

White House Previews Its Game Plan for Meeting With Chinese Premier

President Donald Trump's meetings with Chinese President Xi Jinping, which are scheduled to begin Thursday afternoon, offer a high-stakes opportunity to make a substantial impact in Asia and the Pacific Rim.

The Trump administration understands what is at stake, and in "background" briefing with the media Tuesday night, two senior administration officials gave reporters a preview of what to expect:

"This is really an opportunity for the two leaders to exchange views on each other's respective priorities and to chart a way forward for the bilateral relationship," the first official said. "So they'll be talking about areas of common interest and also some of the clear areas of difference that we need to address in the relationship. And President Trump really views this meeting as a first step toward building a constructive and a results-oriented relationship that's going to deliver benefits to both countries."

The second said the U.S. and China represent 40 percent of the global economy, and as the world's two largest economies, there's "no greater or more consequential economic relationship." Due to growing trade and investment, the relationship has become much more interdependent, he added.

"The key premise of our economic relationship is that bilateral trade and investment should be mutually beneficial," he said. "However, progress on a range of bilateral economic issues has become increasingly difficult. This reflects a slowdown and, in certain cases in our view, a retreat in China's move toward giving the market a more decisive role in

the Chinese economy.

“Accordingly, there will be significant trade and economic issues to discuss between our Presidents at the summit. President Trump is very concerned about how the imbalance in our economic relationship affects American workers and wants to address these issues in a candid and productive manner. President Trump will convey to President Xi the importance of establishing an economic relationship that is fair, balanced, and based on a principle of reciprocity.”

The two officials did take questions from the media. The following is a transcript of the Q&A:

Q. I just have a couple questions on North Korea. The president has been talking about trying to get China's assistance on North Korea. Is he going to be trying to get any specific commitments from China on what he wants to see them do to exert more pressure on North Korea?

Official 1. So North Korea clearly is a matter of urgent interest for the president and the administration as a whole. I think the president has been pretty clear in messaging how important it is for China to coordinate with the United States and for China to begin exerting its considerable economic leverage to bring about a peaceful resolution to that problem.

So certainly it is going to come up in their discussions. Somewhere on the order of just shy of 90 percent of North Korea's external trade is with China, so even though we hear sometimes that China's political influence may have diminished with North Korea, clearly its economic leverage has not. It is considerable. And so that will be one of the points of discussion.

Q. And is the president going to tell his Chinese counterpart about what he's willing to do proactively and unilaterally if China doesn't exert pressure?

Official 1. Well, we'll leave that for the president to discuss. We have been reviewing U.S. policy towards North Korea. The president, on this issue, like many others, is not someone who wants to broadcast all of the ins and outs of his strategy in advance. But I think that he'll be sending a clear signal to President Xi.

Q. In his interview with the *Financial Times*, the president said that he would leave the issue of potential tariffs against Chinese imports until another meeting. This was something that he talked about often on the campaign trail. Why not bring it up in this meeting?

Official 2. As [my colleague] indicated, the primary purpose of the meeting is to set a framework for discussions on trade and investment. I can't tell you whether they're going to get into specific issues to resolve at this time or to be on the agenda for discussion and hopefully early resolution in the weeks and months ahead. But this is the introductory meeting to put a framework in place for how we're going to discuss and address these matters.

Q. In this introductory meeting, is that too charged an issue do you think to put on the table?

Official 2. I don't want to prejudge what the parties are going to get involved in. But it's going to be the first effort of the top leadership in both countries to get together and begin to address the trade and investment issues.

Q. Is the president going to raise his concerns about currency manipulation?

Official 2. I'm going to leave any discussion of currency manipulation to the Department of Treasury, which is the place for it.

Q. You said you'd like to see a relationship based on

reciprocity. What does that mean exactly?

Official 2. I said the principle of reciprocity, which means that we want to work with the Chinese in a constructive manner to reduce the systemic trade and investment barriers that they've created that lead to an uneven playing field for U.S. companies. We want the playing field to be level so that bilateral trade investment can be mutually beneficial.

Q. President Xi reportedly wants to hear President Trump officially recognize Taiwan as a province of China. What will his message be on that and on the South China Sea?

Official 1. Well, the president has reaffirmed our adherence to the one-China policy—that is our one-China policy that's based on the three joint communiques with China, as well as the Taiwan Relations Act. That is long-standing policy of the United States; that is a policy that the president has reaffirmed. So I don't anticipate some kind of surprising deviation from that.

Q. What will his message be on the South China Sea as it relates to—

Official 1. I do expect that maritime issues will come up. The United States certainly will continue to fly and sail where international law allows. And I would not be surprised if that came up in conversation.

Yes.

Q. Hi. I wanted to ask you about areas of cooperation. As you know, the last administration used climate change to offset some of the conflict in the relationship. I have yet to hear anybody from the administration talk about what you want to work on together with China. Can you enlighten us?

Official 1. Well, I'll tell you that we would like to work on North Korea together—that there's an opportunity. And, in

some ways, it's really—we've been left, after 20-some-odd years of trying pretty much everything, to bring about a safe and denuclearized peninsula. And so this is, in some ways, a test of the relationship, I think.

Q. Can you go into, though—that's not a place where there's a lot of agreement. There's a different approach by each side. Are there any areas that you foresee where these two countries may actually have a similar approach to a global issue? Because obviously the relationship and what happens with the relationship affects everybody around the world.

Official 1. Sure. I think that there are still a lot of areas, of course, of cooperation on public health, transnational crime. There's a whole grab-bag of daily issues that affect both of our countries and governments—people-to-people issues. We have strong people-to-people ties. And there are certainly parts of the economic relationship that are working right, and substantial areas of difference that are going to have to be addressed.

Q. There hasn't been a lot of talk recently about Chinese cyberattacks on the U.S. Has China eased off some of the things that President Obama told President Xi to stop doing?

Official 1. Well, I'd refer you really to DHS on the question of the volume and nature of cyberattacks. There's nothing that I would have to add to that right now.

Q. But would it come up this weekend as an issue?

Official 1. This is a one-day visit, so I think that a lot of issues are going to come up. I think that the opportunity to resolve any particular—we don't want to be unrealistic about that. I do think that there is going to be some movement toward a framework for dialogues that will be elevated from some of the previous or preexisting dialogues that have existed with prior administrations, and for those

dialogues to be streamlined and for there to be clear deadlines for achieving results.

Q. Most of the time, North Korea and China, this subject comes up, nobody gives any attention to the corridors that run from North Korea to China. And all these sanctions, which the world is imposing, go out of the window because there are no international monitors. What is going on in that area? Is there anything that you're going to do about that?

Official 1. Well, we're certainly going to be monitoring how well partners—including China—implement those U.N. resolutions that they've coauthored. And coal is one very important area, given the volume of trade and what that means in terms of hard currency for the North Korean regime, and certainly we'll use whatever methods we have to monitor compliance.

Q. Can you shed a little bit more light on how these two men will be spending these 24 hours? Will there be a series of sessions? Any leisure time—golf, photo ops, anything like that?

Official 1. Yeah, I think it's safe to say there's not going to be any golf and there will be—the first ladies are both going to be there. There will be time, particularly in the first day, for them to get to know one another in a more informal kind of interaction as well as a dinner.

The next day will be a series of meetings up to and including a working lunch. And it's possible that they'll walk around a bit, as the mood strikes, but nothing formal or nothing involving golf clubs.

Q. Do you anticipate any photo ops or press availabilities?

Official 1. There will be some press availabilities. Are you able to—OK—we'll get back to you.

Q. Can you talk about the atmosphere? Why Mar-a-Lago as opposed to here at the White House? If memory serves correctly, President Bush met with the then-Chinese Premier at Camp David. Do they not like the White House?

Official 1. No, I think that this was actually at the invitation of—in fact, I’m certain it was President Trump’s invitation that they meet outside of Washington, D.C.—that this is the first time the two are ever going to be meeting, and the President—you know, you’ve heard people refer to it as the “winter White House.” It’s a place where he feels comfortable and at home, and where he can break the ice with Xi Jinping without the formality, really, of a Washington meet-up.

Mark.

Q. Thanks. Two questions: One, on South China Sea, what you said a moment ago sounded very much like a restatement of existing American policy. On North Korea, you’ve been pretty clear that you want to draw a distinction between the last administration and this one. Is there any similar distinction you would draw in how you view the policy issue on the table with South China Sea? That’s the first question.

And the second question is: In a category of tougher measures toward North Korea, would you consider secondary sanctions—i.e. sanctions that target Chinese entities—

Official 1. Sure. So to start with the second one first, because of the amount of leverage that China has economically, the best outcome would be one in which China very thoroughly implements those U.N. sanctions and resolutions. That is really what we’re working toward, and I’ll just leave it at that. I’ll leave it at that.

On South China Sea, we will—there will be an opportunity for the two leaders to discuss that. There’s nothing that I

would state in addition to what I've already said, but it's no secret that the president was disturbed by activities that took place under the last administration. And he and his Cabinet members have been on the record as saying that that has got to stop.

Q. China is economically retaliating on the THAAD deployment in South Korea. How will the United States, against this problem, and what pressure take on China?

Official 1. Sure. Look, we are familiar with China's objections to THAAD. The United States will always act to defend our allies and to defend our homeland against any threat, and particularly one of the nature of the North Korean regime with the kinds of terrible weapons that they're developing. There will be no move away from protecting our South Korean allies and the United States.

Q. Will there be discussion of China's request to be considered a market economy? And what should we read into the action of the Commerce Department review?

Official 2. Again, that may well be one of the issues. The topics have not been scripted out in advance, so the leaders are going to be free to raise whatever is on their mind, obviously. One of the issues currently that we're closely involved with is whether China will continue to be a non-market economy at the WTO—they've brought a case against the European Union on that—or whether there will be an effort to make them a market economy. And for us, it's very important that they continue to be designated as a nonmarket economy.

Q. So is the Commerce Department review just sort of preparation for that WTO case?

Official 2. The Commerce Department obviously monitors these activities, and we've also had consultations with various other countries on this matter.

Q. I wonder if you can tell us a little bit more about the “terrible” weapons in North Korea. When you’re doing the review, how much of a threat do you consider it to be in terms of a timeline? How urgent is the danger from North Korea when you’re considering the threat in your review?

Official 1. I can tell you that it is now urgent because we feel that the clock is very, very quickly running out. And again, we would have loved to see North Korea join the community of nations. They’ve been given that opportunity over the course of different dialogues and offers over the course of four administrations, with some of our best diplomats and statesmen doing the best they could to bring about a resolution. The clock has now run out, and all options are on the table for us.

Q. You said that the United States would defend its allies. Do you expect the President to bring up these new Chinese sanctions in response to the THAAD deployment with President Xi?

Official 1. We will see. I certainly do think that the Chinese side in conversation we’ve already had, including with Secretary Tillerson’s visit—I was with him on that visit just a couple of weeks ago—at the end of the day, South Korea is a responsible, friendly, economically dynamic democracy that is seeking, together with its ally, the United States, to put in place defensive systems.

So it doesn’t make much sense, and at some level it’s even disturbing, to be punishing South Korea for wanting to do that. If THAAD is a problem to other countries in the region, they need to look to North Korea.

Q. But do you expect the president to offer that criticism of China?

Official 1. I am not going to pre-talk the president’s talking points, but I wouldn’t be surprised if it comes up.

In the back.

Q. Thanks. Just coming back to the venue for a second, at Mar-a-Lago, can you tell me—I've seen reporting in both directions—who requested that the meeting be at Mar-a-Lago instead of in Washington? And then a secondary, if you can tell me who's paying for the Mar-a-Lago—

Official 1. So the president invited President Xi Jinping to Mar-a-Lago. That was our president.

Q. So it was him that—

Official 1. —yeah, invited President Xi Jinping to Mar-a-Lago. As for payment, we'd have to talk to the White House counsel. I'm not working those issues.

Q. Did the White House get anything in return for that? Was there any sort of—is it a concession of any sort?

Official 1. Look, at the end of the summit, I think you'll get a pretty good readout of what was discussed and what the path is forward for resolving a lot of those contentious issues that are near and dear to the president's heart and are issues that helped get him elected.

Q. Thank you. One of the things—two of the things actually—I think you said the president was free to bring up any issues with President Xi. And I'd like to ask two things of concern you haven't mentioned to his supporters. One, the Asian Infrastructure Bank, which has been a subject of major concern.

Official 1. The Asian Infrastructure Investment Bank that China set up?

Q. Yes. And the other, religious persecution in China, which many of the president's supporters in the last campaign had hoped he would bring up when he engaged the Chinese. Are you either going to be brought up?

Official 1. Well, on AIIB—

Official 2. I think to the degree that issue is brought up, it would be brought up, I would expect, by the Chinese as opposed to the United States. We're obviously aware of the issues and prepared to address it, but it's not something that I would anticipate we're going to be raising.

Official 1. And again, I'm not going to pre-speak the president's talking points. We'll see what is concretely discussed, but human rights are integral to who we are as Americans. It is the reason that we have alliances at the end of the day, one of the reasons in addition to the fact that they serve our security and prosperity here at home. And human rights issues, I would expect, will continue to be brought up in the relationship.

This will be the last question—since we skipped you twice.

Q. All right, no worries. Thank you. I guess since it's the last one let me just ask you, boil it down, what's the top priority here? Is it for these two to set up a relationship? Is it a certain issue? You've talked about setting up a framework. And then to your colleague, if you're not going to talk about tariffs now, I guess the question is when?

Official 1. There is time in even just a one-day summit for all of those things you mentioned to be priorities—leaving tariffs off the table for a minute. But yes, this is an opportunity for them to meet one another, develop the beginnings of a relationship—a working relationship—to start putting together that framework for addressing all of the issues that we're all familiar with that carried us through the campaign and to the present day. And I'll leave it to my colleague—

Official 2. I just want to clarify, I did not say that they would not be talking about tariffs. We haven't scripted out what they will be talking about. I don't anticipate there

will be a resolution on those issues, but they'll be both establishing a framework for discussing the matters, and I am sure that each side will raise particular issues. But I would not anticipate we're going to be at the point of resolving those issues in this one-day set of meetings.

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