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The Meeting Between President Trump and President Xi Jinping

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EXECUTIVE SUMMARY: On April 6, 2017, the two most powerful men in the world, US president Donald Trump and Chinese president Xi Jinping, met at Trump's Mar-a-Lago resort. Their meeting went on for two days. Their conversations dealt with political, security, and financial matters. Even before the meeting took place, both parties demonstrated good will. The Chinese forgave what they taken to calling "Mr. Trump's provocations", while Mr. Trump invited Mr. Xi and his wife to his home in an act of good faith that paved the way for a positive visit. Both sides attempted to ease tensions and create a basis for healthy relations.

The April 2016 visit by Chinese president Xi Jinping to President Trump's Mar-a-Lago resort lasted two days, and included private conversations as well as multi-participant meals and discussions. For the meeting to take place, both parties – especially the Chinese – had to leave their differences of opinion aside and focus on cooperating for the greater good of their respective countries as well the stability and prosperity of the entire international arena. The conversations concerned political and security matters (the situation in North Korea, the South China Sea, and perhaps the complicated relations between China and Taiwan), as well as financial matters (taxes, investments, and the Chinese exchange rate).

Both parties have a clear interest in creating a stable system of cooperation. If President Trump can succeed at this right at the beginning of his term, that success will accompany him for his entire term, and will help him govern as he sees fit. For his part, Mr. Xi has been president of China since 2013 and is considered the most powerful Chinese president in decades. He does need,

however, to score a victory in the international arena, which will strengthen his domestic position.

Mr. Xi is facing a change in the Chinese leadership, and the consequences of his relations with the American president will greatly affect both his current status and his legacy. As the Chinese minister of the exterior put it, "There are a thousand reasons to make China-US relations a success, but not a single reason to break it. Xi Jinping pointed out that cooperation is the only right choice for China and the US, and the two countries can totally become good cooperation partners".

Events in North Korea are worrying the US, China, and the entire world. North Korea, led by Kim Jong-un, is working tirelessly to obtain both nuclear weapons and the rockets to carry them. All attempts by the West to impede this pursuit, especially those of the US, have failed, despite the severity of the sanctions imposed on Pyongyang for the past two decades.

Mr. Trump, for whom an international political success would allow him to portray himself as a strong leader, wants to restrain North Korean ambitions. To avoid using force, he hopes to enlist the aid of Mr. Xi. China is the sole lifeline sustaining North Korea. As it is China that allows Pyongyang to survive despite the heavy sanctions, a Chinese boycott could subdue North Korea very quickly.

Mr. Trump is expecting Mr. Xi to apply his full might to prevent North Korea from advancing its nuclear and rocket program. Based on reports published after the Mar-a-Lago visit, the leaders agreed to work cooperatively towards a solution, although a time frame for that solution was not reported.

On April 12, the leaders had a phone conversation during which the Chinese president called for restraint on both sides. Two days later, the Chinese national airline, Air China, declared that as of April 14, all its flights connecting Beijing and Pyongyang will be canceled until further notice. Though that step is merely symbolic, one can infer from it that the Chinese government intends to cooperate with the US regarding North Korea.

Another security-political subject that was discussed by the two men is the border dispute in the South China Sea between China and their neighbors. It is possible that the leaders agreed that in exchange for Chinese pressure on North Korea, the US will direct its attention away from affairs in the South China Sea. For China, it is important that the dispute be resolved by the concerned parties and not through external intervention.

The value of the South China Sea for China, as for the other parties involved, lies partly in the vast volume of commercial fishing that takes place in its waters as well as the energy deposits buried beneath its seabed. But the main issue is that about a third of the world's maritime cargo goes through this region.

The THAAD missile systems that the US continues to deploy in South Korea, as well as Mr. Trump's undermining statements regarding the "One China" policy, are points of disagreement, and it is possible that compromises on these matters were agreed to during the talks as part of an overall deal.

The US attacks on targets in Syria in retaliation for the use of chemical weapons by Assad's regime took place during the talks between Mr. Xi and Mr. Trump, but did not lead to any response by the Chinese. It is difficult to say whether the attacks were intentionally timed to occur during the visit, or if the timing was due to operational circumstances. If the timing was on purpose, it can be assumed that Mr. Trump wished to send the Chinese the message that the use of military force is a tool he is willing to use.

During his election campaign, Mr. Trump often attacked China, threatening that he will impose a 45% tax on all Chinese imports into the US because "We can't continue to allow China to rape our country". He has not repeated these threats recently, and they will likely remain history. However, Mr. Trump is interested in various infrastructure projects, and will probably need Chinese aid to fund and execute them. Mr. Xi's offer to Mr. Trump that the US take part in the "One Belt One Road" initiative might have been related to infrastructure planning.

The matter of China being a currency manipulator also bothered Mr. Trump greatly during his campaign, and it continues to do so. Only two weeks ago, he told the *Financial Times* that "when you talk about currency manipulation, when you talk about devaluations, they [the Chinese] are world champions. And our country hasn't had a clue." It appears that this was one of the most difficult subjects to be raised during the talks, but no references to it were published after the visit, so it is hard to say what the results of the discussions were on the matter. Further developments remain to be seen. As Mr. Trump tweeted, "Why would I call China a currency manipulator when they are working with us on the North Korean problem? We will see what happens!"

Before the meetings took place, both parties demonstrated good will. The Chinese forgave what they had spent several months calling "Mr. Trump's provocations", while Mr. Trump invited Mr. Xi and his wife to his home in an act of gracious good faith. Both parties require a boost to their status, so the visit's success was almost guaranteed before it even took place.

The visit went well, with both sides attempting to ease tensions and create a basis for working relations. Following the visit, two agreements were published: 1) the creation of a new dialogue system to cover the subjects of foreign relations and security, as well as finances, law enforcement, and cyber security; and 2) the start of the "Hundred Days" program, during which China will increase US imports to bring a trade balance to the two world powers. Despite the lack of breakthroughs during the visit, there is hope that the positive attitude will endure as these two most powerful world economies lead the international arena.

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