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## Barack Obama & Xi Jinping

### *Joint Rose Garden Press Conference*

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[AUTHENTICITY CERTIFIED: Text version below transcribed directly from audio]

**President Obama:** Good afternoon, everybody. Please have a seat.

I want to once again welcome President Xi back to the White House. We first hosted him here three years ago when he was Vice President. So this is our sixth meeting. As a result of our efforts, our two nations are working together more closely across a broader range of critical issues -- and our cooperation is delivering results, for both our nations and the world.

Since I took office, American exports to China have nearly doubled and now support nearly one million American jobs. Chinese investment in the United States helps support jobs across our country.



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We partner to address global challenges, whether it's promoting nuclear security, combating piracy off the Horn of Africa, encouraging development and reconciliation in Afghanistan, and helping to end the Ebola epidemic in West Africa.

The historic climate change announcements that we made last year in Beijing have encouraged other countries to step up, as well, increasing the prospects for a stronger global agreement this year. And as a member of the P5+1, China was critical to both the sanctions regime that brought Iran to the negotiating table and to the talks that produced the comprehensive deal to prevent Iran from obtaining a nuclear weapon.

So, greater prosperity and greater security -- that's what American and Chinese cooperation can deliver. That's why I want to say again, the United States welcomes the rise of a China that is peaceful, stable, prosperous, and a responsible player in global affairs. And I'm committed to expanding our cooperation, even as we address disagreements candidly and constructively. That's what President Xi and I have done on this visit -- during our working dinner last night and our meetings today.

Let me mention some specifics. First, with respect to our economic relationship, we agreed to step up our work toward a high-standard bilateral investment treaty that would help level the playing field for American companies. We've committed ourselves to a set of principles for trade in information technologies, including protection of innovation and intellectual property. President Xi discussed his commitment to accelerate market reforms, avoid devaluing China's currency, and have China play a greater role in upholding the rules-based system that underpins the global economy -- all of which are steps we very much support.

I raised once again our very serious concerns about growing cyber-threats to American companies and American citizens. I indicated that it has to stop. The United States government does not engage in cyber economic espionage for commercial gain.



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And today, I can announce that our two countries have reached a common understanding on the way forward. We've agreed that neither the U.S. or the Chinese government will conduct or knowingly support cyber-enabled theft of intellectual property, including trade secrets or other confidential business information for commercial advantage. In addition, we'll work together, and with other nations, to promote international rules of the road for appropriate conduct in cyberspace.

So this is progress. But I have to insist that our work is not yet done. I believe we can expand our cooperation in this area, even as the United States will continue to use all of the tools at our disposal to protect American companies, citizens and interests.

Second, I'm pleased that we're building on last year's climate commitments. Last month, I issued our Clean Power Plan to help reduce America's carbon emissions. Today, I want to commend China for announcing that it will begin a national market-based cap-and-trade system to limit emissions from some of its largest sectors. Last year, I announced our pledge of \$3 billion to the Green Climate Fund to help developing nations deal with climate change. Today, I welcome China's major commitment of climate finance for the most vulnerable countries as well.

Our two countries are also putting forward our common vision for the ambitious climate change agreements that we seek in Paris. When the world's two largest economies, energy consumers and carbon emitters come together like this, then there's no reason for other countries -- whether developed or developing -- to not do so as well. And so this is another major step towards the global agreement the world needs to reach in two months' time.

Third, with respect to security in the Asia Pacific, we agreed to new channels of communication to reduce the risks of miscalculations between our militaries. The United States and China have reaffirmed our commitment to the complete and verifiable denuclearization of the Korean Peninsula in a peaceful manner. We demand the full implementation of all relevant U.N. Security Council resolutions and we will not accept North Korea as a nuclear weapon state.



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We did have candid discussions on the East and South China Seas, and I reiterated the right of all countries to freedom of navigation and overflight and to unimpeded commerce. As such, I indicated that the United States will continue to sail, fly, and operate anywhere that international law allows. I conveyed to President Xi our significant concerns over land reclamation, construction, and the militarization of disputed areas, which makes it harder for countries in the region to resolve disagreements peacefully. And I encouraged a resolution between claimants in these areas. We are not a claimant; we just want to make sure that the rules of the road are upheld.

I reiterated my strong commitment, as well, to our One-China policy based on the Three Joint Communiqués and the Taiwan Relations Act.

Fourth, we've agreed to do more to promote international security. At the United Nations in the coming days, the U.S. and China will bring countries together to promote development in Afghanistan, and we'll work with our many partners to strengthen international peacekeeping. We agree that all parties, including Iran, need to fully implement the nuclear deal, and that U.N. Security Council resolutions need to be fully enforced.

For the first time, the U.S. and China will also formally partner to promote global development. Building on our efforts against Ebola, we'll work to strengthen global health security. We'll expand our joint efforts on humanitarian assistance, disaster response, agricultural development and food security. And given China's success in lifting hundreds of millions of people out of poverty -- which is one of the most remarkable achievements in human history -- we will help rally the world this weekend around new development goals, including our goal to end extreme poverty.

Fifth, we had a frank discussion about human rights, as we have in the past. And I again affirmed America's unwavering support for the human rights and fundamental freedoms of all people, including freedom of assembly and expression, freedom of the press and freedom of religion.



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And I expressed in candid terms our strong view that preventing journalists, lawyers, NGOs and civil society groups from operating freely, or closing churches and denying ethnic minorities equal treatment are all problematic, in our view, and actually prevent China and its people from realizing its full potential.

Obviously, we recognize that there are real differences there. And President Xi shared his views in terms of how he can move forward in a step-by-step way that preserves Chinese unity. So we expect that we're going to continue to consult in these areas.

Even as we recognize Tibet as part of the People's Republic of China, we continue to encourage Chinese authorities to preserve the religious and cultural identity of the Tibetan people, and to engage the Dalai Lama or his representatives.

Finally, we're taking more steps to expand the connections between our two peoples. We launch a new initiative to boost tourism between our countries in the coming months. And just as children across China learn English, we're starting a new initiative called "1 Million Strong" to encourage 1 million American students to learn Mandarin Chinese over the next five years.

Vice President Biden pointed out that two of his children are already on track -- two of his grandchildren, actually. After all, if our countries are going to do more together around the world, then speaking each other's language, truly understanding each other, is a good place to start.

So, overall, we've had an extremely productive meeting. The particular work that has been done by our teams shows the extraordinary progress that we can make when we're working together. The candid conversations between President Xi and myself about areas of disagreement help us to understand each other better, to avoid misunderstandings or miscalculations, and pave the way potentially for further progress in those areas.



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And, President Xi, I want to thank you again for expanding your commitment to cooperation between our nations. I believe that it's another reminder that as we work to narrow our differences, we can continue to advance our mutual interests for the benefit not only of our two peoples, but for the benefit of the world.

Thank you very much.



**President Xi:** [As interpreted.] President Obama, dear friends from the press, ladies and gentlemen, dear friends -- good morning. It's a great pleasure for me to meet with all of you together with President Obama. Let me begin by thanking again President Obama and the U.S. government for the gracious hospitality and thoughtful arrangements and warm reception accorded to me and the Chinese delegation. I also want to thank the American people for a warm welcome.

Yesterday and today, President Obama and I have had in-depth discussions on our respective domestic and foreign policies, important topics in bilateral relations, international and regional situation. Our meetings are constructive and productive, and we have reached extensive and important consensus.

During the discussions, President Obama shared with me the domestic agenda and foreign policy priorities that he has been working on. And I congratulated him on the progress that he has made in those areas. I appreciate President Obama's reaffirmation to me that the United States welcomes the rise of a peaceful, stable and prosperous China. It supports China to play a bigger role in the international arena. And the United States supports China's reform at opening up.



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I indicated to President Obama that China is making all-around efforts to deepen comprehensive reform, to build law-based governance, to enforce strict party discipline, so as to achieve the grand goal of building a society of initial prosperity in all respects. The reform at opening up China will not stop.

China is firmly committed to the path of peaceful development. It is committed to growing friendship and cooperative relations with all countries in the world. To work with the United States to build the new model of major-country relationship without conflict, without confrontation, with mutual respect and win-win cooperation is a priority in China's foreign policy.

We have spoken highly of the important progress made in China-U.S. relations since the Sunnylands summit in 2013. And we have agreed to follow the consensus, expand the practical cooperation in various areas at the bilateral, regional, and global level, and manage differences and sensitive issues in constructive manner, and to advance the new model of major-country relationship between China and the United States.

We have agreed to deepen the practical cooperation in various areas at the bilateral scope. We have agreed to vigorously push forward the bilateral investment treaty negotiation, speed up the pace of the work so as to achieve a high standard and balanced agreement.

We will expand mutually beneficial cooperation in energy, environmental protection, science and technology, aviation, infrastructure, agriculture, health and other areas. The two governments and relevant agencies have signed many cooperation agreements, and our businesses have signed a series of commercial contact.

China and the United States are highly complementary economically and there is huge potential for further cooperation. For the United States to recognize China's market economy status and ease export control on civilian high-tech items, it will help expand the mutually beneficial cooperation between the two countries.



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We have also had in-depth discussion on the current international, economic, and financial situation. We have agreed to step up macroeconomic policy coordination and jointly promote global economic growth and financial stability. To this end, we have established the mechanism on regular phone conversation on economic affairs between China and the United States which will be led by Vice Premier Wong Yang of China and Secretary of Treasury Jacob Lew. They will stay in close communication on respective and global major economic issues.

We will also step up cooperation within G20, the World Bank, IMF, and other multilateral mechanisms. I appreciate the U.S. supporting including the RMB into the IMF Special Drawing Rights when certain standards of the IMF are met. And I also appreciate the U.S. commitment to implement the IMF quota and governance structure reform plan adopted at the G20 Summit in 2010 at an early date.

We have truly affirmed the new progress made in the confidence-building mechanisms between the two militaries. We have agreed to step up exchanges in policy dialogues between the two militaries at all levels, hold more joint exercises and training. We believe that terrorism is the common enemy of mankind, and we have agreed to step up multilateral and bilateral counterterrorism cooperation. We have decided to increase communication and cooperation on counter-piracy, humanitarian assistance, and disaster reduction, and international peacekeeping operation, and also anti-corruption -- law enforcement cooperation to jointly fight against all kinds of transnational corruption crimes.

We have in-depth discussion on the situation of the Asia Pacific. And we believe that China and the United States have extensive common interests in this region, and we should continue to deepen dialogue and cooperation on regional affairs and work together to promote active interactions and inclusive cooperation in the Asia Pacific, and work with countries in the Asia Pacific to promote peace, stability, and prosperity in this region.





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China is committed to the path of peaceful development and a neighboring foreign policy characterized by good neighborliness and partnership with our neighbors. Islands in the South China Sea since ancient times are China's territory. We have the right to uphold our own territorial sovereignty and lawful and legitimate maritime rights and interests. We are committed to maintaining peace and stability in the South China Sea, managing differences and disputes through dialogue, and addressing disputes through negotiation, consultation, and peaceful manner, and exploring ways to achieve mutual benefit through cooperation.

We're committed to respecting and upholding the freedom of navigation and overflight that countries enjoy according to international law. Relevant construction activities that China are undertaking in the island of South -- Nansha Islands do not target or impact any country, and China does not intend to pursue militarization.

China and the United States have a lot of common interests on the issue of South China Sea. We both support peace and stability of the South China Sea. The countries directly involved should address their dispute through negotiation, consultation and in peaceful means. And we support freedom of navigation and overflight of countries according to international law and the management of differences through dialogue, and full and effective implementation of DOC and an early conclusion of the consultation of COC based on consensus-building. We have agreed to maintain constructive communication on relevant issues.

China and the United States are two major cyber countries and we should strengthen dialogue and cooperation. Confrontation and friction are not made by choice for both sides. During my visit, competent authorities of both countries have reached important consensus on joint fight against cyber-crimes. Both sides agree to step up crime cases, investigation assistance and information-sharing. And both government will not be engaged in or knowingly support online theft of intellectual properties. And we will explore the formulation of appropriate state, behavior and norms of the cyberspace. And we will establish a high-level joint dialogue mechanism on the fight against cyber-crimes and related issues, and to establish hotline links.



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Democracy and human rights are the common pursuit of mankind. At the same time, we must recognize that countries have different historical processes and realities, and we need to respect people of all countries in the right to choose their own development path independently.

The Chinese people are seeking to realize the great renewal of the Chinese nation, which is the Chinese history. This process in essence is a process to achieve social equity and justice and advancing human rights. China stands ready to, in the spirit of equality and mutual respect, conduct human rights dialogue with the United States, expand consensus, reduce differences, learn from each other, and progress together.

We have decided to continue to work together to tackle global challenges and provide more public good for the international community. We, again, issued a joint announcement on climate change. We have agreed to expand bilateral practical cooperation, strengthen coordination in multilateral negotiation, and work together to push the Paris climate change conference to produce important progress.

We have signed China-U.S. development cooperation MOU, and we have agreed to expand trilateral cooperation in Asia, Africa and other regions in terms of food security, public health system establishment, emergency response, and disaster reduction. And we will maintain communication and coordination in implementing the post-2015 development agenda, promote a more equitable and balanced global development partnership, and help developing countries to achieve common development.

We have agreed to firmly uphold the international nuclear non-proliferation regime. President Obama and I welcome the comprehensive Joint Plan of Action reached by relevant parties regarding the Iranian nuclear issue. We reaffirmed that all relevant parties should undertake to implement the agreement fully, and work together to implement all relevant United Nations Security Council resolutions.



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We reaffirm our commitment to realize the complete and verifiable denuclearization of the Korean Peninsula in peaceful way. And we oppose any action that might cause tension in the Korean Peninsula or violate U.N. Security Council resolution. We believe that the September the 19th joint statement of the Six-Party talks and relevant U.N. Security Council resolutions should be implemented in full, and all relevant parties should work together to firmly advance the denuclearization process of the Korean Peninsula, and maintain peace and stability so as to achieve enduring peace and stability in Northeast Asia.

The friendship between the two peoples is the most reliable foundation for long-term and stable development of China-U.S. relations and we should endeavor to solidify this important foundation.

We have decided to make 2016 a year of tourism for China and the United States. In the next three years, we will fund a total of 50,000 students to study in each other's countries. We also welcome the United States' decision to extend the 100,000 Strong initiative<sup>1,2</sup> from universities to elementary and secondary schools, and by 2020, 1 million American students will learn Mandarin.

The door of friendship of China will continue to be open to the American people. I also hope that the Chinese people could come to the United States for holidays or visits more easily and conveniently.

Mr. President, with 36 years of development, the interests of China and the United States are deeply interconnected, and we have greater responsibilities for world peace and human progress. There are broad areas that the two sides should and can work together. The Chinese side stands ready to work with the United States to uphold a spirit of perseverance, and advance bilateral relations to seek further progress to the better benefits of the Chinese and American people and the people in the world.

Thank you.



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**President Obama:** Okay, we're going to take a few questions. We're going to start with Margaret Talev of Bloomberg.

**Question:** Thank you, Mr. President. President Obama and President Xi, I'd like to talk to you about cyber. If I am an American business and I'm being hacked by Chinese pirates who are trying to steal my intellectual property, what firm assurances can you give us today that things are going to get better, and when?

President Obama, are you satisfied enough about the steps that China is taking to hold off on imposing any new sanctions to this end? Or what do you still need to see?

And, President Xi, could we expect prosecutions of Chinese people and organizations who have hacked American businesses? And if the U.S. did sanction anyone in China, would you respond with sanctions?

Also, everyone will kill me if I don't ask -- what is your reaction to House Speaker John Boehner's decision to resign? Will this make life better or worse for you? Are you concerned it will make it more difficult to avoid a government shutdown or raise the debt limit? And do you think Boehner could just waive the rules and get immigration reform through before he leaves? Thank you.

**President Obama:** I'll take them in order. With respect to cyber, this has been a serious discussion between myself and President Xi since we first met in Sunnylands. And the good news, from my perspective, is, is that in the lead-up to and then finalized during our meetings here today, we have, I think, made significant progress in agreeing to how our law enforcement and investigators are going to work together, how we're going to exchange information, how we are going to go after individuals or entities who are engaging in cyber-crimes or cyber-attacks.



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And we have jointly affirmed the principle that governments don't engage in cyber-espionage for commercial gain against companies. That all, I consider to be progress.

What I've said to President Xi and what I say to the American people is the question now is, are words followed by actions. And we will be watching carefully to make an assessment as to whether progress has been made in this area.

With respect to the various tools that we have to go after those who are attacking our companies or trying to extract trade secrets or data, we have traditional law enforcement tools, but -- as I indicated a while back -- through executive action, I've also instituted the ability to impose sanctions on individuals or entities where we have proof that they've gone after U.S. companies or U.S. persons.

And we did not, at our level, have specific discussions of specific cases. But I did indicate to President Xi that we will apply those and whatever other tools we have in our toolkit to go after cyber criminals, either retrospectively or prospectively. Those are tools generally that are not directed at governments; they are directed at entities or individuals that we can identify. And they're not unique to China. Those are tools that we're going to be using for cyber criminals around the world.

And President Xi, during these discussions, indicated to me that, with 1.3 billion people, he can't guarantee the behavior of every single person on Chinese soil -- which I completely understand. I can't guarantee the actions of every single American. What I can guarantee, though, and what I'm hoping President Xi will show me, is that we are not sponsoring these activities, and that when it comes to our attention that non-governmental entities or individuals are engaging in this stuff, that we take it seriously and we're cooperating to enforce the law.



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The last point I'll make on the cyber issue -- because this is a global problem, and because, unlike some of the other areas of international cooperation, the rules in this area are not well developed, I think it's going to very important for the United States and China, working with other nations and the United Nations and other -- and the private sector, to start developing an architecture to govern behavior in cyberspace that is enforceable and clear.

It doesn't mean that we're going to prevent every cyber-crime, but it does start to serve as a template whereby countries know what the rules are, they're held accountable, and we're able to jointly go after non-state actors in this area.

On John Boehner, I just heard the news as I was coming out of the meeting here, so it took me by surprise. And I took the time prior to this press conference to call John directly and talk to him.

John Boehner is a good man. He is a patriot. He cares deeply about the House, an institution in which he served for a long time. He cares about his constituents, and he cares about America. We have obviously had a lot of disagreements, and politically we're at different ends of the spectrum. But I will tell you, he has always conducted himself with courtesy and civility with me. He has kept his word when he made a commitment. He is somebody who has been gracious.

And I think maybe most importantly, he's somebody who understands that in government, in governance, you don't get 100 percent of what you want, but you have to work with people who you disagree with -- sometimes strongly -- in order to do the people's business.

I'm not going to prejudge who the next Speaker will be. That's something that will have to be worked through in the House. And I will certainly reach out immediately to whoever is the new Speaker to see what his or her ideas are, and how we can make progress in the important issues that America faces.



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The one thing I will say is that my hope is there's a recognition on the part of the next Speaker -- something I think John understood, even though at times it was challenging to bring his caucus along -- that we can have significant differences on issues, but that doesn't mean you shut down the government. That doesn't mean you risk the full faith and credit of the United States. You don't invite potential financial crises. You build roads and pass transportation bills. And you do the basic work of governance that ensures that our military is operating and that our national parks are open and that our kids are learning.

And there's no weakness in that. That's what government is in our democracy. You don't get what you want 100 percent of the time. And so sometimes you take half a loaf; sometimes you take a quarter loaf. And that's certainly something that I've learned here in this office.

So I'm looking forward to working with the next Speaker. In the meantime, John is not going to leave for another 30 days, so hopefully he feels like getting as much stuff done as he possibly can. And I'll certainly be looking forward to working with him on that.

**President Xi:** [As interpreted.] Madam reporter has raised the cybersecurity issue. Indeed, at current, for the international community and for China and the United States, this is an issue all attach great importance to. With President Obama and I have on many occasions -- and this is a long history -- have exchange of views on this. I think it's fair to say we've reached a lot of consensus on cybersecurity, including some new consensus.

Overall, the United States is the strongest country in terms of cyber strength. China is the world's biggest cyber country in terms of the number of Web users. We have more than 600 million of netizens. Our two sides should cooperate because cooperation will benefit both, and confrontation will lead to losses on both sides. We are entirely able to carry out government department and expert levels of dialogue and exchanges to strengthen our cooperation in many respects and turn the cybersecurity between the two countries into a new growth source, rather than a point of confrontation between the two sides.



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China strongly opposes and combats the theft of commercial secrets and other kinds of hacking attacks. The U.S. side, if has concerns in this respect, we can, through the exiting channels, express those concerns. The Chinese side will take seriously the U.S. provision of any information. Now, we have already, and in the future, we will still, through the law enforcement authorities, maintain communication and coordination on this matter, and appropriately address them.

So, all in all, we have broad, common interest in the field of the cyber. But we need to strengthen cooperation and avoid leading to confrontation. And nor should we politicize this issue. During my current visit, I think it's fair to say that the two sides, concerning combating cyber-crimes, have reached a lot of consensus. Going forward, we need to, at an early date, reach further agreement on them and further put them on the ground.

Thank you.

Now I would like to propose for China's Central Television reporter to raise a question.

**Question:** Thank you, Mr. President Xi. I have a question for President Obama. I have noticed that last night, during a meeting with President Xi Jinping, as well as at the welcoming ceremony this morning and the just-recently-made remarks, you've indicated that the U.S. welcomes the rise of a peaceful, stable, and prosperous China, and supports China to play a bigger role on the international stage. Would you please elaborate? That for your office so far, what have you done to enable reaching this target? And we are more interested for the remainder of the office, what will you do still further to reach that goal? Thank you.

**President Obama:** Well, first of all, I think that the United States has provided a platform in the post-World War II era in which the Asia region has been able to stabilize, and the conditions in which China was able to grow so rapidly were maintained. And we're very proud of the work that we did after World War II to help rebuild both Asia and Europe; to help establish the international norms and rules that facilitated growing global trade and connections and travel and interactions; and to help maintain the peace.





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Since I've been President, my goal has been to consistently engage with China in a way that is constructive, to manage our differences and to maximize opportunities for cooperation. And I've repeatedly said that I believe it is in the interests of the United States to see China grow, to pull people out of poverty, to expand its markets, because a successful and stable and peaceful China can then serve as an effective partner with us on a range of international challenges.

Last night, during our discussions, I mentioned to President Xi that as powerful as the United States is, the nature of the biggest challenges we face -- things like climate change, or terrorism, or pandemic, or refugees -- those are not issues that any one nation alone can solve. And we recognize, because of our strength and the size of our economy and the excellence of our military, that we can play a special role and carry a larger burden, but we can't do it alone. China, despite its size, still has development challenges of its own, so it can't solve these problems alone. We've got to work together. We've got to cooperate.

And I think that can happen as long as we continue to recognize that there's a difference between friendly competition -- which we have with some of our closest friends and allies like Great Britain or Germany -- and competition that tilts the playing field unfairly in one direction or another. That's typically where tensions between our countries arise, is our desire to uphold international norms and rules -- even as we recognize that we need to update some of these international institutions to reflect China's growth and strength and power.

So President Xi mentioned IMF reform, quota reform. That's an area where we fully support and want to implement a greater voice and vote for China in that institution, reflective of its strength. The same will be true when we go up to the United Nations on peacekeeping initiatives. China is able to project its capabilities in a way that can be extremely helpful in reducing conflict.

And in all of those issues, as well as education, science, technology, we think that the opportunities for cooperation are there as long as there's reciprocity, transparency, and fairness in the relationship.



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And what I have said in the past to President Xi is, is that given China's size, we recognize there's still a lot of development to be done and a lot of poverty inside of China, but we can't treat China as if it's still a very poor, developing country, as it might have been 50 years ago. It is now a powerhouse. And that means it's got responsibilities and expectations in terms of helping to uphold international rules that might not have existed before.

And that is something China should welcome. That's part of the deal of being on the world stage when you're a big country, is you've got more to do. My gray hair testifies to that.

Julie Davis.

**Question:** Thank you, Mr. President. I know you said you didn't want to prejudge the next Speaker. But I wonder if you could tell us what Speaker Boehner's resignation today tells you about the Republican Party and your ability to work with Congress in the remainder of your term, particularly since it's coming at a time when you're trying to negotiate to avert a government shutdown. Does this make that easier or harder? And do you think that you'll be able to move forward with the Congress on priorities like the budget, Planned Parenthood, immigration that you weren't able to address with Speaker Boehner in his position?

And for President Xi, you've experienced an economic downturn in your country with the stock market crisis. And investors, globally, have been concerned about some of the actions you've taken to intervene in the stock market and with the currency exchange rate. I wonder if you could stay what you told President Obama, or what you can say today, to restore confidence that these interventions will not have spillover effects into the global economy in the future. Thank you.

**President Obama:** Well, Julie, I meant what I said. I'm not going to prejudge how I'll be able to work with the next Speaker because I don't know who the next Speaker is. And I suspect that there's going to be a lot of debate inside the Republican caucus about who they want to lead them and in what direction.



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It's not as if there's been a multitude of areas where the House Republican caucus has sought cooperation previously, so I don't necessarily think that there's going to be a big shift. I do think that Speaker Boehner sometimes had a tough position because there were members in his caucus who saw compromise of any sort as weakness or betrayal. And when you have divided government, when you have a democracy, compromise is necessary. And I think Speaker Boehner sometimes had difficulty persuading members of his caucus of that.

Hopefully they've learned some lessons from 2011, the last time that they sought to introduce a non-budget item into the budget discussions. At that it was Obamacare, and they were going to shut down the government for that purpose. It ended up really hurting the economy, slowing it down, and caused a lot of hardship and a lot of problems for a lot of people.

Because it turns out, actually, government provides a lot of vital services. Our military provides us protection. Our agencies keep our air clean and our water clean. And our people every single day are helping to respond to emergencies, and helping families get Social Security checks, and helping them deal with an ailing parent. And when you insist that unless I get my way on this one particular issue I'm going to shut down all those services -- and, by the way, leave a whole lot of really hardworking people without paychecks -- that doesn't just hurt the economy; that hurts -- in the abstract, it hurts particular families.

And as I recall, it wasn't particularly good for the reputation of the Republican Party either.

So, hopefully, some lessons will be drawn there. I expect we'll continue to have significant fights around issues like Planned Parenthood, and significant fights around issues like immigration. But perhaps the visit by the Holy Father to Congress may have changed hearts and minds.

I know that Speaker Boehner was deeply moved by his encounter with Pope Francis. I want to congratulate him, by the way, on facilitating that historic visit. I know it meant a lot to John and his family.



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And I would just ask members to really reflect on what His Holiness said -- not in the particulars, but in the general proposition that we should be open to each other, we should not demonize each other, we should not assume that we have a monopoly on the truth or on what's right, that we listen to each other and show each other respect, and that we show regard for the most vulnerable in our society.

It's not a particularly political message, but I think it's a good one -- at a moment when, in our politics, so often the only way you get on the news is if you're really rude or you say really obnoxious things about people, or you insist that other people's points of views are demonic and evil, and leave no room at all for the possibilities of compromise.

I'd like to think that that spirit will continue to permeate Washington for some time to come. And I know that, in his heart, that's who John Boehner was. It was sometimes hard to execute. But as I said, he is a good man and a reasonable man. And he's going to be around for a while, and I hope that we can get some things done before he steps down.

**President Xi:** [As interpreted.] Thank you, madam reporter, for your interest in China's economy. China is now committed to improving the marketized renminbi exchange rate formation regime. Since 2005, we adopted the exchange rate reform. By June this year, the renminbi has risen in value by more than 35 percent with the U.S. dollar. Last month -- in fact, we are continuing to make reforms to the renminbi exchange rate central parity quotation regime. That increased the intensity for the markets to determine the exchange rate of renminbi.

Due to the influence of factors, such as the previous strengthening of the U.S. dollar and somewhat turbulence on the financial market, the renminbi exchange rate after reform has experienced a certain degree of fluctuation. However, there is no basis for the renminbi to have a devaluation in the long run. At present, the exchange rate between renminbi and U.S. dollars is moving toward stability.



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Going forward, China will further improve the marketization and formation regime of renminbi exchange rate, maintain the normal fluctuation of the exchange rate, and maintain the basic stability of renminbi at an adaptive and equilibrium level.

At present, China is also under increasing pressure of economic downturn and some fluctuations on the stock market. Challenges and difficulties have obviously increased. But what we are taking is proactive fiscal policy and prudent monetary policy. And we describe them as measures to stabilize growth, promote reform, restructuring, promote people's livelihood, and fend off risks.

By comprehensively taking measures, we managed to maintain a 7 percent of growth rate in the first half of this year. Last year, we achieved a 7.3 percent of growth rate. And compared with the aggregate economic strength, the increase -- the absolute increase of the economy is equivalent to the size of a middle-sized economy.

So for the first half of this year, our growth order is 7 percent, and for the whole year, I think it is expected at the same level. The Chinese economy maintaining a mid-to-high growth of rate. This is a fundamental that has not changed, because we are equipped with several conditions.

First of all, our people's income are still at a middle income period. When countries are developing, this is a period where there will be further development. At present, our per capita GDP only stands at \$700-\$800 U.S. dollars, and that is very much behind the United States. There is big room for ascendancy and for increase. And we are now doing what we call as the full reforms or the full processes, which is in formatization -- a new type of industrialization, urbanization, and the agricultural modernization.

Take the urbanization as an example. Every year, it will increase by 2 percent. Now our urbanization ratio is 53 percent, and it is expected to grow by 2 percent. And that is equivalent to something like 10 million people moving from rural areas to the urban areas.



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At the same time, we're also should not let the rural areas be backward. We need to develop the rural areas. Through the Internet Plus and other policies our industrialization and our urbanization will have a frog-leap development.

Now, the Chinese economy -- turning to a slower growth rate and turning it from a speed-based growth to quality-based growth, and we are moving from an export-driven and investment-driven economy into an economy driven by expanded consumption and domestic demand. We call this as a new normal of the Chinese economy. And I'm confident that going forward, China will surely, for all of us, for everybody, provide a healthy growth that strengthens confidence.

Thank you. And now I would like to remind reporter from the People's Daily of China to raise questions.

**Question:** Thank you, President Xi. I have a question -- to seek guidance. Now, some people in America believe that China's growth might challenge the U.S. leading position in the world. My question for President Xi is, what is your view on the current United States and what is China's U.S. policy? Thank you.

**President Xi:** [As interpreted.] Thank you. In my view, the U.S. in economic, in military, has remarkable strength. And other countries in the world are also developing. Still, the U.S. has un-compared advantages and strengths.

The Cold War has long ended. Today's world has entered into an era of economic globalization where countries are interdependent upon each other. People should move ahead with the times, and give up on the old concepts of "you lose, I win" or "zero-sum game," and establish a new concept of peaceful development and willing cooperation.

If China develops well, it will benefit the whole world and benefit the United States. If the U.S. develops well, it will also benefit the world and China.



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China's policy towards the U.S. is consistent and transparent. As the world's biggest developing country and biggest developed countries, and as the world's two biggest economies, our two sides have broad and common interests on world peace and human progress, and shoulder important and common responsibilities, although our two sides also have certain differences. But the common interests of the two countries far outweigh those differences.

It is also my sincere hope that the two sides of China and the U.S. will proceed from the fundamental interests of the two peoples and world people, make joint efforts to build a new model of major-country relations between two countries, and realize non-conflict, non-confrontation, mutual respect and cooperation.

That should serve as a direction where both sides should strive unswervingly. China is the current international system's builder, contributor, and developer, and participant, and also beneficiary. We are willing to work with all other countries to firmly defend the fruits of victory of the Second World War, and the existing international system, centered on the -- and at the same time, promote them to developing a more just and equitable direction.

China has raised the One Belt One Road initiative and proposed to establish the AIIB, et cetera. And all of their aims are to expand mutual and beneficial cooperation with other countries and realize common development. These initiatives are open, transparent, inclusive. They are consistent in serving the interests of the U.S. and other countries' interest. And we will come -- the U.S. and other parties -- to actively participate in them.

Thank you.

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<sup>1</sup> President Obama announced the initial 100,000 strong U.S.-China initiative in 2009 during a town hall meeting at Shanghai University

<sup>2</sup> **Relevant (Extended) Quotation:** "We know that more is to be gained when great powers cooperate than when they collide. That is a lesson that human beings have learned time and again, and that is the example of the history between our nations. And I believe strongly that cooperation must go beyond our government. It must be rooted in our people -- in the studies we share, the business that we do, the knowledge that we gain, and even in the sports that we play. And these bridges must be built by young men and women just like you and your counterparts



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in America. That's why I'm pleased to announce that the United States will dramatically expand the number of our students who study in China to 100,000. And these exchanges mark a clear commitment to build ties among our people, as surely as you will help determine the destiny of the 21st century. And I'm absolutely confident that America has no better ambassadors to offer than our young people. For they, just like you, are filled with talent and energy and optimism about the history that is yet to be written. So let this be the next step in the steady pursuit of cooperation that will serve our nations, and the world. And if there's one thing that we can take from today's dialogue, I hope that it is a commitment to continue this dialogue going forward."