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**'TENSION IS HIGH WITHIN CHINA'S LEADERSHIP ECHELONS  
AS UNITED STATES MAINTAINS UNRELENTING PRESSURE'**

by JAYADEVA RANADE

As China-US relations deteriorate rapidly and tensions mount, concern is growing in the Chinese Communist Party (CCP)'s leadership echelons about the next punitive steps that the Trump Administration might take. Barely a week has gone by in recent months without at least one punitive sanction being slapped on China by the US. These sanctions are beginning to increasingly impact on the CCP and its members. Contributing to the concerns are worries in Beijing that US President Trump has a tough contest in the upcoming Presidential elections in November and could be tempted to take some military action against China to boost his ratings.

2. There are recent indications of heightened concern. On July 25, posters on how to handle air raids, which had not been posted for nearly 50 years, appeared in Beijing's Haidian District. A video circulating on the Internet and reproduced on Twitter shows posters in Beijing and Shanghai instructing people how to go to underground bunkers if an alarm signals a military attack and air-raid billboards reminding residents "how to enter an air-raid shelter quickly after hearing the alarm ...". Coinciding with the US-led naval exercises and presence of US aircraft carriers Nimitz and Reagan in the South China Sea, public announcements have been posted (July 26) in some places along China's southeast coast notifying retired People's Liberation Army (PLA) Navy and PLA Air Force personnel, including their families, that they must register with the community neighbourhood committee. This is being interpreted as preparations for possibly calling these persons to return to military service at short notice.

3. A notice issued by the Shuiyun Street Community Neighbourhood Committee in Chongqing City, Sichuan Province, on July 24, informed families of active-duty border/island officers and soldiers living in its jurisdiction, especially those stationed in Xinjiang, Tibet, Yunnan, Guangxi, Hainan, and at other borders and islands, to register with the community neighbourhood committee. On July 27 evening, the state-run CCTV Headline News telecast an old clip of January this year of Chinese President Xi Jinping's instruction to the PLA's Top Gun Sixth Company emphasizing that the military must follow the CCP command to prepare for war. Using the 75<sup>th</sup> anniversary of its victory in the Sino-Japanese War this year, China's National Radio and Television Administration (NRTA) which controls state-owned TV and radio broadcasters, held a nationwide video conference with its subsidiary entities on July 17, to arrange programmes on the theme of the Sino-Japanese War during WWII and the Korean War. The programming will hype nationalism and simultaneously potentially promote anti-American nationalist sentiments.

4. Around the same time the CCP-owned Global Times (July 29) quoted Chinese strategists and experts warning of the possibility of a military conflict between the two nuclear-armed powers caused by the “dangerous US attempts”. It quoted Chinese experts as saying that while China could be restrained in retaliating to new US provocations on politics, diplomacy or economy, because China’s policymakers will not let the Trump administration use them for his re-election, if Washington launches military provocations to challenge “the bottom line of China's national security and sovereignty” then China will immediately and effectively retaliate.

5. Expressing concern at possible developments over the next three months Jin Canrong, Associate Dean of Renmin University of China's School of International Studies in Beijing, said that "the collective hostility against China among US elites and policymakers, which we didn't expect, will also make the US more aggressive." He noted that "direct China-US military conflicts, or even the severance of diplomatic ties, which used to be unimaginable, are being discussed more frequently by the mainstream media outlets and scholars, so the danger of military conflicts exists and is growing." The Beijing-based think-tank South China Sea Strategic Situation Probing Initiative (SCSPI) noted (July 29) that there is the possibility of small and medium-sized clashes, which could involve ship collisions and occasional firing incidents.

6. On July 27, China’s Minister of Public Security Zhao Kezhi spoke at the video conference of the National Public Security agency. He emphasised that “in the face of a profoundly changing external environment and severe and complex situations, public security organs at all levels must resolutely implement the decisions and deployment of the Chinese Communist Party’s Central Committee with Comrade Xi Jinping at the core. We must ... carry forward the fighting spirit, make preparations, be on guard against different risks and challenges, and strive to achieve the ‘two safeguards’ in the actions of maintaining the nation’s political security and social stability.” The “two safeguards” is a new slogan meaning to safeguard the position of Xi Jinping as the core of the CCP Central Committee and the core of the whole party, and to safeguard the authoritative and centralized leadership of the CCP Central Committee. Zhao Kezhi also asked the personnel “to guard against and crack down on the disruptive sabotage activities of hostile forces at home and abroad, carry out anti-infiltration, anti-subversion, anti-separatism and anti-evil religion struggles, and resolutely safeguard national political security.”

7. China’s leadership had started preparing some months earlier to minimise the deleterious impact of other possible punitive US actions. An indication was given by Zhou Li, a recently retired former Vice Minister of the CCP CC’s International Department. Among the six precautionary steps he suggested was that China must take measures to minimise the effects of US control over the Global Interbank Financial Telecommunications Association (SWIFT).

8. In apparent endorsement of this concern, Reuters said (July 29) a report by the investment banking unit of the Bank of China (BoC) recommended that China should prepare for potential US sanctions by increasing use of its own financial messaging network for cross-border transactions in the mainland, Hong Kong and Macau. The report said greater use of the Cross-Border Interbank Payment System (CIPS) instead of the Belgium-based SWIFT system would reduce exposure of China’s global payments data to the United States, BOC International (BOCI). The report looked at potential measures the United States could take against Chinese

banks, including cutting off their access to the SWIFT financial messaging service. Saying “We need to get prepared in advance, mentally and practically”, it said that if the United States were to take the extreme action of cutting off access of some Chinese banks to dollar settlements, China should also consider stopping using the U.S. dollar as the anchor currency for its foreign exchange controls.

9. Other articles and reports over the past few months have similarly reflected Beijing’s concerns. The first was the briefing given to Chinese President Xi Jinping and the Politburo by the Ministry of State Security (MoSS) think-tank the Chinese Institutes of Contemporary International Research (CICIR). According to Reuters this forecast a bleak outlook for the coming year including, because of US pressure, the possibility of social upheaval and military conflict. This was echoed in an article in the People’s Liberation Army (PLA) Daily. Confirming that China-US relations would deteriorate further as the current US Administration was hostile to China, a report by the Chinese Academy of Social Sciences (CASS) suggested ways to arrest the decline.

10. The CCP, however, appears to have got more worried as the US began applying sanctions against officials who it said were directly involved in suppressing the people and human rights in the Xinjiang-Uyghur Autonomous Region and the Hongkong Special Administrative Region (HKSAR). Included among the officials was Xinjiang Party Secretary Chen Quanguo. This was followed by the New York Times citing US Secretary of State Pompeo as saying in late July that the US proposed to deny visas to members of the CCP, including members of the PLA and those already in the US and serving in State owned Enterprises (SoEs) and other Chinese-government enterprises. Once implemented this will directly and immediately affect approximately 300 million Chinese comprising the 92 million CCP members and their family members. This quickly emerged as the most searched item on China’s websites and generated lots of discussion and concern among CCP members who have been quoted as saying that 70 per cent of the children of CCP members at or above Department level go to the US for studies. A Chinese official who wrote (July 22) under the pseudonym Liang Jing said the US ‘decision-making elite has made an important breakthrough .... in its sanctions against the CCP. For example, the US has imposed restrictions on the entry of CCP members and their family members. I have heard the Party’s voice of pain’.

11. Indicative of the Chinese leadership’s anger and inability to persuade the Trump Administration to change its policy, Beijing hit out at an ethnic Chinese US citizen who it accused of being an “uber-hawk” and contributing to the proposed decision to ban visas for CCP members. The CCP-owned Global Times and Hongkong’s South China Morning Post both published (July 23) reports identifying Maochun Yu @ Miles Maochun Yu, a China-born Professor of Military History at the US Naval Academy in Annapolis, as one of the influential sources and a principal policy and planning adviser on China. It said "he harbours some pretty dark visions about the world and Asia-Pacific in particular" and "is clearly an uber-hawk". The Chinese official Liang Jing separately pointed to ‘the involvement of Chinese immigrant scholars from mainland China in this decision’.

12. Chinese State Councillor and Foreign Minister Wang Yi’s unusually unrestrained comments about the US during a telephone conversation with Russian Foreign Minister Lavrov on July 17, similarly indicate the tight corner that the Chinese leadership is in and the

critical stage of the US-China bilateral relationship. According to the report posted on China's Foreign Ministry website on July 18, Wang Yi described the strategic leadership of the two heads of state as the biggest political advantage of Sino-Russian relations. It also said "Wang Yi emphasized that the U.S. nakedly pursues its own priority policies and promotes egoism, unilateralism, and bullying to the extreme, wherever there is a big country. The United States has passed on its own responsibilities and used the epidemic situation to discredit and dump pots in other countries. It has done everything possible. It has even created hot spots and confrontations in international relations, and has lost its reason, morality and credibility. Wang Yi said that the US has regained the infamous "McCarthy Doctrine" and the outdated "Cold War Thinking" in its China policy, deliberately provoking ideological confrontation and breaking through the bottom line of basic principles of international law and international relations. China will not be paced by a few American anti-China forces, but will firmly defend its legitimate interests and dignity".

13. Similar were Wang Yi's remarks to French Foreign Minister Jean-Yves Le Drian on July 28, when he spoke about the severe problem in US-China relations. He told Le Drian that "[A] certain political faction in the US, driven by the need to lift [presidential] campaign prospects and maintain unipolar hegemony, are going all out to negate the history of China-US relations, suppress China on every front, provoke China on its core interests, attack the social system chosen by the Chinese people, and vilify the ruling party." He said that China will deal with the US with like-for-like countermeasures, but is eager to see the situation stabilize. He said "China will take firm countermeasures against the egregious behaviors that undermine China's legitimate rights and interests". He added "China doesn't stir up troubles and always exercises maximum restraint" and that "We ... strive to maintain the stability of China-US relations through equal communication and exchanges with the US side." Wang Yi expressed the hope that other countries do not jump on the US-led anti-China bandwagon.

14. An indication of the thinking in Beijing are the comments of Mainland China's former official Liang Jing. He said that 'due to his major mistakes in the epidemic and the Hong Kong issues, Xi is in his most dangerous predicament since taking office. The US has a chance that it dared not imagine: to force Xi to step down, completely changing the confrontation between the US and China'. He added that 'Even if Xi Jinping cannot be forced to step down before the election, even should Trump fail to win it, the hawks will have created a situation that the new government will have trouble reversing'.

15. The US is unlikely to ease pressure on China and Xi Jinping is expected to come under increasing pressure. Xi Jinping is taking measures to counter the pressure and ensure his continuance and the CCP's legitimacy and monopoly as the sole ruling political party. Meanwhile, a couple of unconfirmed reports have filtered out of Beijing and Shanghai claiming that Xi Jinping's personal security has been increased and he changes the rooms he sleeps in within Zhongnanhai, the residential compound of China's top leadership.

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(The author is a former Additional Secretary, Cabinet Secretariat, Government of India and is presently President of the Centre for China Analysis and Strategy.)

