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Tough on China? Obama starts trip by calling Beijing an economic superpower, offering more visas

President seeks progress on press freedom, crackdown on cyberhacking on Beijing visit

By <u>Ben Wolfgang</u> and <u>Dave Boyer</u> November 10, 2014

With his political leverage at home weakened after last week's midterm elections, President Obama on Monday set up his bully pulpit on the international stage, telling Chinese leaders they must couple their country's economic rise with a commitment to American-style democratic principles.

Speaking in Beijing at the outset of a weeklong trip, Mr. Obama declared that the U.S. welcomes China's status as an economic superpower, casting it as beneficial for both the bilateral relationship between the two countries and for the larger global order.

The president contrasted that rosy picture with specific issues he says must be tackled by the Chinese government — a greater commitment to human rights, freedom of the press, a crackdown on cyberhacking, intellectual property protections and others.

But analysts say the president has relatively little leverage over China, perhaps as little as he's ever had given the results of last week's elections, his status as a lame-duck president and the White House's attention to other international crises.

Some specialists also believe there's a feeling inside China that the administration has taken its eye off of Asia in order to focus on other international challenges — such as the rise of the Islamic State in the Middle East — and that dynamic could hamper U.S.-China relations moving forward.

"I would say the Chinese are somewhat gleeful about the diminished attention to Asia," said Bonnie Glaser, a senior adviser for Asia at the Center for Strategic and International Studies.

For its part, the administration is highlighting areas of cooperation and pushing back against the notion it is neglecting Asia.

Just before Mr. Obama admonished the Chinese government on human rights and other issues, he announced a new visa agreement between the U.S. and China.

Described by administration officials as a "game-changer," the new agreement extends the validity of short-term tourist and business visas for those traveling from the U.S. to China, or vice versa, to 10 years. Previously they were valid for just one year.

The two nations also will begin issuing student visas valid for five years rather than one, officials said.

Minutes after unveiling that agreement, the president aired American grievances with the rising superpower.

"We look to China to become an innovative economy that values the protection of intellectual property rights and rejects cybertheft of trade secrets for commercial gain. We look to China to approve biotechnology advances that are critical to feeding a growing planet on the same time line as other countries, to move definitively toward a more market-determined exchange rate and, yes, to stand up for human rights and freedom of the press," the president said during a speech to the Asia-Pacific Economic Cooperation (APEC) summit on Monday.

"And we don't suggest these things because they're good for us; we suggest that China do these things for the sake of sustainable growth in China and the stability of the Asia-Pacific region," he told Beijing's leaders in their own capital.

Early Tuesday, Mr. Obama announced that the U.S. and China were nearing a deal to expand the scope of goods covered by the Information Technology Agreement, which could lead to the first major tariff-cutting deal at the World Trade Organization in 17 years.

"It is fitting that we are here with our APEC colleagues to share the news that the United States and China have reached an understanding that we hope will contribute to a rapid conclusion of the broader negotiations in Geneva," Mr. Obama said.

Despite the administration's desire to partner with Beijing — a desire that, at least publicly, Chinese officials seem to share — some former officials worry the relationship lacks a strategic big picture vision and the framework for a long-term economic partnership.

"Right now there's a void in the relationship the relationship is crying out for something bigger and bolder," former U.S. Ambassador to China Jon Huntsman told CNN on Monday, adding that Russian President Vladimir Putin or other world leaders could step into the vacuum and take America's spot as a key economic ally to China.

There are signs the White House wants to firm up its relationship with China. On Monday, Mr. Obama said he hopes to make progress on a "bilateral investment treaty" with China while he's in Beijing. Such a deal, he said, would "unlock even more progress and more opportunity" for both nations.

But specialists say that if such a deal materializes, the U.S. may have to accept a host of Chinese policies with which it sharply disagrees.

"I think the Chinese understand that on most issues — freedom of the press, human rights [and], to a lesser degree, intellectual property — the U.S. has ideas on what we'd like China to do, but we're not prepared to sacrifice much to get those things. It's hard to see why a speech by the president of the United States would" make a difference, said Benjamin Friedman, a research fellow in defense and homeland security studies at the libertarian Cato Institute.

As part of its broader policy toward Asia, the administration has zeroed in on the proposed Trans-Pacific Partnership (TPP), a deal that would include 12 Pacific Rim nations that account for roughly 40 percent of all world trade.

The White House wanted to finalize the agreement by the end of 2013, but now it's unclear when the partnership will come to fruition.

Officials say it's unlikely the deal will be signed during Mr. Obama's trip this week, raising questions about the future of U.S.-Asia cooperation.

"If TPP gets done, then I think this really strengthens the U.S. hand. It adds real beef to the U.S.-Asia strategy," Ms. Glaser said. "On the other hand, if it doesn't get done, I think some people would say it is the death knell of the rebalance to Asia. It's really seen as a litmus test, to see if the U.S. has skin in the game in Asia."