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Politics

1. Hu Jintao visits Hu Yaobang's home in Hunan
 - a. Hu Jintao reportedly visited Hu Yaobang's home in Hunan, 4 days before the 25th anniversary of the former leader's death, which triggered the Tiananmen Movement. His visit appeared to be unplanned. Photos of the visit were circulated online, posted by the weibo user @学习粉丝团, which had previously posted animation propaganda about Xi Jinping. The photo was captioned with the text "The qian leader hu sir jin tian can guan yao bang gu ju (前领导人胡Sir今天参观耀邦故居)", but the post was quickly censored by the authorities.¹ During his trip, Hu also visited Hunan University and the Yuelu Academy.
 - b. Hu Yaobang is Hu Jintao's and Wen Jiabao's mentor. However, some analysts argue that **Hu's public visit to Hunan may have been intended to show opposition to his successor Xi Jinping's political strategy while defending his own legacy.**
 - i. WSJ's Russell Leigh Moses said Hu's visit to Hunan, the home province of Mao Zedong, shows that "it demonstrates that there's not universal support among Xi's predecessors for his current strategy of Party reform" because "it sends a signal to Xi and his comrades in Beijing that **they shouldn't think that they have a monopoly on Maoism**", highlighting the emphasis on Hu's humility in his high-level visit. "It's been clear for some time that Hu and his conservative allies are not fully onboard with Xi's Party reform drive. While there's little that's liberal in Xi's strategy, it's designed to rid the Communist Party of many of the excesses that took hold during Hu's tenure as Party chief. Xi's crusade against corruption is not only aimed at improving inefficiencies; **it's meant to signal officials that what was tolerated under Hu won't be allowed under Xi. More space between Hu's way of governance and Xi's reform schemes have been evident in recent days**, as Party commentary has mapped out Beijing's reaction to a controversy over the industrial chemical PX in Guangdong and

¹ NTDTV, <http://www.ntdtv.com/xtr/b5/2014/04/12/a1100887.html>; Hong Kong Economic Journal, http://www.hkej.com/template/dailynews/jsp/detail.jsp?dnews_id=3984&cat_id=3&title_id=676483; SCMP Chinese, <http://www.nanzao.com/sc/china/25012/hu-jin-tao-di-diao-fang-hu-yao-bang-gu-ju-hu-de-hua-cheng-shi-qian-bu-zhi-qing>

“other emerging social hot spots”— outbreaks of discontent with local policies and the officials that promote them.”²

- ii. However, another analyst saw the **exact opposite**, arguing this **is staged and arranged under the blessing of Xi Jinping**, who hopes to broaden his political alliance: 北京獨立學者高瑜認為是「政治的安排」，她對本報表示，以胡錦濤的身分，行程都要經中辦安排，應獲現任總書記習近平首肯，所以在此敏感時刻就更具政治意義。高瑜表示，習近平成立了很多中央小組，說明其困境是權力不夠，無法推動自己的意圖，下面的人幾乎都是過去20年陸續安排好的，故此他要收權，才好做事。而習近平在政治上需要一些派系支持，在此問題上，習和胡錦濤完全可以建立一種政治聯盟。³

- c. Meanwhile, SCMP interviewed Hu Dehua, the son of Hu Yaobang, as this year marks the 25th anniversary of Hu Yaobang’s death. The younger Hu lamented the lost chance for change, that Hu Yaobang could have been the second national hero for China after Sun Yat-sen.⁴ His brother, Hu Deping, recently visited Japan on personal capacity at the invitation of Japan’s Foreign Ministry to repair the strained ties with the country.⁵ Global Times reported on Hu’s semi-diplomatic visit, calling Hu a former official of the Communist Party of China.⁶

2. Communist Party Suicides

- a. A recent state media report revealed that at least 54 Chinese officials died of “unnatural causes” in 2013, and that more than 40 percent of those deaths were suicides⁷
- b. The most recent case was Xu Ye’an, the deputy chief of China’s national-level Bureau for Letter and Calls. According to local media reports, Xu killed himself in his office on April 10, but the circumstances of his death remain unclear. On April 9, the deputy director of a neighborhood construction management office in a small city in Zhejiang province, who was responsible for overseeing building inspections at a time when an entire apartment building collapsed, was reported to have committed suicide in disgrace. Two days before that, Zhou Yu, a senior police official in Chongqing and a major player in the anti-gang crackdown there a few years ago, was found in a hotel room having apparently hanged himself.
- c. Russell Leigh Moses notes on the WSJ that the pressure faced by Chinese officials is nothing new⁸, quoting a survey in 2009 on the

² WSJ, <http://blogs.wsj.com/chinarealtime/2014/04/11/loaded-leisure-the-politics-of-hu-jintaos-trip-to-hunan/?mod=e2tw>

³ Mingpao, <http://news.mingpao.com/20140414/caa2.htm>

⁴ SCMP, <http://www.scmp.com/news/china/article/1482513/son-reformer-hu-yaobang-rues-lost-chance-change-25-years-after-his-death>

⁵ SCMP, <http://www.scmp.com/news/asia/article/1474609/high-hopes-princeling-hu-depings-tokyo-visit>

⁶ Global Times, <http://www.globaltimes.cn/content/853738.shtml#.U09iU47MBWg>

⁷ Xinhua, http://jiangsu.china.com.cn/html/law/political/271119_1.html

People's Tribute (Renmin Luntan) which found that more than 80% of Party officials reported psychological fatigue and mental imbalance. The report also quoted high level officials speaking about the "five ways to death" facing those who worked in the government: "without fortitude, you'll scare easily; without a good physique, you'll die from overwork; without capacity for liquor, you'll die from drink; without a good disposition, you'll be worried to death; without a good heart, you'll die from being angry." ("没有好胆子得吓死, 没有好身板得累死, 没有好酒量得喝死, 没有好性格得急死, 没有好胸怀得气死。")⁹

- i. SCMP Chinese reported recently that a judge in Lanzhou had "a mental breakdown" after not being able to conclude a controversial case on ownership which had caused a fight that numbered a few hundred.¹⁰
- d. Moses said "what is different is that these strains on the rank-and-file appear to have gotten even more oppressive amidst Beijing's demands that cadres labor harder, govern more effectively, and behave better." He quoted another essay which says that "the emphasis for officials these days is on "'work, work, work,' 'assessment, evaluation, assessment,' 'management, management, management'." He questions: **"Are Xi Jinping's Party reform efforts putting undue pressure on officials? Are the suicides the result of corruption investigations, and if so, is Beijing intentionally pushing a handful of officials over the brink as an example to others? Or is there some other dynamic at work?"**
- e. Official accounts typically attribute the suicides to depression or mental illness. Moses notes that "a lack of transparency over the deaths makes it impossible to judge the truth of those claims". He quotes Chinese commentaries arguing that the lack of transparency left people little space but to guess the worst --- namely, that the cadre in question was corrupt and, confronted with exposure, took his or her own life. One Sohu commentary he quoted, for example, says that "Everyone loses when officials commit suicide, no matter whether [the cause is] political, personal or societal." Allowing light into "this relatively closed political system" would also allow the opportunity for corrupt officials to be removed—or at least exposed to the point where they would feel that stepping down from office would be better than stepping away from the world.¹¹
- f. Yet Moses laments that "there's little chance that these proposals will find much favor soon, especially when Beijing is slapping down

⁸ WSJ, <http://blogs.wsj.com/chinarealtime/2014/04/15/the-mystery-shrouding-chinas-communist-party-suicides/>

⁹ People's Tribune, http://paper.people.com.cn/rmlt/html/2009-01/16/content_179981.htm

¹⁰ SCMP Chinese, <http://www.nanzao.com/sc/china/25233/lan-zhou-guan-yuan-gu-guan-jiu-fen-yin-gong-di-qun-ou-nu-fa-guan-jing-shen-beng-kui>

¹¹ Sohu, <http://news.sohu.com/20140411/n398062928.shtml>; China Youth Daily, <http://www.chinacourt.org/article/detail/2014/04/id/1274440.shtml>; <http://internal.dbw.cn/system/2014/04/12/055645851.shtml>

attempts by citizen activists to hold officials directly accountable to the public, instead of through the Communist Party first.”

- g. This month, the Discipline Inspection Commission began issuing weekly reports on its website that **name and shame officials** for even the most minor of infractions, calling it the “Monitoring and Reporting Through Train” (纠正四风监督举报直通车).¹² The committee’s most recent report cites 220 officials for misdeeds ranging from playing mah-jongg or gambling (six officials) to playing computer games at work (nine officials).
 - i. WSJ: “The most common infraction, accounting for 44 cases, was “abuse of business cars.” One official in Shandong was warned after using a government car to pick up his daughter, while his boss was also called in for a meeting with the local Discipline Inspection Commission as punishment. In another case, the head of a local sanitation department in Jiangsu was criticized for drinking during the day. While eating lunch at a hotel in October, according to the report, he drank one glass of fiery baijiu liquor and three bottles of beer. A companion also had a beer, the report noted. Another nine individuals were also cited for drinking alcohol during the day. (The only surprising thing about those citations might be the fact that there are evidently party rules banning such daytime drinking in the first place.)”
 - ii. “On social media, reaction to such releases has been mixed, particularly with regard to certain infractions.” Some pointed to a recent case in which a head teacher at a primary school in Jiangsu invited 40 tables’ worth of people to his son’s wedding last September and taking monetary gifts amounting to 11,200 yuan (\$1,800) from his colleagues during the event. One Sina Weibo user asked why can’t you take red envelopes just because you are a head teacher? “But others were more impressed. One was quoted for saying that “this anti-corruption crackdown in China really lets people see hope.”¹³
- h. An SCMP Chinese article points towards the acceleration on anti-corruption efforts at the local level, quoting an official source that in shortly three months time there have been 300 local officials (county levels or above) investigated on anti-corruption charges.¹⁴
- i. Anti-corruption efforts are spreading to SOEs. On April 16, a Xinhua News reporter, Wang Wenzhi, reported Song Lin, Chairman of the China Resources Company, for corruption, mismanagement of state assets and having a mistress. Song made a public statement saying

¹² Discipline Inspection Committee, http://www.ccdi.gov.cn/xwtt/201404/t20140409_21513.html, <http://www.ccdi.gov.cn/special/jdjbztc/#info2>

¹³ WSJ, <http://blogs.wsj.com/chinarealtime/2014/04/16/named-and-shamed-china-publishes-weekly-officials-behaving-badly-report/>

¹⁴ SCMP Chinese, <http://www.nanzao.com/sc/china/25265/2014nei-di-fan-fu-xin-qu-shi-di-fang-ji-wei-ji-zhong-fa-li>

that Wang's accusation was maliciously fabricated. Song has been reported by another netizen previously.¹⁵

- j. A Reuters report, on the other hand, looked at the princelings' involvement in the private equity business. The story focuses on Alvin Jiang, the 28-year-old grandson of Jiang Zemin, who has set up the Boyu Capital in 2010, which has already attracted high-profile investors such as Asia's richest man, Li Ka-shing, and Singapore's sovereign wealth fund, Temasek Holdings Private Limited. It raises questions on Alvin Jiang's use of his family connections: "Whether the young private equity executive actually uses his personal connections in the way investors attribute to him remains unclear. There is no evidence that Jiang Zemin had a role in helping Boyu win a part in the Sunrise deal or in any other transaction. That hasn't stopped the belief from spreading that Alvin Jiang is tapping his family connections."¹⁶

Taiwan

1. Taiwanese protest coalition ended trade protests
 - a. Student protesters have ended their three-week long (24 days, 585 hours) sit in at the Taiwanese legislature, after KMT legislature speaker Wang Jin-pyng visited the occupied Yuan and **conceded to closer oversight of trade agreements with China, saying that a bill that would allow lawmakers to have closer oversight of agreements with China should be approved before the legislature resumed consideration of the trade pact.** As speaker, Mr. Wang is responsible for convening meetings between parties, a powerful tool in organizing the legislative agenda.¹⁷ "Wang's announcement caught the Ma administration off-guard and the KMT accused the speaker of "betraying" the party. However, **the Sunflower Movement regarded Wang's declaration as an act of goodwill and soon afterwards** announced that it would vacate the legislature on April 10, exactly 35 years after the enactment of the U.S. Taiwan Relations Act (TRA), an act of Congress meant to ensure the security of Taiwan following Washington's decision to switch diplomatic relations with China."¹⁸
 - b. **What happened on the day of evacuation?** On April 10, around 300 students pulling out from the LY were welcomed by tens of thousands of supporters during a ceremony high in emotions. A few dozen members of the alliance who had occupied the second floor of the legislature began evacuating at about 4 pm. As they climbed down a single ladder, hundreds of teary-eyed supporters cheered them with rounds of applause. As the activists emerged from the building, a full brass band played the song "Island's Sunrise" (島嶼天光) by the band

¹⁵ SCMP Chinese, <http://www.nanzao.com/sc/china/25181/xin-hua-she-ji-zhe-shi-ming-zai-ju-bao-hua-run-dong-shi-chang-cheng-chun-shu-nie-zao>

¹⁶ Reuters, <http://www.reuters.com/article/2014/04/10/us-china-privateequity-special-report-idUSBREA3900D20140410>

¹⁷ <http://udn.com/NEWS/BREAKINGNEWS/BREAKINGNEWS1/8595580.shtml>

¹⁸ Diplomat, <http://thediplomat.com/2014/04/sunflowers-end-occupation-of-taiwans-legislature/>

FireEX, which has become the anthem for the movement. In the two hours that followed, several students, academics and activists delivered emotional speeches on a makeshift stage and reaffirmed their commitment to continuing the fight.¹⁹

- c. J. Michael Cole noted: the Sunflower Movement was an **entirely new phenomenon in Taiwan, an awakening from a slumber of defeatism that will likely change the face of politics on the island as well as Taipei's relations with Beijing.**
 - i. Emphasized **an identity that appeals to the majority of Taiwanese. It does not oppose trade deals, nor does it reject cultivating good relations with China** (in fact, a number of Chinese are known to have visited the site and interacted with activists during the occupation). But it has drawn lines with regards to the ways of life and freedoms of all Taiwanese and sent a clear warning that anyone who crosses those lines will face a challenge from thousands of highly educated, connected, and united Taiwanese.
 - ii. The movement **spans generations**, has drawn the involvement of dozens of lawyers, hundreds of doctors, academics, university heads, and **has finally transcended the "ethnic" politics that for far too long had kept the nation in a perpetual state of war with itself.**
 - iii. Perhaps most tellingly, **the young man in charge of security inside the legislature** — a third-generation "mainlander" — **was the son of the former official in charge of security for former president Chiang Ching-kuo**, who held various senior positions in government when Taiwan was still under Martial Law.
 - iv. **With such a shift, it looked like Taiwan had entered a new phase in its history from which there was no turning back.** There no longer was an original sin, only a determined gaze toward the future, unblemished by self-doubt or fear of defying the powers that be. **They had defied an entire state apparatus, pro-China oligarchs, biased media, world indifference and a famous gangster, and they stood their ground.** To them, there was nothing inevitable about their fate, as CCP propagandists would argue; it was theirs to shape.
- d. Cole also noted: "There was also a lot of doubt about the Ma administration's willingness or ability to meet their demands.... a KMT source confirmed [...] that the party would appeal a March 19 district court ruling allowing Wang to retain his KMT membership, which President Ma had sought to see revoked amid allegations that Wang had unduly influenced a breach-of-trust case involving an opposition lawmaker. **Many saw the decision as a sign that the Ma**

¹⁹ *ibid.*

administration was trying to punish Wang for “betraying” the party by agreeing to the movement’s demands.”²⁰

- e. A Financial Time article in Chinese, written by Xiaoshu (笑蜀), note that the Sunflower Movement exposed deep-seated problems across the straits.
 - i. He argues that the movement was **the rejection of the China model**, (台灣太陽花學運最重要的成因，是對“中國模式”的反彈)，which he meant by the institutional and value confidence that China developed since 2008 (制度上和價值觀上的所謂自信). There are three types of clashes. First, clash with **Taiwan society’s humanistic value**. Second, clash with **social justice**. Third, clash with the **values on freedom**. However, Xiao Shu says Taiwan **should not throw out the baby with the bath water**. He argues that while the protests against CSSTA can be justified, **Taiwan eventually needs a service trade pact to revive its economy and, for him, this can become a pivot to change China**: 不可臟水跟嬰兒一起潑掉，不僅台灣經濟需要服貿，改變中國也需要服貿。如果服貿重點是大陸服務業和金融業對台開放，這本身就可以是改變中國的支點。因為過去台商到大陸，從事的大多是加工製造業。而加工製造業跟集權體制及官商勾結可以很好兼容，除了讓業主暴富，確實對大陸體制的改變並無實質推動。被改變的反而是台商，所以台商的整體社會評價不高。但服務業尤其高端服務業不然，它們對制度環境極其敏感，對公平競爭的市場秩序、對法治程度、對信息自由流通要求都很高。一旦在扎緊台灣的籬笆之後，台灣服務業尤其高端服務業以台灣為總部而大舉進軍大陸市場，不可能設想他們會像加工製造業的台灣業主那樣，對大陸的制度環境有那麼高的容忍度。那麼無論他們願意不願意，他們都必須跟大陸的民營資本一起，共同推動體制的變化。兩岸也就更容易形成合力，持續推動中國的改變。²¹
 - 1. The article, according to the author, is censored in China
 - ii. Charles I-hsin Chen, a former spokesperson of the ruling Kuomintang Party and now a research associate at the LSE, argues on the Diplomat that “**the protests have undermined Taiwan’s reputation**”: “To avoid interference in Taiwan’s domestic affairs, the U.S., Japan and other countries will certainly avoid addressing cross-Strait issues in their economic negotiations with Taiwan. However, the credibility and capability of Taiwan government in committing to greater economic liberalization is a crucial factor for these potential partners in calculating whether it is worth strengthening economic ties with this island. In fact, the current failure to ratify the TiSA in the legislature has apparently already had a negative impact. According to Economics Minister Chang Chia-

²⁰ *ibid.*

²¹ FT Chinese, <http://big5.ftchinese.com/story/001055726?full=y>

juch, some countries considering signing a free trade agreement (FTA) with Taiwan – including the Philippines, Israel, India and Indonesia – are starting to prefer a wait-and-see approach.”²²

- iii. The article also quotes Bonnie Glaser, a senior fellow in the Center for Strategic and International Studies, who said that **China will not support Taiwan’s bid to join multilateral trade agreements such as the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP) before the TiSA is ratified**. She argued, “China can use its influence to pressure one of the twelve TPP negotiating countries to not permit Taiwan to join.”²³
- f. What will happen next?
 - i. Aries Poon and Tom Wright report at China Real Time, polls **show a public more or less evenly divided over the pact, which remains “likely to pass eventually in some form.”** In any case, they argue, the long term trend of expanding economic ties seems inexorable.
 - ii. Mainland’s Taiwan Office **rejected earlier reports about Beijing allowing possibility of re-negotiating CSSTA, arguing that there are “no precedents for re-negotiation”**.²⁴ Previously, a spokesman for the Office said that the causes for the anti-CSSTA movement should be blamed on Taiwan’s internal problems.²⁵
 - iii. The Diplomat’s Shannon Tiezzi asks if “Beijing wants to carry on as normal with cross-strait relations, will that be possible after the Sunflower Movement?”
 - 1. She notes that cross-straits exchanges, despite a possible shift, is **carrying on as usual as** Taiwan politician Vincent Siew attended the Boao Forum for Asia.
 - 2. During an earlier meeting with Premier Li Keqiang and Zhang Zhijun, the director of China’s Taiwan Affairs Office, which was **attempted to convey an image of ‘business as usual’ for cross-strait ties**, Siew recommended that China and Taiwan agree to link cross-strait economic ties with Taiwan’s regional economic integration—in essence, having China “reward” Taiwan for cross-strait deals by not blocking Taiwan’s access to regional trade pacts such as the Regional Comprehensive Economic Partnership (RCEP) and the Trans-Pacific Partnership (TPP).

²² Diplomat, <http://thediplomat.com/2014/04/sorry-the-protests-have-undermined-taiwans-reputation/>

²³ *ibid.*

²⁴ http://www.gwytb.gov.cn/wyly/201404/t20140411_6002693.htm

²⁵ <http://news.163.com/14/0327/05/9OAOATQS00014Q4P.html>

3. But Siew did not discuss the Sunflower movement directly nor allayed the existential concerns that Taiwanese protesters have regarding economic integration with China.
 4. Zhang Zhijun, on the other hand, did address the protesters concerns. He said that the protests were driven by the fear of some in Taiwan “that only large companies could benefit” from the CSSTA.
 5. Tiezzi argues that while this is partially true, **“this explanation allowed Zhang to ignore the strong sense within the Sunflower Movement that Taiwan should not get too close to mainland China.”** For her, **“the eventual fate of the CSSTA will be a good bellwether—Ma has made it clear he still wants it ratified before the approval of the new legislative oversight mechanism. Should he succeed, at long last, in pushing the bill through the legislature, cross-strait ties will be back on Ma’s preferred track. If not, the world will have to wait and see what cross-strait strategy Taiwan adopts next.”**²⁶
- g. Despite its vocal support, the oppositional Democratic Progress Party (DPP) kept a distance from the Sunflower Movement. Among the pan-green supporters, there is a resentment that the DPP has failed to live up to expectations because of its failure to check the legislation of CSSTA. Under the influence of the Sunflower movement, however, the DPP seems to be changing its course. Both the DPP Chairman Su Tseng-chang (蘇貞昌) and former premier Frank Hsieh (謝長廷) announced they would be withdrawing from the race for DPP chair. With the withdrawal of the two senior figures from the race, there are high hopes that the DPP will end its factional infighting and let Tsai Ing-wen (蔡英文), former DPP chairperson and a popular politician, run for the chair election.²⁷ As only one runner remains in the DPP leadership race, it will be a blow to the KMT to win another presidential election in 2016.²⁸
2. US House approves weapon sales to Taiwan.
- a. US will sell **four U.S. frigates** to Taiwan, and this also officially reaffirms U.S. support for the Taiwan Relations Act days before the 35th anniversary of that legislation. Taiwan’s Ministry of Foreign Affairs welcomed the passage of the bill, expressing its gratitude for the move. The DPP also weighed in, with Chariman Su Tseng-chang calling the U.S. security commitment to Taiwan and U.S. human rights

²⁶ Diplomat, <http://thediplomat.com/2014/04/after-taiwan-protests-chinese-leaders-stress-continued-cross-strait-ties/>

²⁷ Taipei Times, <http://www.taipeitimes.com/News/editorials/archives/2014/04/20/2003588435>

²⁸ SCMP, <http://www.scmp.com/news/china/article/1482512/tsai-ing-wen-only-candidate-head-dpp-after-rivals-withdraw>

advocacy “indispensable beacons of hope to Taiwan.” But China responded angrily. A statement from the Ministry of National Defense complained that “The U.S. side ignored China’s strong opposition, and insisted on passing the bill pushing weapons sales to Taiwan.”

- b. The Diplomat report points out that: “Interestingly, the response from China treats the bill as a done deal, even though the bill has currently only passed the Republican-controlled House of Representatives. **...elides the distinction between Congress and the White House by accusing the “U.S. side” of ignoring Chinese opposition.** Such complaints would have been directed more to the executive branch’s foreign policy apparatus than to Congress itself. Since the U.S. Congress is historically very supportive of Taiwan (and very critical of China, especially on human rights issues), it’s dangerous for China to equate Congressional action with White House policy, especially since Congress today is notorious for resisting Obama’s wishes.”²⁹

Culture

1. China Film Directors’ Guild declined to hand out its two top prizes for 2013
 - a. The reason, said director Feng Xiaogang, chairman of the guild’s nine-director awards jury, is the lack of high-quality contenders. Other prizes, including best actor, best actress and best young director, were given out.³⁰
 - b. Prominent Chinese director Jia Zhangke’s “A Touch of Sin,” which won best screenplay at last year’s Cannes film festival and has been critically celebrated, wasn’t eligible for consideration for the awards because Mr. Jia’s company couldn’t provide the guild a legal copy of the film on DVD or online. This film did not show in China because it was not approved.
 - c. “While there were no explicit references during the ceremony, the decision not to award the best director and best film honors is being interpreted by some insiders as a form of protest against the government’s decision not allow the movie to screen in general release in China. Jia’s critically celebrated film touches on many politically sensitive themes including corruption, economic inequality, prostitution and growing violence in China.”³¹
 - d. But jury members interviewed by NY Times insisted that the decision was based on the quality of the contending films alone. Director Wang Xiaoshuai said: ““This year’s selection wasn’t aimed at censorship, just at the Chinese film environment...We were just purely talking about films, about returning to origins, everything else was thrown out.”³²

²⁹ Diplomat, <http://thediplomat.com/2014/04/us-house-approves-frigate-sale-to-taiwan/>

³⁰ Guangming Wang, http://e.gmw.cn/2014-04/10/content_10959882.htm

³¹ Hollywood Reporter, <http://www.hollywoodreporter.com/news/major-chinese-film-awards-refuses-695002>

³² NY Times, http://sinosphere.blogs.nytimes.com/2014/04/10/seeking-more-from-chinese-films/?_php=true&_type=blogs&_r=0

- e. A number of low-budget films made by young Chinese directors were nominated for the best director and best picture awards, including “So Young” (致青春), a story about people reminiscing about their college days by actress-turned-director Vicki Zhao.
2. Activist writer Wang Lixiong publishes new novel
- a. Wang is in the midst of publishing his latest novel, Reincarnation (转世), chapter-by-chapter on his blog.³³ He has plans to release an eBook and an iPhone app after he has released the last chapter. Reincarnation starts with the same setting and some of the same characters from his 1991 novel Yellow Peril (黄祸), published overseas and translated under the title China Tidal Wave in 2008. That earlier novel imagines an imploding China that pulls the world into nuclear war. Reincarnation imagines an alternate evolution of the story, with characters manipulating public opinion, mostly online, in attempts to overthrow the government or hold prop up the mafia-like political system.³⁴

Hong Kong

1. China announced a plan to allow **two-way investment** between the Shanghai and Hong Kong stock exchanges
 - a. Under the arrangement called **Shanghai-Hong Kong Stock Connect**, “individual investors in Hong Kong will be able to use their local brokerage accounts to trade the shares of companies listed in Shanghai...At the same time, investors in mainland China would be able to use their local brokers to buy Hong Kong-listed shares. This outbound trading would be restricted to institutions or individual investors whose accounts have a minimum of 500,000 renminbi, or about \$80,500. The combined daily trading would be capped at 23.5 billion renminbi, the regulators said. That is equal to about 20 percent of the combined average daily trading turnover of both markets.”
 - b. HSBC deputy chairman said: “The landmark agreement gives global investors greater access to China’s extraordinary growth story and allows Chinese savers to diversify their holdings... This is further confirmation of China’s commitment to financial reform, and reaffirms Hong Kong’s role as the fulcrum of China’s broader economic integration with the global economy.”
 - c. But details of the **stock trading program remain to be worked out**. the announcement by the two regulators said the proposal would enable “mainland investors to directly participate in the Hong Kong stock market using RMB. However, “Hong Kong trading is carried out using the Hong Kong dollar, which is pegged to the dollar and — unlike the renminbi — is a freely convertible currency. Almost no Hong Kong stocks trade in renminbi.” Regarding the variation

³³ Wang Lixiong’s blog, <http://wanglixiong.com/>

³⁴ China Digital Times, <http://chinadigitaltimes.net/2014/04/viral-control-net-wang-lixions-new-novel/>

between Hong Kong and China's legal systems, the regulators said they would work together on a framework that would "respond to all misconduct in either or both markets on a timely basis."³⁵

³⁵ NY Times, http://www.nytimes.com/2014/04/11/business/international/china-sets-hong-kong-shanghai-trading-deal.html?_r=0