

Speech By Vice Foreign Minister Zhang Yesui
At Gala Dinner of the
Annual Conference of Committee of 100
(China World Hotel, 7:00 p.m., 26 November 2007)

Dear Major General John L. Fugh,
Dear Mr. Tung Chee-hwa, Vice Chairman of the National Committee of
the Chinese People's Political Consultative Conference,
Dear Mr. Qian Qichen,
Ladies and Gentlemen,
Dear Friends,

I am very much honored to attend tonight's dinner. I sincerely thank you, General Fugh, and the Committee of 100 for your kind invitation.

The theme of this year's annual conference of the Committee of 100 is "Bridge to Change", which I think is a highly important and relevant one, and I wish the annual conference full success!

You are prominent Chinese Americans with not only successful careers, but also global vision and keen insight into China-US relations. It therefore gives me much pleasure to talk to you tonight about China's external relations in general and China's relations with the US in particular.

The past three decades have been a period of remarkable achievements for China's reform and opening-up endeavor. This has also been a period of China's gradual integration with the international community and its growing ties with the rest of the world. In particular, the advent of the 21st century has seen the world going through profound changes, globalization getting momentum, and China entering a new stage of reform and opening-up. China's future is increasingly linked with the future of the world. A historical change has taken place in China's relations with the rest of the world, as shown in the following ways:

First, China's overseas interests are growing.

China has been the world's third largest exporter for three years running. By the end of last year, China had made a total of US\$90.3 billion of direct investment in over 10,000 companies in 172 countries

and regions, and 3.82 million Chinese workers had been sent overseas to provide labor services. The number of Chinese making overseas visits is growing rapidly. Last year alone, nearly 35 million overseas visits were made by Chinese nationals. 132 countries and regions are now tourist destinations for Chinese holiday makers.

Second, China is making increasing contribution to global peace and development.

China is now a main engine driving the economic growth of both the Asia-Pacific region and the world. According to statistics released by the International Monetary Fund, China's economic growth contributed to 25% of global economic growth during the first half of the year. China now plays an indispensable role in addressing major international and regional problems. China is an important member of the international system, and an active party to over 100 inter-governmental international organizations and nearly 300 multilateral international treaties. China takes an active part in international peacekeeping operations. China is one of the major providers of peacekeeping forces among the Permanent Members of the UN Security Council. At the time I am speaking, more than 1800 Chinese peacekeepers are on duty in 12 UN peacekeeping areas. Just two days ago, the first group of 135 Chinese engineers of China's peacekeeping engineering unit arrived in Darfur, Sudan.

Third, the influence of the world on China is increasing.

With deepening globalization, the interests of countries have never been as closely connected as they are today. Peace and development are the call of the times, and dialogue and cooperation is a regular feature of state-to-state relations. All this has provided a favorable external environment for China to focus on its modernization drive. On the other hand, the world is not yet trouble-free. Local conflicts and hot-spot issues occur from time to time. Traditional and non-traditional security threats are intertwined. Economic globalization has increasingly proved to be a double-edged sword. China's trade dependence ratio has reached 67%. Shortages of energy and resources have imposed increasing challenge to China's development. The impact of changes in both global oil prices and the international financial market is keenly felt in China.

Against such a backdrop, the international community shows a strong interest in China's future development, and particularly its foreign policy

direction. People often ask: What role will a stronger China play? How will China handle its relations with the existing international system? How will China deal with the world?

President Hu Jintao answered these questions at the recently concluded Seventeenth National Congress of the Communist Party of China by reviewing the grand historical practice of reform and opening-up and looking ahead to the world and future, and this is the clear-cut and firm message he has sent to the international community:

First, China will unswervingly follow the path of peaceful development and firmly uphold world peace and security.

This is a strategic choice the Chinese Government and people have made in keeping with the development trend of the times and their fundamental interests. China remains a developing country with a large population and low per capita income. We still have a long way to go before we can achieve our own development goals. We hope to have a sound international security environment to develop ourselves and contribute to world peace and stability through our own development. China is committed to promoting peaceful settlement of international disputes and hotspot issues through dialogue and strengthening international and regional security cooperation. We will continue to play an active and constructive role on the Korean nuclear issue, the Iranian nuclear issue, the Darfur issue and other hotspot issues. We oppose terrorism in any form and firmly uphold the international non-proliferation regime. China follows a national defense policy that is defensive in nature. We do not engage in arms race or pose a military threat to any other country.

Second, China is committed to developing friendship and cooperation with all other countries on the basis of the Five Principles of Peaceful Coexistence and participating in international affairs in a cooperative and constructive manner.

The current international system offers China, a founding member of the United Nations and permanent member of the Security Council, a broad arena in which to play its due role in international affairs. China has both contributed its share to this system and benefited from it. It therefore stands to gain nothing from challenging the existing international order.

China will continue to actively take part in international cooperation, assume international obligations according to its development level and play a constructive role. China is ready to work with all the other countries to reform and improve the international system to make it more equitable, fairer and compatible with the changes of the times. We support the reform aimed to strengthen the role of the United Nations, enhance the authority and efficiency of the Security Council, appropriately enlarge the Security Council and increase the representation of the developing countries on a priority basis. We support reform of the existing international economic, financial and trade regimes, including increasing the voice of developing countries in decision making.

Third, China will unswervingly follow a win-win strategy of opening-up to bring about enduring prosperity in the world through its own development.

China stands ready to strengthen win-win business ties with all the other countries. We support efforts to liberalize and facilitate trade and investment. We support international efforts to help developing countries enhance their capacity for independent development so as to narrow the North-South gap and make balanced progress in economic globalization in the interest of all.

China will endeavor to meet the UN Millennium Development Goals and make the 21st century a century in which everyone shares the progress in development. We are taking an active part in international cooperation in climate change, energy conservation and environment protection. We are working with the international community to keep the Earth, the home of human beings, in good care and ensure the sustainable development of human society.

Fourth, China stands for respect of diversity in the world and is working with all the other countries to build a harmonious world of enduring peace and common prosperity.

We should observe the purposes and principles of the UN Charters and the universally recognized norms governing international relations to promote democracy, harmony, cooperation and win-win progress in international relations. The right of a country to independently choose its own social system and development path should be respected. Countries

of different social systems which pursue different development paths should draw on each other's strengths through competition and expand common ground while shelving differences so as to achieve common progress. In human history, various civilizations have each made its unique contribution to human progress. China is eager to draw on the strengths of all the other civilizations. We will vigorously uphold the diversity of the world and promote dialogue among different civilizations and their mutual enrichment so as to ensure that our people will lead a more harmonious and happier life and our world will be a more colorful place.

As history has shown, China cannot develop itself in isolation from the world, and the world cannot sustain prosperity and stability without China. China's active participation and constructive role in the international affairs has boosted its own growth and promoted world's peace and prosperity. A China with growing strength will surely bring greater benefits to people across the world.

Ladies and Gentlemen,

This year marks the 35th anniversary of President Nixon's visit to China and the issuing of the *Shanghai Communiqué*. In these momentous 35 years, China-US relations have steadily forged ahead despite twists and turns.

Thirty-five years ago, China-US relations were marked by hostility and confrontation. Today, we are both stakeholders and constructive partners. Thirty-five years ago, the volume of China-US trade was negligible. Whereas, for the first ten months of this year, our trade reached US\$248.2 billion, and it is expected to top US\$300 billion by the end of the year. We are now each other's second largest trading partners.

Thirty-five years ago, there were hardly any contacts between the two governments. Today, there are over 30 bilateral cooperation agreements between the two governments. We maintain good cooperation on a wide range of bilateral issues and effective communication and cooperation on a series of major international and regional issues. Thirty-five years ago, people-to-people exchanges between China and the United States were rare. Last year, over 2 million mutual visits were made by Chinese and Americans, which means that more than 5,000 people fly across the Pacific everyday. These dynamic interactions across the Pacific have

greatly boosted the friendly ties between China and the United States.

In an era of growing globalization, China-US relations have become increasingly important to both countries. Our common strategic interests have greatly expanded, and scope of our cooperation has been broadened. In short, we now face an important opportunity to further grow China-US relations. We should approach China-US ties from a strategic and long-term perspective, expand our converging interests with an eye on the future and steadily advance the constructive and cooperative China-US relations. To achieve this goal, it is important that we take the following steps:

First, strengthen dialogue to enhance strategic mutual trust.

We should maintain regular high-level exchanges. We welcome and look forward to the visit by President Bush to China to attend the Olympic Games next August. We should give full scope to the role of China-US Strategic Economic Dialogue and China-US Strategic Dialogue in promoting in-depth exchanges on economic and political issues of strategic importance, enhancing mutual trust and reducing misgivings and properly managing differences and frictions. We should also make full use of other mechanisms for bilateral dialogues in various fields.

Second, expand cooperation to more areas to ensure sustained economic growth of both China, the United States and the world.

China is embracing a new wave of economic growth. In the coming years, China's annual import will exceed one trillion US dollars, and this will greatly boost the growth of China-US business ties. We should expand our business ties into new areas such as finance, civil aviation and service trade for such cooperation serves the interest of both sides. As China and the United States are both major energy producers and energy consumers, we should deepen dialogue on energy policy, expand cooperation in energy conservation and the development of renewable energy, clean energy and new energy, and work together to uphold order in the global energy market. We should also unleash the potential of our cooperation in environmental protection and adaptation to climate change and make such cooperation a new engine driving China-US relations and make greater contribution to global sustainable development.

Third, strengthen coordination and cooperation on international and regional hotspot issues to make greater contribution to world

peace.

We should continue to seek a peaceful resolution to the Korean nuclear issue through the Six Party Talks and endeavor to achieve the long-term stability of Northeast Asia. We should address the Iranian nuclear issue through diplomatic means and negotiations and maintain close consultation on the Darfur issue. We should deepen anti-terrorism cooperation on the basis of reciprocity and mutual benefit and work together to uphold the international non-proliferation regime.

Taiwan remains the most important and most sensitive issue in China-US relations. The Taiwan issue represents China's core interests and is our greatest concern, and how to handle it holds the key to steady growth of China-US relations. This year and the next year are a high-risk period for relations across the Taiwan Straits. The Chen Shui-bian authorities have turned a deaf ear to opposition by the United States and the rest of the international community and intensified their attempt to push for the "referendum on joining the UN" and other "Taiwan independence" separatist activities. They are sparing no effort to separate Taiwan from China and undermine China-US relations. If they should have their way, China's sovereignty and territorial integrity will be greatly endangered, and peace and stability in the Taiwan Straits as well as the shared interests of China and the United States will be seriously jeopardized. Recently, President Bush and the US Government have on many occasions reiterated their commitment to the one China policy and the three Sino-US joint communiqués and opposition to Taiwan authorities' attempts to push for the "referendum on joining the UN". We appreciate their statement on this issue. We urge the United States to honor its pledge on the Taiwan issue with credible steps, stop arms sales to Taiwan and not to send any wrong signal to the "Taiwan independence" separatist forces. The United States should adopt a more clear-cut position and take more forceful steps and work with China to block Chen Shui-bian's path towards "Taiwan independence" and uphold peace and stability in the Taiwan Straits and the overall interests of China-US relations.

In recent years, trade protectionism and the trend towards politicizing trade issues are on the rise in the United States. Some people are blaming China for problems that have occurred in the economic structural adjustment in the United States in the process of globalization. Several dozen China-related trade bills have been introduced in the US Congress,

many of which smack of trade protectionism. If they are passed into laws, the China-US business ties and common interests of both peoples will be harmed. Not long ago, more than 1,000 American economists signed an open letter to the Congress, opposing trade protectionist measures against China. In the letter, they cited the *Smoot-Hawley Tariff Act* ratified by President Hoover in 1930 to ease the economic crisis by drastically raising tariffs on imports. This act triggered a trade war between the United States and other countries and led to global economic recession. This lesson should not be forgotten. We hope that the US Government, Congress, media and the general public will appreciate the importance of American business ties with China and support these ties, say no to trade protectionism and create an enabling environment for our business ties to survive.

Due to different history, social systems, cultural traditions and values, we in China and the United States have differences over issues relating to democracy, human rights and religious beliefs. This is something quite normal. We should respect each other's choice of development path, refrain from interfering in the other's domestic affairs, strengthen dialogue, increase mutual understanding, expand common understanding and reduce differences. This is the key to harmonious coexistence of mutual benefit between the two countries.

Ladies and Gentlemen,

Since 1784 when US merchant ship "Empress of China" made its maiden voyage to Guangzhou, our two peoples have maintained exchanges for more than two centuries and they have always looked at each other as friends. Differences between our two countries are not barriers to exchanges and cooperation between the two peoples. Rather, they have stirred intense mutual curiosity and brought our two peoples closer culturally. For instance, Chinese food and Chinese Kungfu are popular in America. The traditional Chinese culture has added a Chinese dimension to the American culture. Broadway, Hollywood and Disneyland, which are America's cultural symbols, are also popular in China. Now, more than 80,000 Chinese students are studying in the United States, and the number of American students in China has reached 12,000. Chinese language learning is gaining popularity in the United States, being taught in about 1,000 colleges and over 200 secondary and elementary schools. Over 30 Confucius Institutes have been opened in the United States. Half a century ago, we the Chinese and Americans fought together for peace and human justice in the war against Fascism. In the

age of globalization, friendship and cooperation have bound our two peoples ever closer.

I am confident that with the firm commitment of both our two peoples and two countries, China and the United States will remain close partners. The China-US constructive and cooperative relations will make even greater progress in the next 35 years.

The Committee of 100 is an influential group of leading Chinese Americans. It is dedicated to preserving traditional Chinese culture, improving the social standing of the Chinese Americans and promoting friendly exchanges with China. I salute your commitment. I sincerely hope that the Committee will continue to play its unique role as a bond and bridge between our two countries and two peoples and make even greater contribution to strengthening China-US constructive and cooperative relations!

Thank you!