nicolas Maduro's continued use of foreign military personnel** to remain in power, including the introduction of Russian military personnel and equipment into Venezuela. Bolton said "We strongly caution actors external to the Western Hemisphere against deploying military assets to Venezuela, or elsewhere in the Hemisphere, with the intent of establishing or expanding military operations. We will consider such provocative actions as a direct threat to international peace and security in the region".
- The White House issued a statement today on trade talks with China, saying "The two parties continued to make progress during candid and constructive discussions on the negotiations and important next steps." The **trade talks will continue in Washington next week with Chinese Vice Premier Liu He and the Chinese delegation.**
- The State Department Spokesperson issued a media release at the **conclusion of the 32nd US-ASEAN Dialogue in Washington** yesterday noting the broad range of US-ASEAN cooperation across political, economic, and social pillars and highlighting the importance of the US-ASEAN Strategic Partnership in securing a free and open Indo-Pacific region.
- Secretary of Energy Perry told Congress yesterday that the **Energy Department had approved six applications (Part 810 authorisations) for US companies to sell nuclear technology to Saudi Arabia** but said he could not recall if any had been approved after Jamal Khashoggi's murder in October. Senators Rubio (R-FL) and Menendez (D-NJ) along with other Senators expressed concern with the move and lack of consultation with Congress and other agencies. The Government Accountability Office (GAO) is investigating US-Saudi talks on a nuclear deal following Congressional concern they were being held without the oversight required by federal law.
- The State Department said today the **US government is watching closely the case of US Consulate Istanbul employee Metin Topuz** and reiterated a call for the Turkish government to resolve his case in transparent and fair manner.
- The **US government has ordered its personnel to leave Comoros** after violence following

this week's contested election.

Meetings/Calls:

- Secretary Pompeo met **South Korean Foreign Minister Kang** today at the State Department.
- The White House announced today **Egyptian President Al Sisi** will meet President Trump at the White House on 9 April.
- The White House also announced **South Korean President Moon** and his wife will meet President Trump and the First Lady in Washington on 11 April.

Key Media Summary

US-China Trade

U.S. and Chinese trade negotiators haggled over how to get Beijing to walk back China's tough cybersecurity law as both sides push to resolve deep-seated irritants and settle a yearlong tariff fight. During discussions Friday, issues related to Chinese regulations of information security and cross-border data flows, as well as high-tech sectors such as cloud computing, crowded the negotiation agenda, said people briefed on the matter. The Trump administration has been pressing China to loosen restrictions that U.S. companies, especially large technology firms, say unfairly disadvantage them in the world's second-largest economy.

[U.S. Trade Negotiators Take Aim at China's Cybersecurity Law](#) (WSJ – Lingling Wei and Bob Davis)
[China, U.S. Pore Over Details of Agreement Text to End Trade War](#) (Bloomberg – Jenny Leonard and Jeffrey Black)

North America Trade

President Trump's effort to rework a major trade deal with Canada and Mexico is showing increasing signs of faltering on Capitol Hill, straining under a variety of angry complaints from lawmakers of both parties who won't commit to backing the plan. Trump reached agreement with Canada and Mexico last year to update the 1994 North American Free Trade Agreement. But Congress must approve the deal, and the White House has been unable to mollify the growing complaints. The administration's goal is to get the pact approved ahead of Congress's annual August recess. It's not clear if that timeline is realistic. But delaying action past Labor Day could greatly increase political risk because of the accelerating presidential campaign.

[Trump's North American trade deal at risk of stalling in Congress](#) (Wash Post – Erica Werner, David J. Lynch and Emily Rauhala)

Immigration – Border control

President Trump threatened Friday to close all or a portion of the U.S. southern border if Mexico didn't immediately work to block all illegal immigrants from crossing. Writing on Twitter, the president also said Mexico makes a large amount of money from the U.S. while doing nothing to stem the tide of migrants. "If Mexico doesn't immediately stop ALL illegal immigration coming into the United States [through] our Southern Border, I will be CLOSING....the Border, or large sections of the Border, next week," Mr. Trump wrote.

[Trump Threatens to Close Border If Mexico Doesn't Stop Illegal Entries](#) (WSJ – Vivian Salama)
[Trump threatens to close the U.S.-Mexico border next week](#) (Politico – Rebecca Morin)
[Trump threatens to close the southern border next week, voicing heightened frustration with Mexico](#) (Wash Post – John Wagner and Colby Itkowitz)

National security

A bipartisan group of lawmakers introduced legislation on Thursday to end the National Security Agency's practice of collecting records of Americans' phone calls and text messages, a push that comes amid uncertainty about the fate of the surveillance program...The bill seeks to shape debate about domestic NSA surveillance before portions of the Patriot Act, which authorize some of the capabilities, expire at the end of the year. Two House committees are also in the

early stages of discussing legislation.

[Lawmakers Call for Termination of NSA Domestic Surveillance Program](#) (WSJ – Dustin Volz)

[DEA's bulk collection of phone data 'raised significant legal questions'](#) (Wash Post – Joe Davidson)

Cybersecurity

The FBI is retraining its workforce to better address proliferating cyber threats to the U.S., a transformation similar to the agency's shift to counterterrorism after the Sept. 11 attacks, senior FBI executives said. Amy Hess, the new head of the Federal Bureau of Investigation's criminal, cyber, response and services branch, said the agency is trying to give all investigators baseline skills to widen its ability to pursue cases against cyber criminals who threaten lives, property and critical infrastructure.

[FBI, Retooling Once Again, Sets Sights on Expanding Cyber Threats](#) (WSJ – Dustin Volz and Byron Tau)

President Trump wants to find a grand solution to the nation's cybersecurity challenges, one that will allow the nation to stop playing constant defense...While the Trump administration is spending on today's cybersecurity challenges, it's not preparing for tomorrow's. The president's budget request last week boosted overall cybersecurity spending by about 5 percent, including a whopping 10 percent hike for military cybersecurity. But most government offices that tackle emerging challenges in cybersecurity would see cuts to their research and development budgets under the plan. The biggest cut — an incredible \$219 million — is to the Homeland Security Department's science and technology wing, which does much of the long-range research aimed at making technology fundamentally more secure...

[Trump wants a 'cybersecurity moonshot' but cuts research](#) (Wash Post – Joseph Marks)

From: [PMC Trade Policy](#)
To: s 22(1)(a)(ii)
Subject: FW: Update from Washington -- 31 Jan [SEC=UNCLASSIFIED]
Date: Saturday, 1 February 2020 6:29:01 AM

From: s 22(1)(a)(ii) On Behalf Of Media US
Sent: Saturday, 1 February 2020 6:28:39 AM (UTC+10:00) Canberra, Melbourne, Sydney
Subject: Update from Washington -- 31 Jan [SEC=UNCLASSIFIED]

UNCLASSIFIED

WASHINGTON DAILY UPDATE

This email is prepared by the Public Diplomacy and Political branches of the Australian Embassy, Washington DC.

Update:

- President Trump hosted a White House Summit on Human Trafficking today – marking the 20th anniversary of the Trafficking Victims Protection Act. Trump also issued a **new Executive Order to combat human trafficking and online child exploitation in the United States**. The EO establishes a new position on the Domestic Policy Council of the White House to combat human trafficking.
- President Trump issued a statement today on a **new landmine policy** which will authorise Combatant Commanders to “employ advanced, non-persistent landmines specifically designed to reduce unintended harm to civilians and partner forces”. The President has cancelled the Obama Administration’s policy on landmines.
- In the **Senate impeachment trial today**, final debate began on whether to consider witness testimony. But key swing Senators including Lisa Murkowski (R-AK) and Lamar Alexander (R-TN) have said they will not support hearing from new witnesses.
- The State Department today **designated Paul Christian Makonda of Tanzania** for gross violations of human rights. Makonda was involved in such violations in his capacity as the Regional Commissioner of Dar es Salaam.
- The US Defense Department released guidelines today to personnel aimed at **reducing the threat of coronavirus**.
- The President and First Lady are scheduled to **travel to their Mar-a-Lago estate later** today and spend the weekend in Florida.

Meetings and Calls:

- President Trump spoke by phone with **Canadian Prime Minister Trudeau**
- Secretary of Defense Esper met **Italian Minister of Defence Guerini** at the Pentagon today to discuss Iraq, Afghanistan, Libya and efforts to counter ISIS globally.
- Secretary of State Pompeo met **Ukrainian President Zelensky, Foreign Minister Prystaiko and Defense Minister Zahorodnyuk** in Kyiv today.

Key Media Summary

Impeachment

The questioning phase is over. On Friday, senators will begin a debate over including additional witnesses and documents in the trial. Republicans have felt increasingly confident that they will have the support to block a vote to subpoena new witnesses, like Mr. Bolton. Senator Lisa Murkowski, Republican of Alaska, said Friday she would vote against including new witnesses and documents in President Trump’s impeachment trial, likely dealing a fatal blow to Democrats’ attempts to compel new evidence.

[Senators to Debate Including New Evidence](#) (NYT)

[GOP Senators Appear Likely to Reject Witnesses in Impeachment Trial](#) (WSJ – Andrew Duehren)

[Sen. Lisa Murkowski says she will oppose witnesses, all but assuring the end of Trump’s impeachment trial](#) (WP – John Wagner and Colby Itkowitz)

[Trump’s impeachment trial could extend into next week](#) (Politico)

[How the story of impeachment tells the story of polarization](#) (WP Opinion – Fareed Zakaria)

Coronavirus

Delta Air Lines, United Airlines and American Airlines all said on Friday that they are suspending all service to mainland China as concerns about the coronavirus spread internationally. American Airlines said that it was suspending all flights to and from mainland China immediately through March 27. American and United will continue flights to Hong Kong. Delta and United said they would suspend service starting on Feb. 6. United said it expected to resume operations on March 28... Share prices in all three airlines had fallen by midday.

[Delta and American Airlines Suspend Flights to China](#): A spokeswoman for the Chinese foreign ministry, Hua Chunying, struck back on Friday at the United States' travel advisory telling Americans not to travel to China. (NYT)

[U.S. mandates quarantine for 195 evacuees from Wuhan who arrived this week at a military base in Calif. amid coronavirus worries](#) (WP – Shibani Mahtani and Adam Taylor)

[Stocks Tumble With Coronavirus Angst Roiling Globe: Markets Wrap](#) (Bloomberg – Rita Nazareth and Vildana Hajric)

Election 2020

Sen. Bernie Sanders has gained ground in the Democratic presidential race and is now tied with former Vice President Joe Biden among the party's primary voters nationally, a new Wall Street Journal/NBC News poll has found. Mr. Sanders was the first choice of 27% of Democratic primary voters, essentially tied with Mr. Biden, who had 26%. Mr. Biden led in all previous Journal/NBC News polls of the 2020 primary race. Sen. Elizabeth Warren slipped to a distant third place, with 15% support...The results suggest a substantial reordering of the race in the days before Democrats kick off the presidential nominating process with Monday's caucuses in Iowa, where several recent surveys show Mr. Sanders vying with Mr. Biden for the lead.

[Sanders Gains Ground on Biden Among Democratic Voters](#) (WSJ – Aaron Zitner)

[Biden predicts 'neck and neck' finish in Iowa but won't guarantee victory](#) (Politico – Quint Forgey)

[Everything you need to know about the 2020 race in Iowa](#) (Politico)

Immigration – Asylum seekers

People seeking asylum in the U.S. are less likely to have legal representation under a Trump administration policy that sends them to await court hearings in Mexican border cities, recently released research shows. Under the policy, known as "Remain in Mexico," immigration lawyers say their work is complicated by the need to work in high-crime border cities and the difficulty of staying in touch with clients who don't have a stable place to live or consistent contact information. Among immigrants issued initial immigration-court notices between January and November of last year, about 4% of people under Remain in Mexico had attorneys, compared with 32% of those in immigration court who live in the U.S., according to the Transactional Records Access Clearinghouse at Syracuse University, a research organization that tracks such data.

[Fewer Asylum Seekers Have Lawyers Under Trump Administration Policy](#) (WSJ – Alejandro Lazo)

WIPO Leadership

Beijing is lobbying hard to take over leadership of the international organization that oversees intellectual property, which could result in dire consequences for the future of technology and economic competition. But the U.S.-led effort to prevent this from happening faces a steep uphill climb. In March, 83 countries will vote to elect the next director general of the World Intellectual Property Organization (WIPO), a U.N.-created body founded in 1967 "to promote the protection of intellectual property throughout the world." The Chinese candidate, Wang Binying, currently serves as one of its four deputy director-generals and is widely seen as the front-runner. On its face, allowing China to assume leadership of the WIPO poses a clear risk to the integrity of the

institution, given that the U.S. government has singled out China as the leading source of intellectual property theft in the world.

[Putting China in charge of the world's intellectual property is a bad idea](#) (WP Opinion – Josh Rogin)

From: [Hubbard, Paul](#)
To: [International - MENATAR](#)
Subject: FW: Update from Washington 15 Feb [SEC=UNCLASSIFIED]
Date: Saturday, 16 February 2019 5:36:41 AM

From: PMC Trade Policy
Sent: Saturday, 16 February 2019 5:36:09 AM
To: Hubbard, Paul; § 22(1)(a)(ii) ; Craig, Jaclin;
§ 22(1)(a)(ii) ; Schofield, Shelby; § 22(1)(a)(ii)
Subject: FW: Update from Washington 15 Feb [SEC=UNCLASSIFIED]

From: § 22(1)(a)(ii) On Behalf OfMedia US
Sent: Saturday, 16 February 2019 5:35:03 AM (UTC+10:00) Canberra, Melbourne, Sydney
Subject: Update from Washington 15 Feb [SEC=UNCLASSIFIED]

UNCLASSIFIED

Please note: We are closed for a public holiday on Monday 18 Feb

This email is prepared by the Public Diplomacy and Political branches of the Australian Embassy, Washington DC.

Update:

- President Trump held a press conference this morning to announce he will **declare a national emergency due to the “national security and humanitarian crisis on the southern border”**. The President is using his executive power to bypass Congress, who approved US \$1.4 billion of the US \$5.7 billion for the proposed border wall that he had sought. Instead, the President is planning to siphon billions of dollars the Treasury Forfeiture Fund, the Defense Support for Counterdrug Activities, and the Defense Military Construction projects to make up **US \$8.1 billion dollars to build the border wall**. The President’s action has drawn condemnation, including from Republican House Minority Leader Schumer, who in a joint statement with Democratic Speaker Pelosi called the declaration **“a lawless act, a gross abuse of the power of the presidency** and a desperate attempt to distract” from Trump’s failure to force Mexico to pay for the wall as he promised.
- This morning the White House released a [statement](#) on the **trade talks in China** led by USTR Ambassador Lighthizer and Secretary of the Treasury Mnuchin. The US calls the discussions productive, however much work still remains to achieve agreement before the March 1st deadline for an increase in US tariffs on certain imported Chinese goods. The discussions will continue at the ministerial and vice-ministerial levels next week in Washington DC.
- The White House has released a statement **condemning the terrorist attack in India by a Pakistan-based terrorist group** that killed over 40 Indian paramilitary forces and wounded over 40 others.
- President Trump has today announced his intent to nominate personnel to key post in his administration, including Mr Brian McGuire to be **Assistant Secretary of the Treasury for Legislative Affairs**, and Mr Chad Wolf to be **Under Secretary of Homeland Security for Strategy, Policy, and Plans**.
- The US Treasury has today **sanctioned Venezuelan officials of the Maduro regime** the US claims are corrupt and illegitimate. The sanctions are in addition to the visa restrictions and revocations of the Constituent Assembly and Supreme Court on February 7th and February 13th. The officials sanctioned include individuals from Cuban-sponsored

Venezuelan intelligence forces (SEBIN), the military counter-intelligence (DGCIM) unit, the special actions force (FAES), as well as the President of Petroleos de Venezuela, S.A. (PdVSA).

- As a result of the **Ministerial to Promote a Future of Peace and Security in the Middle East**, the US and Poland have [announced](#) the establishment of **working-level international working groups** to advance the international community's shared interest in peace and security in the Middle East region.
- The US has announced they will provide **US \$60 million in humanitarian assistance for Bangladesh** at the launch of the 2019 UN Joint Response Plan for Bangladesh. This commitment is addition to the US \$449 million the US has contributed to Myanmar and Bangladesh since the outbreak of violence against the Rohingya villagers in August 2017.
- The US State Department released a statement marking the **eight year anniversary of the detention of 2009 Iranian presidential election candidates**, condemning the continued house arrest of Mehdi Karroubi and Mir Hossein Mousave, and his wife Zahra Rahnavard, that contradicts Iran's laws and it's international obligations including under the ICC.

Meetings/calls:

- Vice President Pence visited **Auschwitz I and Auschwitz II- Birkenau in Poland** today, before travelling to Munich, Germany to participated in the **John McCain Dissertation Award Ceremony**.
- Secretary of State Pompeo met with **EU High Representative Mogherini** today in Brussels to discuss US-EU cooperation on a range of issues, including Venezuela, the Syrian conflict, the upcoming US-DPRK in Hanoi, and developments in the Balkans, Ukraine, and Afghanistan.
- President Trump is **travelling to Mar-a-Lago in Palm Beach, Florida** today, where he is expected to spend the President's day long weekend with his family.

Key Media Summary

Border Wall

President Trump on Friday declared a national emergency as a means to circumvent Congress and build additional border barriers. He is seeking to secure about \$6.5 billion more in funding than Congress has approved. Trump also plans to sign spending legislation to avert a government shutdown, his acting chief of staff said. Many of Trump's Republican allies have called a national emergency ill-advised, and Democrats immediately called the move unconstitutional on Friday. The declaration is expected to face an array of legal challenges. Friday's announcement follows [passage of a 1,169-page spending bill](#) that provides \$1.375 billion for 55 miles of new fences along the border in Texas, far short of the \$5.7 billion Trump had sought for 234 miles of steel walls.

[Trump's border emergency: Democrats vow to fight 'phony' declaration](#) (Washington Post – John Wagner, Josh Dawsey and Dmian Paletta)

[Trump Declares National Emergency to Build Border Wall](#) (NYT – Peter Baker)

[Trump Plans to Allot Billions in Additional Wall Funds, Bypassing Congress](#) (WSJ – Rebecca Ballhaus and Kristina Peterson)

[Trump aims to tap over \\$6.5 billion using techniques that are sure to invite legal challenges.](#) (Politico – Anita Kumar and Caitlin Oprysko)

...Democratic leaders minced no words in proclaiming the pronouncement unconstitutional. They're eyeing resolutions to block the declaration legislatively, as well as possible legal challenges that could tie Trump's hands for months. "The President's actions clearly violate the Congress's exclusive power of the purse, which our Founders enshrined in the Constitution," Pelosi and Schumer said.

[Pelosi, Schumer hammer 'unlawful' emergency declaration](#) (The Hill – Mike Lillis)

US-China

The latest round of high-stakes U.S.-China trade talks wrapped up Friday in Beijing without ending the suspense over whether President Donald Trump will raise tariffs on \$200 billion worth of Chinese goods in another two weeks...So far, Xi has tried to appease Trump's interest in reducing the United States' huge trade deficit with China by offering to purchase more American goods, especially farm products. But Beijing has balked at making the difficult structural reforms that the White House says are needed to level the playing field for American firms.

[White House hails new round of China trade talks, but Trump's deal remains elusive](#) (Politico – Doug Palmer and Adam Behsudi)

[Xi Hails Progress in Trade Talks While U.S. Sees 'Much Work' Ahead](#) (Bloomberg – Alyza Sebenius and Andrew Mayeda)

[Chinese, U.S. Trade Negotiators Inch Toward a Broad Agreement](#) (WSJ – Lingling Wei and Bob Davis)

[US-China trade talks end with little sign of progress](#) (FT – Tom Mitchell and Emma Dunkley)

It's getting harder to tell where the trade war stops and the tech war begins. As American negotiators arrived in Beijing this week for the latest round of trade talks, U.S. Secretary of State Mike Pompeo was in Hungary pushing the [case against Huawei](#). The U.S. has already warned allies not to use the Chinese company's communications gear, alleging it could facilitate spying. Pompeo on this trip [hinted countries](#) face a U.S.-or-China choice when it comes to next generation telecom networks. Huawei has come to embody this growing rivalry.

[Next China: Blurring the Lines](#) (Bloomberg)

Syria

Senior U.S. lawmakers and military officials are pressing America's allies in Europe to commit hundreds of troops to create a buffer zone on the Syrian side of that country's border with Turkey as the bulk of U.S. troops there withdraw. If they agree, President Trump is open to keeping some U.S. troops there to help them, according to Sen. Lindsey O. Graham (R-S.C.). Graham outlined what he called the "post-caliphate strategy" and the U.S. drive to seek European troop deployments in northeastern Syria during public remarks at the Munich Security Conference, an annual confab of officials, lawmakers and journalists from around the world.

[The U.S. is asking European countries to deploy troops to Syria](#) (Wash Post – Opinion by Josh Rogin)

Tariffs

American car buyers are facing sticker shock as President Trump weighs new tariffs on imported vehicles and auto parts. The Commerce Department is concluding its investigation into whether imported cars and parts pose a national-security threat under Section 232 of U.S. trade law, with a deadline of Sunday to submit its findings to the president. Mr. Trump has already voiced support for levies of 20%. If the tariffs are imposed, then prices of cars from Japan, Germany, South Korea would rise sharply, assuming those countries don't receive exemptions.

[New Tariffs Threaten to Boost Prices of Imported Cars and Parts](#) (WSJ – William Mauldin and Mike Colias)

Technology

Facebook is in early talks with the US Federal Trade Commission over settling an investigation into privacy violations that could result in a record fine for the technology company, according to several people familiar with the situation...The FTC opened its investigation into the social network's privacy practices in March last year following the Cambridge Analytica scandal, in which the data of 87m users was improperly accessed by a third party.

[Facebook in talks with US watchdog to settle privacy investigation](#) (FT – Hannah Murphy, Kiran

Stacey and Kadhim Shubber)

Cybersecurity

The Homeland Security Department is actually surging its efforts to protect elections against foreign hackers during the two years leading up to the 2020 elections -- not winding them down, the agency's top cybersecurity official insists. Chris Krebs, who leads DHS's Cybersecurity and Infrastructure Security Agency, was punching back Thursday against a Daily Beast report citing anonymous staffers who said the department was reducing its election security efforts following the midterms to invest more in border security and other Trump administration priorities. "The department's election security and countering foreign influence security-related efforts are not going anywhere," Krebs said. "In fact, we're doubling down."

['We're doubling down.' DHS insists it's not reducing election security efforts](#) (Wash Post – Analysis by Joseph Marks)

3. In another win for Democrats, **all companies controlled by President Trump or his children are banned from receiving any loans or investments** from the stimulus plan. This means that all of the Trump Organization properties, more than 33 - including Mar-a-Lago, Trump International Hotel in DC, and Trump World Tower in New York City - won't receive a dime from the bailout. This ban extends to Vice President Pence and his children as well as the heads of Cabinet-level agencies and members of Congress and Senators.

3. In another win for Democrats, **all companies controlled by President Trump or his children are banned from receiving any loans or investments** from the stimulus plan. This means that all of the Trump Organization properties, more than 33 - including Mar-a-Lago, Trump International Hotel in DC, and Trump World Tower in New York City - won't receive a dime from the bailout. This ban extends to Vice President Pence and his children as well as the heads of Cabinet-level agencies and members of Congress and Senators.

s 33(a)(iii)

In an interview with CNBC last week, White House economic adviser Larry Kudlow said he expected China to agree to the deal and for the summit to be held at Mar-a-Lago in late March.

s 33(a)(iii)

From: s 22(1)(a)(ii)
To: s 22(1)(a)(ii)
Subject: RE: US Vice President Pence's speech - Policy Toward China - 4 October [DLM=For-Official-Use-Only]
Date: Friday, 5 October 2018 1:44:21 PM

For Official Use Only

Sorry, I've made one last change noting China's response. Do you have time to review?
s 22(1)(a)(ii)

From: s 22(1)(a)(ii)
Sent: Friday, 5 October 2018 12:53 PM
To: s 22(1)(a)(ii)
Subject: RE: US Vice President Pence's speech - Policy Toward China - 4 October [DLM=For-Official-Use-Only]

For Official Use Only

Perfect, thanks!

From: s 22(1)(a)(ii)
Sent: Friday, 5 October 2018 12:24 PM
To: s 22(1)(a)(ii)
Subject: RE: US Vice President Pence's speech - Policy Toward China - 4 October [DLM=For-Official-Use-Only]

For Official Use Only

Thanks^{s 22(1)(a)(ii)}, I've updated the draft. Please let me know if you'd like anything further on this.
s 22(1)(a)(ii)

From: s 22(1)(a)(ii)
Sent: Friday, 5 October 2018 11:47 AM
To: s 22(1)(a)(ii)
Subject: RE: US Vice President Pence's speech - Policy Toward China - 4 October [DLM=For-Official-Use-Only]

For Official Use Only

Looks good but wonder whether to also mention that Turnbull spoke on this in Washington as well? Didn't I read that in one of the emails overnight?

s
2

From: s 22(1)(a)(ii)
Sent: Friday, 5 October 2018 10:22 AM
To: s 22(1)(a)(ii)
Subject: RE: US Vice President Pence's speech - Policy Toward China - 4 October [DLM=For-Official-Use-Only]

For Official Use Only

I'll also run it by International when you've ok'ed it.

s 22(1)(a)(ii)

From: s 22(1)(a)(ii)

Sent: Friday, 5 October 2018 10:16 AM

To: s 22(1)(a)(ii)

Subject: RE: US Vice President Pence's speech - Policy Toward China - 4 October [DLM=For-Official-Use-Only]

For Official Use Only

Hi^s
22(1)

Updated QTB via this link for review please:

<https://briefs.internal.pmc.gov.au/SitePages/index.aspx/brief/508>

I took the liberty of making a few other minor amendments based on your changes to the estimates brief. When you're comfortable with it (and hopefully the White House Fact Sheet is released today and I can update that section), I'll switch the draft QTB over to 'with PMO policy'.

Thanks!

s 22(1)(a)(ii)

From: s 22(1)(a)(ii)

Sent: Friday, 5 October 2018 9:24 AM

To: s 22(1)(a)(ii)

Subject: RE: US Vice President Pence's speech - Policy Toward China - 4 October [DLM=For-Official-Use-Only]

For Official Use Only

Can you update the CFI QTB please?

From: s 22(1)(a)(ii)

Sent: Friday, 5 October 2018 7:42 AM

To: Bryant, Kylie <Kylie.Bryant@pmc.gov.au>; Jones, Trevor <Trevor.Jones@pmc.gov.au>;

s 22(1)(a)(ii)

Cc: s 22(1)(a)(ii)

Subject: US Vice President Pence's speech - Policy Toward China - 4 October [DLM=For-Official-Use-Only]

For Official Use Only

Kylie, s 22(1)(a)(ii)

Please find below full text of US Vice President Pence's speech overnight re China (key sections highlighted).

We'll ensure appropriate material is provided to International's briefing ahead of APEC etc to

support the PM's interactions with VP Pence. No doubt these issues will be a focus of their discussion.

[Remarks by Vice President Pence on the Administration's Policy Toward China](#)

THE VICE PRESIDENT: Thank you, Ken, for that kind introduction. To the Members of the Board of Trustees, to Dr. Michael Pillsbury, to our distinguished guests, and to all of you who, true to your mission in this place, "think about the future in unconventional ways" — it is an honor to be back at the Hudson Institute.

For more than a half a century, this Institute has dedicated itself to "advancing global security, prosperity, and freedom." And while Hudson's hometowns have changed over the years, one thing has been constant: You have always advanced that vital truth, that American leadership lights the way.

And today, speaking of leadership, allow me to begin by bringing greetings from a great champion of American leadership at home and abroad — I bring greetings from the 45th President of the United States of America, President Donald Trump. (Applause.)

From early in this administration, President Trump has made our relationship with China and President Xi a priority. On April 6th of last year, President Trump welcomed President Xi to Mar-a-Lago. On November 8th of last year, President Trump traveled to Beijing, where China's leader welcomed him warmly.

Over the course of the past two years, our President has forged a strong personal relationship with the President of the People's Republic of China, and they've worked closely on issues of common interest, most importantly the denuclearization of the Korean Peninsula.

But I come before you today because the American people deserve to know that, as we speak, Beijing is employing a whole-of-government approach, using political, economic, and military tools, as well as propaganda, to advance its influence and benefit its interests in the United States.

China is also applying this power in more proactive ways than ever before, to exert influence and interfere in the domestic policy and politics of this country.

Under President Trump's leadership, the United States has taken decisive action to respond to China with American action, applying the principles and the policies long advocated in these halls.

In our National Security Strategy that the President Trump released last December, he described a new era of "great power competition." Foreign nations have begun to, as we wrote, "reassert their influence regionally and globally," and they are "contesting [America's] geopolitical advantages and trying [in essence] to change the international order in their favor."

In this strategy, President Trump made clear that the United States of America has adopted a new approach to China. We seek a relationship grounded in fairness, reciprocity, and respect for sovereignty, and we have taken strong and swift action to achieve that goal.

As the President said last year on his visit to China, in his words, "we have an opportunity to strengthen the relationship between our two countries and improve the lives of our citizens."

Our vision of the future is built on the best parts of our past, when America and China reached out to one another in a spirit of openness and friendship.

When our young nation went searching in the wake of the Revolutionary War for new markets for our exports, the Chinese people welcomed American traders laden with ginseng and fur.

When China suffered through indignities and exploitations during her so-called "Century of Humiliation," America refused to join in, and advocated the "Open Door" policy, so that we could have freer trade with China, and preserve their sovereignty.

When American missionaries brought the good news to China's shores, they were moved by the rich culture of an ancient and vibrant people. And not only did they spread their faith, but those

same missionaries founded some of China's first and finest universities.

When the Second World War arose, we stood together as allies in the fight against imperialism. And in that war's aftermath, America ensured that China became a charter member of the United Nations, and a great shaper of the post-war world.

But soon after it took power in 1949, the Chinese Communist Party began to pursue authoritarian expansionism. It is remarkable to think that only five years after our nations had fought together, we fought each other in the mountains and valleys of the Korean Peninsula. My own father saw combat on that frontier of freedom.

But not even the brutal Korean War could diminish our mutual desire to restore the ties that for so long had bound our peoples together. China's estrangement from the United States ended in 1972, and, soon after, we re-established diplomatic relations and began to open our economies to one another, and American universities began training a new generation of Chinese engineers, business leaders, scholars, and officials.

After the fall of the Soviet Union, we assumed that a free China was inevitable. Heady with optimism at the turn of the 21st Century, America agreed to give Beijing open access to our economy, and we brought China into the World Trade Organization.

Previous administrations made this choice in the hope that freedom in China would expand in all of its forms — not just economically, but politically, with a newfound respect for classical liberal principles, private property, personal liberty, religious freedom — the entire family of human rights. But that hope has gone unfulfilled.

The dream of freedom remains distant for the Chinese people. And while Beijing still pays lip service to "reform and opening," Deng Xiaoping's famous policy now rings hollow.

Over the past 17 years, China's GDP has grown nine-fold; it's become the second-largest economy in the world. Much of this success was driven by American investment in China. And the Chinese Communist Party has also used an arsenal of policies inconsistent with free and fair trade, including tariffs, quotas, currency manipulation, forced technology transfer, intellectual property theft, and industrial subsidies that are handed out like candy to foreign investment. These policies have built Beijing's manufacturing base, at the expense of its competitors — especially the United States of America.

China's actions have contributed to a trade deficit with the United States that last year ran to \$375 billion — nearly half of our global trade deficit. As President Trump said just this week, in his words, "We rebuilt China" over the last 25 years.

Now, through the "Made in China 2025" plan, the Communist Party has set its sights on controlling 90 percent of the world's most advanced industries, including robotics, biotechnology, and artificial intelligence. To win the commanding heights of the 21st century economy, Beijing has directed its bureaucrats and businesses to obtain American intellectual property — the foundation of our economic leadership — by any means necessary.

Beijing now requires many American businesses to hand over their trade secrets as the cost of doing business in China. It also coordinates and sponsors the acquisition of American firms to gain ownership of their creations. Worst of all, Chinese security agencies have masterminded the wholesale theft of American technology — including cutting-edge military blueprints. And using that stolen technology, the Chinese Communist Party is turning plowshares into swords on a massive scale.

China now spends as much on its military as the rest of Asia combined, and Beijing has prioritized capabilities to erode America's military advantages on land, at sea, in the air, and in space. China wants nothing less than to push the United States of America from the Western Pacific and attempt to prevent us from coming to the aid of our allies. But they will fail.

Beijing is also using its power like never before. Chinese ships routinely patrol around the

Senkaku Islands, which are administered by Japan. And while China's leader stood in the Rose Garden at the White House in 2015 and said that his country had, and I quote, "no intention to militarize" the South China Sea, today, Beijing has deployed advanced anti-ship and anti-air missiles atop an archipelago of military bases constructed on artificial islands.

China's aggression was on display this week, when a Chinese naval vessel came within 45 yards of the USS Decatur as it conducted freedom-of-navigation operations in the South China Sea, forcing our ship to quickly maneuver to avoid collision. Despite such reckless harassment, the United States Navy will continue to fly, sail, and operate wherever international law allows and our national interests demand. We will not be intimidated and we will not stand down.

(Applause.)

America had hoped that economic liberalization would bring China into a greater partnership with us and with the world. Instead, China has chosen economic aggression, which has in turn emboldened its growing military.

Nor, as we had hoped, has Beijing moved toward greater freedom for its own people. For a time, Beijing inched toward greater liberty and respect for human rights. But in recent years, China has taken a sharp U-turn toward control and oppression of its own people.

Today, China has built an unparalleled surveillance state, and it's growing more expansive and intrusive – often with the help of U.S. technology. What they call the "Great Firewall of China" likewise grows higher, drastically restricting the free flow of information to the Chinese people. And by 2020, China's rulers aim to implement an Orwellian system premised on controlling virtually every facet of human life — the so-called "Social Credit Score." In the words of that program's official blueprint, it will "allow the trustworthy to roam everywhere under heaven, while making it hard for the discredited to take a single step."

And when it comes to religious freedom, a new wave of persecution is crashing down on Chinese Christians, Buddhists, and Muslims.

Last month, Beijing shut down one of China's largest underground churches. Across the country, authorities are tearing down crosses, burning bibles, and imprisoning believers. And Beijing has now reached a deal with the Vatican that gives the avowedly atheist Communist Party a direct role in appointing Catholic bishops. For China's Christians, these are desperate times.

Beijing is also cracking down on Buddhism. Over the past decade, more than 150 Tibetan Buddhist monks have lit themselves on fire to protest China's repression of their beliefs and their culture. And in Xinjiang, the Communist Party has imprisoned as many as one million Muslim Uyghurs in government camps where they endure around-the-clock brainwashing. Survivors of the camps have described their experiences as a deliberate attempt by Beijing to strangle Uyghur culture and stamp out the Muslim faith.

As history attests though, a country that oppresses its own people rarely stops there. And Beijing also aims to extend its reach across the wider world. As Hudson's own Dr. Michael Pillsbury has written, "China has opposed the actions and goals of the U.S. government. Indeed, China is building its own relationships with America's allies and enemies that contradict any peaceful or productive intentions of Beijing."

In fact, China uses so-called "debt diplomacy" to expand its influence. Today, that country is offering hundreds of billions of dollars in infrastructure loans to governments from Asia to Africa to Europe and even Latin America. Yet the terms of those loans are opaque at best, and the benefits invariably flow overwhelmingly to Beijing.

Just ask Sri Lanka, which took on massive debt to let Chinese state companies build a port of questionable commercial value. Two years ago, that country could no longer afford its payments, so Beijing pressured Sri Lanka to deliver the new port directly into Chinese hands. It may soon become a forward military base for China's growing blue-water navy.

Within our own hemisphere, Beijing has extended a lifeline to the corrupt and incompetent Maduro regime in Venezuela that's been oppressing its own people. They pledged \$5 billion in questionable loans to be repaid with oil. China is also that country's single largest creditor, saddling the Venezuelan people with more than \$50 billion in debt, even as their democracy vanishes. Beijing is also impacting some nations' politics by providing direct support to parties and candidates who promise to accommodate China's strategic objectives.

And since last year alone, the Chinese Communist Party has convinced three Latin American nations to sever ties with Taipei and recognize Beijing. These actions threaten the stability of the Taiwan Strait, and the United States of America condemns these actions. And while our administration will continue to respect our One China Policy, as reflected in the three joint communiqués and the Taiwan Relations Act, America will always believe that Taiwan's embrace of democracy shows a better path for all the Chinese people. (Applause.)

Now these are only a few of the ways that China has sought to advance its strategic interests across the world, with growing intensity and sophistication. Yet previous administrations all but ignored China's actions. And in many cases, they abetted them. But those days are over. Under President Trump's leadership, the United States of America has been defending our interests with renewed American strength.

We've been making the strongest military in the history of the world stronger still. Earlier this year, President Trump signed into law the largest increase in our national defense since the days of Ronald Reagan — \$716 billion to extend the strength of the American military to every domain.

We're modernizing our nuclear arsenal. We're fielding and developing new cutting-edge fighters and bombers. We're building a new generation of aircraft carriers and warships. We're investing as never before in our armed forces. And this includes initiating the process to establish the United States Space Force to ensure our continued dominance in space, and we've taken action to authorize increased capability in the cyber world to build deterrence against our adversaries.

At President Trump's direction, we're also implementing tariffs on \$250 billion in Chinese goods, with the highest tariffs specifically targeting the advanced industries that Beijing is trying to capture and control. And as the President has also made clear, we will levy even more tariffs, with the possibility of substantially more than doubling that number, unless a fair and reciprocal deal is made. (Applause.)

These actions — exercises in American strength — have had a major impact. China's largest stock exchange fell by 25 percent in the first nine months of this year, in large part because our administration has been standing strong against Beijing's trade practices.

As President Trump has made clear, we don't want China's markets to suffer. In fact, we want them to thrive. But the United States wants Beijing to pursue trade policies that are free, fair, and reciprocal. And we will continue to stand and demand that they do. (Applause.)

Sadly, China's rulers, thus far, have refused to take that path. The American people deserve to know: In response to the strong stand that President Trump has taken, Beijing is pursuing a comprehensive and coordinated campaign to undermine support for the President, our agenda, and our nation's most cherished ideals.

I want to tell you today what we know about China's actions here at home — some of which we've gleaned from intelligence assessments, some of which are publicly available. But all of which are fact.

As I said before, as we speak, Beijing is employing a whole-of-government approach to advance its influence and benefit its interests. It's employing this power in more proactive and coercive ways to interfere in the domestic policies of this country and to interfere in the politics of the United States.

The Chinese Communist Party is rewarding or coercing American businesses, movie studios, universities, think tanks, scholars, journalists, and local, state, and federal officials. And worst of all, China has initiated an unprecedented effort to influence American public opinion, the 2018 elections, and the environment leading into the 2020 presidential elections. To put it bluntly, President Trump's leadership is working; and China wants a different American President.

There can be no doubt: China is meddling in America's democracy. As President Trump said just last week, we have, in his words, "found that China has been attempting to interfere in our upcoming [midterm] election[s]."

Our intelligence community says that "China is targeting U.S. state and local governments and officials to exploit any divisions between federal and local levels on policy. It's using wedge issues, like trade tariffs, to advance Beijing's political influence."

In June, Beijing itself circulated a sensitive document, entitled "Propaganda and Censorship Notice." It laid out its strategy. It stated that China must, in their words, "strike accurately and carefully, splitting apart different domestic groups" in the United States of America.

To that end, Beijing has mobilized covert actors, front groups, and propaganda outlets to shift Americans' perception of Chinese policy. As a senior career member of our intelligence community told me just this week, what the Russians are doing pales in comparison to what China is doing across this country. And the American people deserve to know it.

Senior Chinese officials have also tried to influence business leaders to encourage them to condemn our trade actions, leveraging their desire to maintain their operations in China. In one recent example, China threatened to deny a business license for a major U.S. corporation if they refused to speak out against our administration's policies.

And when it comes to influencing the midterms, you need only look at Beijing's tariffs in response to ours. The tariffs imposed by China to date specifically targeted industries and states that would play an important role in the 2018 election. By one estimate, more than 80 percent of U.S. counties targeted by China voted for President Trump and I in 2016; now China wants to turn these voters against our administration.

And China is also directly appealing to the American voters. Last week, the Chinese government paid to have a multipage supplement inserted into the Des Moines Register — the paper of record of the home state of our Ambassador to China, and a pivotal state in 2018 and 2020. The supplement, designed to look like the news articles, cast our trade policies as reckless and harmful to Iowans.

Fortunately, Americans aren't buying it. For example, American farmers are standing with this President and are seeing real results from the strong stands that he's taken, including this week's U.S.-Mexico-Canada Agreement, where we've substantially opened North American markets to U.S. products. The USMCA is a great win for American farmers and American manufacturers. (Applause.)

But China's actions aren't focused solely on influencing our policies and politics. Beijing is also taking steps to exploit its economic leverage, and the allure of their large marketplace, to advance its influence over American businesses.

Beijing now requires American joint ventures that operate in China to establish what they call "party organizations" within their company, giving the Communist Party a voice — and perhaps a veto — in hiring and investment decisions.

Chinese authorities have also threatened U.S. companies that depict Taiwan as a distinct geographic entity, or that stray from Chinese policy on Tibet. Beijing compelled Delta Airlines to publicly apologize for not calling Taiwan a "province of China" on its website. And it pressured Marriott to fire a U.S. employee who merely liked a tweet about Tibet.

And Beijing routinely demands that Hollywood portray China in a strictly positive light. It punishes studios and producers that don't. Beijing's censors are quick to edit or outlaw movies that criticize China, even in minor ways. For the movie, "World War Z," they had to cut the script's mention of a virus because it originated in China. The movie, "Red Dawn" was digitally edited to make the villains North Korean, not Chinese.

But beyond business and entertainment, the Chinese Communist Party is also spending billions of dollars on propaganda outlets in the United States and, frankly, around the world.

China Radio International now broadcasts Beijing-friendly programs on over 30 U.S. outlets, many in major American cities. The China Global Television Network reaches more than 75 million Americans, and it gets its marching orders directly from its Communist Party masters. As China's top leader put it during a visit to the network's headquarters, and I quote, "The media run by the Party and the government are propaganda fronts and must have the Party as their surname."

It's for those reasons and that reality that, last month, the Department of Justice ordered that network to register as a foreign agent.

The Communist Party has also threatened and detained the Chinese family members of American journalists who pry too deep. And it's blocked the websites of U.S. media organizations and made it harder for our journalists to get visas. This happened after the New York Times published investigative reports about the wealth of some of China's leaders.

But the media isn't the only place where the Chinese Communist Party seeks to foster a culture of censorship. The same is true across academia.

I mean, look no further than the Chinese Students and Scholars Association, of which there are more than 150 branches across America's campuses. These groups help organize social events for some of the more than 430,000 Chinese nationals studying in the United States. They also alert Chinese consulates and embassies when Chinese students, and American schools, stray from the Communist Party line.

At the University of Maryland, a Chinese student recently spoke at her graduation of what she called, and I quote, the "fresh air of free speech" in America. The Communist Party's official newspaper swiftly chastised her. She became the victim of a firestorm of criticism on China's tightly-controlled social media, and her family back home was harassed. As for the university itself, its exchange program with China — one of the nation's most extensive — suddenly turned from a flood to a trickle.

China exerts academic pressure in other ways, as well. Beijing provides generous funding to universities, think tanks, and scholars, with the understanding that they will avoid ideas that the Communist Party finds dangerous or offensive. China experts in particular know that their visas will be delayed or denied if their research contradicts Beijing's talking points.

And even scholars and groups who avoid Chinese funding are targeted by that country, as the Hudson Institute found out firsthand. After you offered to host a speaker Beijing didn't like, your website suffered a major cyberattack, originating from Shanghai. The Hudson Institute knows better than most that the Chinese Communist Party is trying to undermine academic freedom and the freedom of speech in America today.

These and other actions, taken as a whole, constitute an intensifying effort to shift American public opinion and policy away from the "America First" leadership of President Donald Trump. But our message to China's rulers is this: This President will not back down. (Applause.) The American people will not be swayed. And we will continue to stand strong for our security and our economy, even as we hope for improved relations with Beijing.

Our administration is going to continue to act decisively to protect America's interests, American jobs, and American security.

As we rebuild our military, we will continue to assert American interests across the Indo-Pacific. As we respond to China's trade practices, we will continue to demand an economic relationship with China that is free, fair, and reciprocal. We will demand that Beijing break down its trade barriers, fulfill its obligations, fully open its economy — just as we have opened ours.

We'll continue to take action against Beijing until the theft of American intellectual property ends once and for all. And we will continue to stand strong until Beijing stops the predatory practice of forced technology transfer. We will protect the private property interests of American enterprise. (Applause.)

And to advance our vision of a free and open Indo-Pacific, we're building new and stronger bonds with nations that share our values across the region, from India to Samoa. Our relationships will flow from a spirit of respect built on partnership, not domination.

We're forging new trade deals on a bilateral basis, just as last week President Trump signed an improved trade deal with South Korea. And we will soon begin historic negotiations for a bilateral free-trade deal with Japan. (Applause.)

I'm also pleased to report that we're streamlining international development and finance programs. We'll be giving foreign nations a just and transparent alternative to China's debt-trap diplomacy. In fact, this week, President Trump will sign the BUILD Act into law.

Next month, it will be my privilege to represent the United States in Singapore and Papua New Guinea, at ASEAN and APEC. There, we will unveil new measures and programs to support a free and open Indo-Pacific. And on behalf of the President, I will deliver the message that America's commitment to the Indo-Pacific has never been stronger. (Applause.)

Closer to home, to protect our interests, we've recently strengthened CFIUS — the Committee on Foreign Investment — heightening our scrutiny of Chinese investment in America to protect our national security from Beijing's predatory actions.

And when it comes to Beijing's malign influence and interference in American politics and policy, we will continue to expose it, no matter the form it takes. We will work with leaders at every level of society to defend our national interests and most cherished ideals. The American people will play the decisive role — and, in fact, they already are.

As we gather here, a new consensus is rising across America. More business leaders are thinking beyond the next quarter, and thinking twice before diving into the Chinese market if it means turning over their intellectual property or abetting Beijing's oppression. But more must follow suit. For example, Google should immediately end development of the "Dragonfly" app that will strengthen Communist Party censorship and compromise the privacy of Chinese customers. (Applause.)

It's also great to see more journalists reporting the truth without fear or favor, digging deep to find where China is interfering in our society, and why. And we hope that American and global news organizations will continue to join this effort on an increasing basis.

More scholars are also speaking out forcefully and defending academic freedom, and more universities and think tanks are mustering the courage to turn away Beijing's easy money, recognizing that every dollar comes with a corresponding demand. And we're confident that their ranks will grow.

And across the nation, the American people are growing in vigilance, with a newfound appreciation for our administration's actions and the President's leadership to reset America's economic and strategic relationship with China. Americans stand strong behind a President that's putting America first.

And under President Trump's leadership, I can assure you, America will stay the course. China should know that the American people and their elected officials in both parties are resolved. As our National Security Strategy states: We should remember that "Competition does not

always mean hostility,” nor does it have to. The President has made clear, we want a constructive relationship with Beijing where our prosperity and security grow together, not apart. While Beijing has been moving further away from this vision, China’s rulers can still change course and return to the spirit of reform and opening that characterize the beginning of this relationship decades ago. The American people want nothing more; and the Chinese people deserve nothing less.

The great Chinese storyteller Lu Xun often lamented that his country, and he wrote, “has either looked down at foreigners as brutes, or up to them as saints,” but never “as equals.” Today, America is reaching out our hand to China. And we hope that soon, Beijing will reach back with deeds, not words, and with renewed respect for America. But be assured: we will not relent until our relationship with China is grounded in fairness, reciprocity, and respect for our sovereignty. (Applause.)

There is an ancient Chinese proverb that reads, “Men see only the present, but heaven sees the future.” As we go forward, let us pursue a future of peace and prosperity with resolve and faith. Faith in President Trump’s leadership and vision, and the relationship that he has forged with China’s president. Faith in the enduring friendship between the American people and the Chinese people. And Faith that heaven sees the future — and by God’s grace, America and China will meet that future together.

Thank you. God bless you. And God bless the United States of America. (Applause.)

END

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PRESS BRIEFING

BY NEC DIRECTOR AND ASSISTANT TO THE PRESIDENT FOR ECONOMIC POLICY LARRY
KUDLOW

AND NSC SENIOR DIRECTOR FOR ASIAN AFFAIRS MATTHEW POTTINGER

ON THE OFFICIAL WORKING VISIT OF
PRIME MINISTER SHINZO ABE OF JAPAN

Hilton West Palm Beach

West Palm Beach, Florida

12:20 P.M. EDT

MR. KUDLOW: I'll just say to start, before we take some questions, this is a very important meeting. A lot of really key issues are on the line. You obviously know about the foreign policy side regarding North Korea, which is a major, major issue for Japan and for the United States.

On the economic and trade side, there will also be very important issues. Japan is a great friend and ally. We have certain disagreements with respect to some of the trading issues. We'll iron those out, hopefully.

Mr. Abe is a friend of President Trump's, and I think the general setting is going to be very positive. There are some bilateral issues. In fact, **the United States would probably like to see a free trade agreement come out at some point with Japan.**

And the rest of it is -- I believe stocks are up 260 points. Yesterday was Tax Day. No, today is Tax Day. Lower taxes. Strong economic growth. Nobody believes that, except me. I'm hanging in there. We're in the early stages of an economic boom here in the United States. And actually, Japan's economy has improved quite a bit.

So instead of babble on, let me just stand up and take some questions. We have a team of experts that will try to help you out.

Eamon.

Q Thanks, Larry. **Can you tell us if you or any of the other U.S. trade officials or U.S. economic officials have had any discussions at all with the Japanese side about a revived TPP? The President suggested that might be something you would do, and he ordered you to do that last week. Has that happened?**

MR. KUDLOW: Yes, there are discussions and considerations. There's nothing at all concrete. It's too early to say. The President has asked me to give it another look, if you will. I think Japan is going to move towards a vote in their parliament on the matter. It's a very important issue there.

I can't say what we'll do. It's way too early.

Q **What was the reception on the Japanese side when you broached that with them? Are they willing to engage with the United States on allowing the U.S. back into TPP?**

MR. KUDLOW: Yes. Yes. But that's all it is, if you will -- talk.

Yes, Major.

Q **When you say you're going to look into TPP, what are you looking for?**

MR. KUDLOW: Look, it's got to be -- I'm just going to be general on this; I don't want to get into details. It has to be in U.S. interest for us to take another look and actually go into it.

The President believes it is not presently in U.S. interest to sign it. And that's not a new point; he's made that before.

Q **But you'd be looking into negotiating it differently, right? This would not be looking into what had been generally agreed to. You'd be looking at a whole new set of negotiations and whether or not that's worth the effort. Is that fair?**

MR. KUDLOW: In policy content terms, it's never been to our liking. So if we choose to go down that path - and that decision has not been made, I want to just be very clear. If we choose to go down that path, however, to "improve it," we will have to be convinced that it's worth our while. And I don't think the President is yet convinced of that, to be honest. I don't think he is.

John.

Q Sir, what can the President offer Abe to sort of sweeten the pot to enter into a new bilateral trading agreement? Because Abe clearly comes down to the side of TPP as opposed to bilateral. And I think the idea of bilateral trade throws chills down his spine.

MR. KUDLOW: I'm going to wait for the talks to progress. It's a good question. I don't want to get ahead of it. I want to wait for the talks to progress. There are a lot of issues on the table, but I don't want to get ahead of itself. To quote a hackneyed thing, I don't want to get ahead of my skis. We'll see. We'll see. Really, we'll see.

Yes.

Q This might be a question better to you, Matt. But about North Korea, what is the President's message about the upcoming meeting with Kim Jong-un? Can you give us any kind of -- what's the reassurance to the Japanese? Obviously, they've got some concerns about that. Do you have any update at all as to where that will be, when it will be? Do we still think it's going to be in May? That's what the announcement was. We're rapidly approaching May.

MR. POTTINGER: Sure. So with regards to timing, I think the President's public comments still stand. He said that it's going to -- we're aiming for a summit in May or early June. Nothing has changed that. In terms of venue, we've nothing to announce right now about that, or really in terms of the details, other than what the President has said, which is this is -- he has accepted an invitation to meet with the leader of North Korea to achieve the permanent denuclearization of North Korea.

So that is going to be one of the key topics that President Trump is going to be talking about with Prime Minister Abe. It has been, since President Trump came into office, one of the key topics. They've conferred extremely closely on this.

As I mentioned the other day, President Trump has met with Prime Minister Abe more than he's met with any other foreign leader. And Prime Minister Abe and the President are going to want to exchange views in advance of a summit with the North Korean leader so that we make sure that Japanese interests and American interests are both fully accounted for. Japanese security interests are American security interests. That's why we are allies. That's what it means to have an alliance.

Q But what are the backchannel negotiations that are going on, on this?

MR. POTTINGER: Well, there's nothing in terms of channels that I'm at liberty to talk about today. There will be more to share about that in the weeks ahead.

Hallie and then David.

Q Thanks, Matt. One for you, and then, Larry, a follow-up to you, as well. There's some reporting out today that North Korea and South Korea may be announcing plans to officially end military conflict. Can you talk through what you and the administration know about that and how that plays into the talks?

MR. POTTINGER: Yeah. Someone just alerted me to the story. I haven't read it yet. But I would just say that the U.S. and South Korea are as much aligned and coordinated on their summit as we are on a U.S. summit.

So we had the National Security Advisor of South Korea here just last week to have his first meeting with Ambassador John Bolton. Very substantive meeting. Very clear exchange of views on planning for both of these summits.

But at this point, there's no advantage to sharing too much publicly yet.

Q And then, Larry, just as a follow to you on the TPP discussion, and then one other on taxes, actually. When you said that the President has expressed to you that he wants to give another look at reentering TPP, can you explain what prompted that, what triggered the President? Was there an activity? Was there something that you said to him that made him change his mind?

And then, just since you brought up Tax Day, too, apparently the IRS is crashing; the online system is down. Are you in touch with your Treasury counterparts on that? And what is the White House doing?

MR. KUDLOW: The IRS is crashing? (Laughter.)

Q I don't know if you heard about it, but I didn't know if you were in touch with the guys, with Secretary Mnuchin.

MR. KUDLOW: Sounds horrible. Sounds really bad. (Laughter.)

Q And on TPP, sir, can you explain --

MR. KUDLOW: I hope it gets fixed.

Q -- what led to the President's change of heart?

MR. KUDLOW: Look, the TPP thing -- I don't want to say you're barking up the wrong tree; you're not. I'm just saying, at the moment, we are in the pre-preliminary stages of any discussion at all. And we'll see how that goes.

It will come up in this summit, no question about it. But for the American side, at the moment, it's more of a thought than a policy, that's for sure.

Look, the President said this in Davos -- he'd be willing. Remember the line, "America first does not mean America alone"? That's a very important line, and that's about as far as I want to go on it.

Yes.

Q Do you see TPP, potentially, as a bulwark -- a potential bulwark against China? And is that part of the appeal of reentering TPP?

MR. KUDLOW: I think that our disagreements with China stand alone. We don't need TPP; we don't need anything. There's trade disputes going on here that stand on their own regarding us and China. We don't need TPP to do any of that stuff. It might work. It might hypothetically work, but that's not where we are.

The President has an ongoing discussion with some policy items on the agenda, as you know. That includes tariffs and it includes negotiation. And we will see how that does. But our discussions with -- our trade disputes with China stand alone from TPP.

Go ahead, John.

Q Question for Matt. You said that Japan's security is in the interest of U.S. security. But clearly, Shinzo Abe is concerned about what talks with Kim Jong-un may mean for the security umbrella that the United States has in East Asia. What assurances can the President give Shinzo Abe today that his concerns will be taken into account in any meeting with Kim Jong-un?

MR. POTTINGER: Yeah. So since President Trump and Prime Minister Abe first met after the election, before the President was even inaugurated and in all of their interactions since -- frequently on the phone, frequently in person -- the commitment to the alliance by both sides has come through loud and clear in all those interactions.

So I think that there will be plenty of time for them to talk in some detail about objectives for a potential summit, for Japan to share its perspective. The President has a great degree of respect for Prime Minister Abe's views on security in the region and on the Peninsula, and so they'll cover a lot of ground, I think.

I know I tapped you, David, but --

Q Two quick ones. One, Matt, if you could talk a little bit about -- there's been some reporting in the South Korean media and elsewhere that negotiations are under way for the three Americans who are still held in North Korea to be released. Do you expect that to happen before a summit or as related to a summit? Is that a condition the U.S. expects?

And then, second of all, if you could just -- because I know he's on the trip, but he's not here today -- if you could talk a little bit about John Bolton's -- we know his very public views about North Korea. How has he approached the planning since he's been here for about a week now? Can you talk about maybe what directions he's offered, what vision he's offered since planning was already under way?

MR. KUDLOW: We'll let John speak for himself.

Q But can you talk about the other thing about the American detainees?

MR. POTTINGER: Yeah. I mean, in terms of -- the fact that there are three Americans who are being

held unlawfully in North Korea is something that is on the minds of all Americans serving in this administration right now. I'm not going to talk about how that factors in, but you can be assured that it factors very much into future interactions between our government and the North Korean government.

Q Is it a precondition?

MR. POTTINGER: Nothing to add beyond that.

MR. KUDLOW: I just want to make clear -- there's a lot of TPP questions -- the United States trade discussion or trade dispute with China, which is very significant, is really in no way related to the TPP. The President regards them as two different issues, so that whatever happens or not with TPP, our discussions -- our very serious discussions with China over forced technology transfers and theft of intellectual property and so forth and so on, that's ongoing. That's not linked to TPP. I just want to make that as clear as I can.

Yes.

Q Larry, thanks. I want to ask you about the value of a number of free trade agreements in the region. It seems that the administration's policy has been there's nothing wrong with approaching each one of the partners over there and continuing to operate in that light. Is that the position as it relates to Japan specifically? And will you use that as a template for other nations in the region?

MR. KUDLOW: You know, the President said a number of times he greatly prefers bilaterals to multilaterals. That's his comfort zone, his preference.

So in terms of your question, the answer is, yeah. I mean, you've got a lot of free trade agreements, and we're taking a look at everything. Right now, the focus is on Japan. That's the key point. I don't want to speak to the other countries.

Q Do you agree with that posture, though? Or --

MR. KUDLOW: Pardon?

Q Do you agree with that strategy? Or are you going to try to influence the President to think more broadly?

MR. KUDLOW: I have a lot of discussions with the President. They're all private discussions.

I'll go over here, to be fair. Yes? Go ahead.

Q Thanks. You had talked about China a little bit earlier, so I wanted to get your response to the announcement from China earlier today. They were saying they're going to lift some of the restrictions on foreign autos, but also they imposed new duties on sorghum. Does the U.S. see this as sort of a ratcheting down of the trade tensions between the U.S. and China? Or what's your response to those actions this morning?

MR. KUDLOW: Whenever they're moving in our direction in a conciliatory way, whenever they're lowering barriers, that's a good thing. That's good for them, it's good for us, and it's good for growth on both sides and the rest of the world. When, however, they raise barriers, as they seem to be on the farm issue, that's not good.

Yes.

Q Thank, Larry. I just want to follow up on your answer to Hallie's question about the IRS. You know, people are filing their personal income tax returns today. The system is down. You seem to not share a whole lot of concern for their plight. What is your message to the American people who are having difficulty filing their taxes?

MR. KUDLOW: Look, the IRS will straighten it out. I don't know the nature of this whole story. I've just gotten wind of it.

You know, part of our tax policy, and part of the success of the tax cut plan is to simplify. And as the President and many others have said, this will be the last filing of the old, highly complex policies. It's not perfect, but we're gaining on it. That's different than whatever technical breakdowns there may be in the Internal Revenue Service. They'll fix that.

And we probably have more work to do on the simplification. We probably do. But this is a great down payment. And I do want to bring back this idea that lower tax rates; child credits, doubling the child credit; doubling of the standard deduction; lower small and large business taxes are all very positive all across the board, and the economy is responding positively.

We are in a growth mode. We're running a percentage point above the prior baseline. And if we keep that up, either way, the deficit will be much, much less than it's now scored in CBO and elsewhere. These are good things.

But I can't -- I honestly don't know the inners of this. Was it a computer breakdown? I mean, yeah. Well, I'm sure they can fix it.

Yes.

Q Thank you, Larry. A question for you, and then one for Matt. For you: The Japanese were the only major American ally that was not granted an exemption on the 232. Most people expect the Prime Minister to press the President on that. Do you see a path for granting Japan an exemption?

And then, just quickly to Matt. He'll also -- the Prime Minister -- no doubt ask about intermediate-range missiles. Do you expect the President to give him comfort that not just intercontinental missiles, but medium-range missiles will be something that he'll push for in the summit with Kim?

MR. KUDLOW: To your first question, it will be under discussion. It's a key point on the agenda.

Q Do you see a path -- a way that they could be granted?

MR. KUDLOW: I just don't want to speculate on the outcome of the meeting.

MR. POTTINGER: You know, certainly the entire world recognizes the danger posed by the entirety of the missile arsenal of North Korea. It's why the entire world is now implementing U.N. Security Council resolutions that were passed -- four of them in this administration, the toughest ones yet. And all of them passed unanimously.

So yeah, we're certainly going to be taking into account the full range of threats that North Korea poses to regional security, to the American people, and to our allies.

Q Okay, questions for each of you. First, Larry, can you talk a little bit about the relationship that the President sees between trade and security -- marrying these two issues with Japan?

And then, Matt, I also had a follow-up question about what John asked about -- what assurances that the U.S. will be able to provide Japan before sitting down with this meeting with North Korea. Because as you said earlier this week, the President and Prime Minister Abe are in constant contact. They're talking frequently. So, surely, the President is well aware of what those concerns are that Prime Minister Abe has walking into this meeting today. So what is he prepared to offer Japan to mitigate some of those concerns?

MR. KUDLOW: President Reagan used to say, strong at home, strong abroad; weak at home, weak abroad. I believe President Trump shares that view, and that's why economic growth is so important. That's not the whole security story, obviously.

But if you're looking for linkage, it's right there. And our economy is now producing at a faster rate. This provides us with, first of all, more resources to do a lot of things, including national defense and security.

Second of all, the U.S. has become, frankly, a magnet for investment. We have become the hottest investment destination in the world. And that's even beyond the repatriation of a couple of trillion dollars in the tax law change. This is, you know -- we have lowered our barriers on regulations and tax rates and so forth, and so money is flocking to invest in the United States. That's the first time we can say that in many, many years, so that's a big plus.

And in terms of our relationships around the world, with respect to security -- I'm not a security expert, but I would just say a stronger economy here puts us in a very strong position around the world. Very strong position. And that's a good thing.

MR. POTTINGER: Like I said before, the reassurances that the President has provided from the beginning of his relationship still stand. And I don't think that Prime Minister Abe will leave Mar-a-Lago with anything other than a high degree of confidence in the health of the alliance, including as we go into a summit with the North Koreans. I know that there's some Japanese press in the back. I mean, we could tap on --

MR. KUDLOW: I got to go to deep right field. I promised.

Q Thank you so much. So in terms of deliverables, what does President Trump hope in terms of concrete deliverables coming out of this? Is there a possibility 232 exemptions could come out of this, or the beginnings of a bilateral free trade agreement, or any other concretes?

MR. KUDLOW: You know, as I've said before, this is all on the table. That's why this is such an important meeting. But I don't want to get ahead of that curve. I really don't.

Now -- yes, sir. You've been very patient. Thank you.

Q Thank you very much, Mr. Kudlow. You have been stressing the importance of the trade coalition of the willing, I think including Japan and Europe, which, in my view, is very compelling. But on the other hand, if the U.S. pushes ahead too hard with this trade agenda -- prioritizing bilateral agreement -- that may weaken your case or that may not work in a positive way for the U.S. to encourage better China's behavior on trade to --

MR. KUDLOW: It's just -- look it. My statement, which is catching on, I'm glad -- this trade coalition of the willing that I've been talking about, and others have been talking about, is really aimed at China. I mean, China is a first-world economy, behaving like a third-world economy. And with respect to technology and other matters, they have to start playing by the rules. And the President emphatically -- empathically -- supports that view. That is the essence of his policy, "Play by the rules, or there will be consequences." It can be negotiated out if it's satisfactory to both parties.

But I think -- my point about China is: Our complaints, if you will, particularly with respect to technology but not only -- you know, you've got various trade barriers to come down. You've got various market openings to come down.

But with respect to these disputes, the rest of the world is with us. The President hasn't consciously sought this, but it's happened. And it's a good thing. So I think it strengthens our case. And I don't want to get caught up in bilateral this, bilateral that. Europe, Britain, Japan, Asia, capitalist countries in Asia, **Australia** -- they're all behind us on this. And so I'm hoping that China reads that carefully and responds positively.

Yes.

Q Slightly off-topic here, but if you don't mind, is there confusion inside the administration on new sanctions toward Russia?

MR. KUDLOW: No. I think the issue here is we have a set of sanctions, and additional sanctions are under consideration but not been determined.

Q So why did Nikki Haley say that sanctions were coming on Monday?

MR. KUDLOW: She got ahead of the curve. She's done a great job. She's a very effective ambassador. There might have been some momentary confusion about that. But if you talk to Steve Mnuchin at Treasury and so forth, he will tell you the same thing. They're in charge of this.

We have had sanctions. Additional sanctions are under consideration but not implemented, and that's all.

Yes.

Q Thanks. Just a quick question for Matt. Can you speak to the domestic political considerations that Abe brings to the table? Has the President been briefed on that? Is he of a mind to do or say anything during the summit that might boost Abe's standing at home?

MR. POTTINGER: The President is, of course, well-briefed on the relationship, what's going on -- to some extent, domestically in Japan -- just as Prime Minister Abe is being briefed as he's flying right now, getting close to landing here in Palm Beach, on what's going on the domestic front here. So it's all part and parcel of the relationship.

Sometimes they talk about the respective politics in one another's countries. They enjoy talking about it. So I don't think there's anything special to say about that at this point, though.

Yeah. Sir.

Q Hi, my name is Koji (ph) with the Asahi, and my question is on North Korea. And some experts think that negotiation with North Korea might be just buying their time on North Korea. So is there any possibility that Trump and Abe will talk about target year of denuclearization during their summit? Like 2020, for example?

MR. POTTINGER: I would just say that President Trump has a team of people working for him now who have extensive experience dealing with the North Korea nuclear menace. If there is any intention by the North to merely buy time for this program, there will be an unhappy result, I would say.

Yeah.

Q How about target year of -- target year to achieve a denuclearization?

MR. POTTINGER: Yeah, nothing that I would comment on, specifically, about that right now at this point. It wouldn't be appropriate. Yeah.

Q You said that the President has a team working for him now. Do you mean that a new team in place, as recently a team that was not in place, say, three months ago?

MR. KUDLOW: There are newcomers and there are old-timers.

Q (Inaudible) the team that's around the President now is now more attuned to, as you said, the menace posed by North Korea than the team that was around him in the past?

MR. KUDLOW: No, no. No. No. It's just a lot of good people. And as I say, there are some newcomers and there are some old-timers.

Yes, in the back. Yes.

Q I just want to try one more TPP question for you. Just a second ago, you said that the trade coalition of the willing is relating to China, but then earlier, in saying that the trade discussions with China is in no way related to TPP. Isn't there some sort of a contradiction there in that TPP essentially would be that trade coalition of the willing?

MR. KUDLOW: Not necessarily. Remember, this coalition is global. It's not just Pacific Asia. And I think everybody is heartened at the positive response from the European countries and Great Britain. That's why I've tried to delineate not to mix the two up. They're separate tracks.

Yes.

Q I just have one more on tariffs. Are you expecting that the Prime Minister will ask for an exemption on the steel tariffs? And what is the President considering he would offer?

MR. KUDLOW: I wouldn't be surprised if he did.

Q If he asks?

MR. KUDLOW: Pardon?

Q If he asks, that's what you would not --

MR. KUDLOW: Wouldn't be surprised.

Q And then what? And then what?

MR. KUDLOW: I can't say. I mean, let's see what happens. Let's see what happens. If you want Kudlow predictions, you're not going to get them. (Laughter.)

Q But you're so good at that.

MR. KUDLOW: I know, but that was another life. (Laughter.)

Other questions, please. I don't want this to get out of hand.

Q Larry, can I just ask --

MR. KUDLOW: Sorry?

Q What would it take for them to get an exemption?

MR. KUDLOW: You know, there's no strict conditionality. There will be discussions about that. The President has some very clear views on the matter, and he will communicate them.

Q One question for Matt, if I could. Just on this news about South Korea saying that South Korea and Kim Jong-un could sign some sort of peace treaty, if not at the summit in Pyeongchang, that maybe soon after that. How would that change, if you could, the whole calculus of the U.S. meeting with Kim?

MR. POTTINGER: Look, the President is focused on a potential summit here that he's accepted an invitation to attend. He's staying in very closed coordination and contact with President Moon. And at the level below the Presidents, there's probably a higher degree of coordination taking place than has ever taken place since the end of the Korean War. There will be plenty of time to talk about the goals of that inter-

Korean summit and how they might mesh with goals for President Trump's own. But there's nothing I want to go into specifically about it today.

Yeah.

Q Matt, can I throw one more to that? And forgive the millennial slang on this, but given -- I mean, you know the President and Shinzo Abe have had a close relationship. There's, as you know from these questions, trade tensions, there's discussions of their involvement in any kind of summit with North Korea. Are they still in a bromance or has that cooled off? (Laughter.)

MR. POTTINGER: It's not a term I use. I'm not a millennial. I'm a Gen-Xer and proud of it.

MR. KUDLOW: That's millennial speak. Millennial speak.

MR. POTTINGER: But, you know, I'm sure you'll make your own judgments based on the chemistry that will be evident when he arrives here later this afternoon.

Q What is your judgment on that, though?

MR. KUDLOW: I'm a Baby Boomer. You didn't ask that. I'm a Baby Boomer.

Q The fact that Japan wasn't consulted in any way before the President sort of abruptly announced this potential summit with North Korea, can you speak -- is there some need to mend fences? Why wouldn't the U.S. have consulted this ally that he's so close to before making such a significant announcement that could be defining to his time in office, Matt?

MR. POTTINGER: So the President has kept in such close contact with Prime Minister Abe that when the announcement was made -- you'll have to ask the Japanese whether, in fact, they felt that they were not pre-consulted. I'd be surprised if they would say that that was the sense.

Q Were they? I'll ask you: Were they pre-consulted? Did we speak to the Japanese before the announcement?

MR. POTTINGER: I won't go into the details about -- but I think you should ask the Japanese whether it was a surprise to them. And Prime Minister Abe took the opportunity to reach out, and the two immediately decided that it made sense to meet well in advance of that summit.

Q Matt, picking up on (inaudible) potential summit. You said potential summit. Do you still think it's more probable than not that this summit will occur? Or do you think it's more probable that it won't occur?

MR. POTTINGER: I'll let the President's public statements stand on that.

Q Right, but you said potential summit. And I'm just trying to understand what you're conveying by that.

MR. KUDLOW: Look, the President's intention is to have a summit.

Q Right, I know --

MR. KUDLOW: The terms, the places, none of that has been settled yet. None of that has changed. Just not -- it's not changed. That will probably come up in this summit, and we'll see what additions we learn.

And I just want to say -- we're going to wrap here -- I understand lots of details and so forth, which I can't answer. And I apologize, but it's going to be a very interesting summit.

Look it -- these are two old friends. Okay? These are two democracies. These are two free-market capitalist democracies who are trying to improve economic growth for both their countries and their regions and the rest of the world. I don't want to lose sight of that. We're here to help each other. We have great relations with Japan, and that's going to be enhanced by this conference. And I just want to instill that thought.

I appreciate -- sorry we can't answer every question, but it will see as it unfolds. Thank you very much.

END 12:54 P.M. EDT

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As you're aware, they have had two major face-to-face meetings, the summit in Mar-a-Lago, a very comprehensive bilateral in Hamburg.

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