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China Holds Firm on Major Issues in Obama's Visit

By HELENE COOPER

BEIJING — In six hours of meetings, at two dinners and during a stilted 30-minute news conference in which President <u>Hu Jintao</u> did not allow questions, <u>President Obama</u> was confronted, on his first visit, with a fast-rising <u>China</u> more willing to say no to the United States.

On topics like Iran (Mr. Hu did not publicly discuss the possibility of sanctions), China's currency (he made no nod toward changing its value) and human rights (a joint statement bluntly acknowledged that the two countries "have differences"), China held firm against most American demands.

With China's micro-management of Mr. Obama's appearances in the country, the trip did more to showcase China's ability to push back against outside pressure than it did to advance the main issues on Mr. Obama's agenda, analysts said.

"China effectively stage-managed President Obama's public appearances, got him to make statements endorsing Chinese positions of political importance to them and effectively squelched discussions of contentious issues such as human rights and China's currency policy," said <u>Eswar S. Prasad</u>, a China specialist at <u>Cornell University</u>. "In a masterstroke, they shifted the public discussion from the global risks posed by Chinese currency policy to the dangers of loose monetary policy and <u>protectionist</u> tendencies in the U.S."

White House officials maintained they got what they came for — the beginning of a needed give-and-take with a surging economic giant. With a civilization as ancient as China's, they argued, it would be counterproductive — and reminiscent of President <u>George W. Bush</u>'s style — for Mr. Obama to confront Beijing with loud chest-beating that might alienate the Chinese. Mr. Obama, the officials insisted, had made his points during private meetings and one-on-one sessions.

"I do not expect, and I can speak authoritatively for the president on this, that we thought the waters would part and everything would change over the course of our almost two-and-a-half-day trip to China," said <u>Robert Gibbs</u>, the White House spokesman. "We understand there's a lot of work to do and that we'll continue to work hard at making more progress."

Several China experts noted that Mr. Obama was not leaving Beijing empty-handed. The two countries put out a five-point joint statement pledging to work together on a variety of issues. The statement calls for regular exchanges between Mr. Obama and Mr. Hu, and asks that each side pay more attention to the strategic concerns of the other. The statement also pledges that they will work as partners on economic issues, Iran and <u>climate change</u>.

But despite a conciliatory tone that began weeks ago when Mr. Obama declined to meet the Tibetan spiritual leader, the <u>Dalai Lama</u>, before visiting China to avoid offending China's leaders, it remains unclear whether Mr. Obama made progress on the most pressing policy matters on the American agenda in China or elsewhere in Asia.

The president has had to fend off criticism from American conservatives that <u>he appeared to soften the</u> <u>American stance</u> on the positioning of troops on the Japanese island of Okinawa, and for <u>bowing to Japan's</u> <u>emperor</u>.

At a regional conference in Singapore, Mr. Obama announced a setback on another top foreign policy priority, climate change, acknowledging that <u>comprehensive agreement to fight global warming was no longer within reach</u> this year.

Past American presidents have usually insisted in advance on some concrete achievements from their trips overseas. President Bush received vigorous endorsements of his top foreign policy priority, the global war on terrorism, during his visits to Beijing, and President <u>Bill Clinton</u> guided China toward joining the <u>World Trade Organization</u> after prolonged negotiations. When either of those presidents visited the country, China often made a modest concession on human rights as well.

This time, Mr. Hu declined to follow the lead of President <u>Dmitri A. Medvedev</u> of Russia, who, after months of massaging by the Obama administration, <u>now says that he is open to tougher sanctions</u> against Iran if negotiations fail to curb <u>Iran's nuclear program</u>. The administration needs China's support if tougher sanctions are to be approved by the <u>United Nations Security Council</u>. But during the joint appearance in Beijing on Tuesday, Mr. Hu made no mention of sanctions.

Rather, he said, it was "very important" to "appropriately resolve the Iranian nuclear regime through dialogue and negotiations." And then, as if to drive home that point, Mr. Hu added, "During the talks, I underlined to President Obama that given our differences in national conditions, it is only normal that our two sides may disagree on some issues."

White House officials acknowledged that they did not get what they wanted from Mr. Hu on Iran but said that Mr. Obama's method would yield more in the long term. "We're not looking for them to lead or change course, we're looking for them to not be obstructionist," one administration official said.

In a meeting in Beijing with a senior Chinese official on Wednesday morning, Secretary of State <u>Hillary</u> <u>Rodham Clinton</u> again pressed China on Iran. She told the official, Dai Bingguo, that even if China had not decided what sanctions on Iran it would accept, "you need to send a signal," said a senior American official, who spoke on condition of anonymity so he could describe the exchange.

Mr. Obama did not appear to move the Chinese on currency issues, either. China has come under heavy pressure, not only from the United States but also from Europe and several Asian countries, to revise its policy of keeping its currency, the renminbi, pegged at an artificially low value against the dollar to help promote its exports. Some economists say China must take that step to prevent the return of large trade and financial imbalances that may have contributed to the recent financial crisis.

Mr. Obama on Tuesday could only cite China's "past statements" in support of shifting toward market-

oriented exchange rates, implying that he had not extracted a fresh commitment from Beijing to move in that direction soon.

There are many reasons the White House may have heeded China's clear desire for a visit free of the polemics that often accompany meetings between leaders of the two countries. Mr. Obama's foreign policy is rooted in recasting the United States as a thoughtful listener to friends and rivals alike. "No we haven't made China a democracy in three days — maybe if we pounded our chest a lot that would work," Mr. Gibbs said in an e-mail message on Tuesday night. "But it hasn't in the last 16 years."

<u>Kenneth Lieberthal</u>, a <u>Brookings Institution</u> scholar who oversaw China issues in President Clinton's White House, agreed. "The United States actually has enormous influence on popular thinking in China, but it is primarily by example," he said. "If you go to the next step and say, 'You guys ought to be like us,' you lose the impact of who you are."

The <u>National Security Council</u>'s spokesman, Michael A. Hammer, added, "What we did come to do is speak bluntly about the issues which are important to us, not in an unnecessarily offensive manner, but rather in the Obama style of showing respect."

Mr. Obama, even as he projected a softer image, did nudge the Chinese on some delicate issues.

On Tuesday, standing next to Mr. Hu, Mr. Obama brought up Tibet, where Beijing-backed authorities have clamped down on religious freedom. "While we recognize that Tibet is part of the People's Republic of China, the United States supports the early resumption of dialogue between the Chinese government and representatives of the Dalai Lama to resolve any concerns and differences that the two sides may have," he said.

Reporting was contributed by Sharon LaFraniere, Edward Wong, Michael Wines and Mark Landler.

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