

CHINA'S NEW ROAD OF PEACEFUL RISE AND CHINESE-U.S. RELATIONS

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It is a great pleasure for me to visit Washington again and come to the Brookings Institution, an important U.S. think tank, to exchange views with you. I hope that our dialogue will lead to better mutual understanding, more common ground, greater mutual trust, and less misgiving in the interest of more positive and stable relations between China and the United States.

I know there has been heated discussion in recent years in U.S. political circles, major think tanks, and the media on whether or not China's peaceful rise will threaten America's global interests. Some important, constructive, enlightening, and interesting viewpoints have been presented. I hope my speech will contribute to the discussion. However, let me assure you that I am not here to debate with you. I just want to talk about solid facts, rather than abstract concepts, in the following ten points.

First, what has happened in the past two decades and more shows that China's peaceful rise is not a threat but an opportunity for the United States. Since China began to pursue a policy of reform and opening up in the late 1970s, it has opted to seek a peaceful international environment for development and, by its own development, contribute to the maintenance of world peace. China's peaceful rise can be understood as both a road and a goal of national development. As a road to development, it means China will independently build socialism with Chinese charac-

teristics, by integrating with and not divorcing itself from economic globalization, and pursuing mutually beneficial relations with other countries. As a goal of development, it means China will realize basic modernization by the mid-twenty-first century, overcome its underdevelopment and catch up with medium-level developed countries. By integrating China's modernization drive with economic globalization, we mean that China will take an active part in economic globalization and will not change the international order and configuration through violence. Independently building socialism with Chinese characteristics means we will mainly rely on our own effort to solve our problems, without causing trouble to others. The experience of the past two decades has demonstrated that this road of peaceful rise works. In this process, while China has been becoming stronger, the United States has maintained robust growth. Common development and mutually beneficial results have been achieved for both countries. Sino-U.S. cooperation has expanded from the political field to all dimensions, including economic, cultural, military, and security.

Second, along with the deepening of our bilateral relations, American understanding of China's peaceful rise is gradually deepening. Of late, I have found quite a few impartial and positive comments or reports about China's peaceful rise by some influential media sources such as the *New York Times*, the *International Herald Tribune*, the *Asian Wall Street Journal*, and *Newsweek*. In addition, the well-known journal *Foreign Affairs* has in recent years published weighty analytical articles about China's peaceful rise. I am also delighted to hear a growing voice on Capitol Hill calling for closer Chinese-U.S. relations, in particular, the bill cosponsored by two senators on increasing cul-

tural exchanges. A special mention must be made of President Bush's answers to questions about China, which I find quite positive. He has said that China's rise is "an amazing story"; China is a "massive market," an "economic opportunity," and a security "partner"; "the relationship with China is a very complex one" and a simplistic approach should be avoided. Furthermore, President Bush has rejected calls from Capitol Hill for sanctions against China under Section 301 of U.S. trade law provisions on the pretext of the RMB exchange rate. All this shows that more and more thoughtful people from both political parties and various circles in the United States are beginning to face up to the reality of a peacefully rising China and to think about how to deal with it. It is a new and encouraging sign.

Third, the Chinese leadership is soberly aware of existing and future problems. The peaceful rise of a country with a population of 1.3 billion to 1.5 billion is by no means an easy task. This is especially true in the first half of the twenty-first century, when China is faced with both a "golden period of development" and an "intense period of paradoxes." There are three fundamental challenges in this regard. The first is resources, especially energy. The second is the environment. The third is a series of paradoxes in the process of economic and social development, such as uneven development between the coastal areas and the hinterland, the contradiction between fairness and economic returns, rural-urban disparity, the wealth gap, and the tension between reform and stability. If these three challenges cannot be settled satisfactorily, then not only will your worries remain, but China's peaceful rise will also be extremely difficult.

Fourth, China has already formulated three strategies to cope with the three challenges. This is of vital importance. The first

strategy is to transcend the old-style industrialization and opt for a new style. We will never take on the old-style industrialization, characterized by high input, high consumption, and high pollution. Instead, China will blaze a new road of industrialization, featuring high technology input, economic efficiency, low consumption of resources, and low pollution and giving full play to its strength in human resources. The second strategy is to transcend the traditional development approaches that big powers have taken in modern history and the cold war mentality marked by ideology, and to take an active part in economic globalization. This is because China's peaceful rise benefits from economic globalization, which in turn facilitates the achievement of this goal. The third strategy is to transcend outdated forms of social management and continue to build a harmonious socialist society. It is necessary to build a social network that links government control mechanisms with social coordination mechanisms, complement government administrative functions with social self-regulating functions, and fuse government management forces with forces for social change with a view to improving governance and social management. These three strategies can be summed up as maintaining external peace and internal harmony, which are interconnected and complementary, and leading the 1.3 billion to 1.5 billion Chinese people toward a better life and greater contribution to humanity in the context of mutually beneficial cooperation with other countries. Therefore, China's peaceful rise is the ascent of a staunch force defending rather than disrupting global peace. It is by no means a peril. It is a blessing for the world.

Fifth, these three strategies and China's development path of peaceful rise share a distinct feature: resolving our problems on

our own. This is what we mean by Chinese characteristics and the coherence of China's foreign and domestic policies. That is to say, we link our peaceful rise with the social reform and transformation within the country and focus on building a Chinese-style socialist society that is modern and harmonious. Such a society has several dimensions. First, it is a resource-efficient society with Chinese characteristics. We address the thorny problem of shortages of energy and other resources by implementing the policy of depending on domestic resources, giving priority to energy saving, improving the energy structure, and appropriately developing cooperation with foreign countries. The past twenty years has seen China quadruple its GDP at the cost of doubling its energy consumption. In the next twenty years, China is set to quadruple its GDP again, by doubling its energy consumption. That is to say, China has to adopt various ways to remain no less than 90 percent self-sufficient in energy for the twenty years to come, and embark on a Chinese-style path of energy saving and environmentally friendly sustainable development. Second, it features urbanization with Chinese characteristics. China has a workforce of 750 million, 500 million of whom are in the countryside. In the first twenty years of this century, 200 million more unemployed and underemployed rural workers will join those who have already come to work in the city. Migration on such a vast scale is unprecedented in world history. Third, it is a live-and-learn society with Chinese characteristics. To press ahead with China's urbanization process at a reasonable pace, we must strengthen employment training for the rural population, young people in particular, and build a live-and-learn society. Fourth, it is a society of coordinated regional development with Chinese characteristics. For the next twenty years, clusters of cities around

the Pearl River Delta, the Yangtze River Delta, and the Bohai Sea Rim will continue to be the engine of China's development. At the same time, China will continue to implement a set of policies to rejuvenate the northeast, and develop the central and western part of the country, and gradually realize coordinated development among different regions.

Sixth, China's peaceful rise is a "Chinese dream." In energy consumption, for example, we can't afford an "American dream." The per capita oil consumption of the United States is currently 25 barrels a year, while the figure for China stands at less than 1.5 barrels. If the Chinese come close to the current U.S. level of oil consumption in the twenty-first century, how much would our energy consumption grow—ten-, twenty-, a hundredfold? This is dreadful to contemplate, both for China and for the whole world. And in population flow, we will not pursue the "European dream" either. Europe rose by sending more than 60 million people overseas to set up colonies. This might have been a rosy dream for some Europeans at that time. However, it was a nightmare for all those who were subjected to their colonial rule. We Chinese have to rely on our own efforts to address the migration problem within our own territory. And, in the enhancement of our national strength, we do not want to dream a "Soviet Union dream." If you compare China's social reform and national transformation in the process of its peaceful rise in the first half of the twenty-first century with the Soviet Union's arms race, expansionism, and hegemony under President Brezhnev and its so-called world revolution and export of revolution, you will find nothing in common.

Seventh, by following a development path of peaceful rise, we are not seeking to become a big military power contending for

hegemony around the world, but a big market, a major civilization, and a responsible big power playing a constructive role in the international community. Speaking of a big market, China was considered the “biggest potential market” twenty years ago. Today, China’s huge market potential is being turned into a reality. China has, since the Asian financial crisis in 1997 in particular, contributed a lot to the trade and GDP growth of the whole world. A decade ago, some of the world’s top telecommunication companies, such as Motorola, were just beginning to do business in China; today, the number of mobile phone subscribers in my country has reached 340 million, more than a quarter of China’s total population. Now, most of the world’s top 500 companies have entered the Chinese market, as have many well-known American companies. Of the top ten foreign companies exporting from China in 2004, three are American. In 2004, 24.3 percent of exports by foreign companies in China went to the United States. If the United States opens itself up as a tourist destination to Chinese citizens, like many Southeast Asian countries, the huge number of Chinese tourists will further contribute to American economic growth. By building a major civilization, we mean China’s rise will boost the calibre of the Chinese nation and realize the great renaissance of its culture. To quote Lee Kwan Yew, minister mentor of Singapore, “China’s ambition is not to conquer the world, but to rekindle its civilization with vibrant, high, and popular culture.” In short, by unswerving adherence to a development path of peaceful rise, we seek to become a modern socialist country that is prosperous, democratic, and culturally advanced, and a responsible big country playing a constructive role in international affairs, which neither seeks hegemony or leadership of the world nor becomes a vassal state.

Eighth, since the goal of the Chinese Communist Party (CCP) and China's development path is peaceful rise, as mentioned before, what is there for the United States to worry about? Former EU Commission president Romano Prodi recently said at the Bo'ao Forum for Asia held in China that we don't need economists to tell us when China will become the world's first or second manufacturer or exporter. What we want to know is what values China will adopt. I agree with him. To understand whether China's peaceful rise will threaten America's global interests, Americans have first to understand the new concepts of the Chinese leadership since the Third Plenum of the Eleventh Party Congress.

On this issue, I would respectfully draw your attention to the following five key points. First, in his late years, Deng Xiaoping said, "China does not seek hegemony now, neither will it do so even if it becomes stronger, and we must let our future generations remember this." This was his political testament. Time and again, he stressed that China must stick to the policy of reform and opening up for a long time and adhere to this basic guideline for 100 years to come. Second, Jiang Zemin put forward the important concept of the "three represents," which carries on Deng Xiaoping's theory. Jiang places greater emphasis on economic globalization, which he thinks is an irreversible trend of the times, and China's participation in it. He also points out that the world is colorful; China must develop its culture while learning from the achievements of all of human civilization. Third, the new Chinese leadership with Hu Jintao as general secretary of the CCP, further emancipating the mind and advocating pragmatism and keeping abreast with the changing times, is pursuing a foreign policy of peace, a domestic policy of building a harmo-

nious society, and the basic concept of reconciliation with Taiwan. These ideas have already exerted and will continue to have a vital impact on China's domestic and foreign affairs. Fourth, the realization of the country's peaceful rise by the mid-twenty-first century will keep our leadership and several generations of the Chinese people very busy. We must concentrate all our energy on fulfilling this task. We have neither the intention of threatening others nor the energy to do so. Fifth, China is the beneficiary of the current international order, particularly economic globalization. China stands for reform, rather than violence, in the efforts to establish a new international political and economic order. If people fail to see these important and basic concepts of the Chinese leadership, which are in conformity with the trends of our times, they may arrive at a serious strategic misjudgment of China's direction in the twenty-first century.

Ninth, change your mind-set, outlook, and perspective and you would realize that intrinsic opportunities abound in across-the-board exchanges and cooperation between China and the United States and that the Sino-U.S. relations enjoy a bright future. I said here two years ago that it was wrong to characterize the Chinese-U.S. relationship as driven by external forces. This line of thinking suggests that the "polar bear," which disappeared after the end of the cold war and the era of world hegemony, and bin Laden, who orchestrated the September 11 attacks, were the glue of the Chinese-U.S. relationship; that the relationship would go wrong once the polar bear or the terrorist threat was removed. Wouldn't it be too pathetic to place our hope for a better relationship totally on the motivation of external forces? Some have suggested that an emerging power will inevitably pursue a hawkish foreign policy, wage a protracted cold war, and harm others

for selfish gain. This, in my opinion, is an outdated view, based on old-fashioned theories. I appreciate the views expressed by my old friend Zbigniew Brzezinski at a recent Carnegie Foundation discussion on China's peaceful rise. He said, in effect, that if a theory is proven incompatible with the real world, that theory should be corrected. I also agree with what Richard Haass, who used to be at Brookings, said: that China only exports computers, not revolution or ideology. These sober observations deserve acknowledgement because they are based on fact and not on rigid doctrines. In my view, both now and in the future, Chinese-U.S. relations have great opportunities and the two countries have a broad horizon for parallel development.

The first opportunity for relations between China and the United States comes from a high degree of convergence of their national interests and mutual needs in the age of globalization. This explains the phenomenal growth of two-way trade, from some U.S. \$500 million at the end of the 1970s to the current U.S. \$170 billion, and the fact that China is spending more than 70 percent of its U.S. \$660 billion foreign exchange reserves on U.S. Treasury bonds. Thus, the two countries have had so many common interests that it is very difficult to unravel their relationship. That is why any friction between them over trade will not easily become emotionally charged or politicized. If the United States can handle such trade disputes in an "apolitical" way, Chinese-U.S. trade ties will surely make a big leap forward, instead of a big step backward.

The second opportunity for Chinese-U.S. relations comes from the new security concept of "major-country cooperation," in response to increased nontraditional security threats. I agree with an often-repeated view of President Bush and Secretary of

State Condoleezza Rice that in today's world, a war between major countries would be unthinkable. Now, faced with a common and ferocious enemy in terrorism, the proliferation of weapons of mass destruction, and other nontraditional security threats, we have every reason to deepen cooperation in the area of strategic security. The key is to have mutual trust at the strategic level. I want to stress here that respecting history and taking account of the reality, China holds a pragmatic attitude toward the American presence, including its military presence, in the Asia-Pacific region, and takes a position of "open multilateralism" with respect to Asia-Pacific integration propelled by an East Asia community. The argument that China is pushing for the United States to be ostracized from the Asia-Pacific region is groundless fabrication, designed only to sow discord between the two countries.

The third opportunity for relations between the United States and China comes from their interest in settling regional hot spots and their joint efforts to maintain international order. The Asia-Pacific provides the stage for the common development of China and the United States. Yet this is an unsettled region that has witnessed both the cold war and hot wars. It falls on our two countries to remove the lingering legacy of the cold war and rise to the real challenges of averting hot wars. If China and the United States can look at the various issues from such a commanding height, it is possible for them to stay clear of the type of interference noted above—"China is pursuing an Asian version of the Monroe Doctrine to push out the Americans"—work closely together to defuse existing conflicts, and plan for a future that features peace, coexistence, and common development on the basis of the mutual accommodation of their respective interests.

Furthermore, China and the United States share the duty and obligation to maintain a stable international order and work out its proper reform. We should open our minds and work together to explore new global economic, financial, political, and security mechanisms.

The fourth opportunity for Chinese-U.S. relations comes from the coexistence of and interaction between our two civilizations. Globalization, in our view, is not the “clash of civilizations.” Rather, it is a time of intercultural exchanges and harmony between civilizations. Cultural exchanges and cooperation with the United States have already become an important part of an emerging Chinese cultural and media market. A thorough understanding of Chinese culture has increasingly become a crucial condition for the United States to live harmoniously with China. I have been told that a gubernatorial candidate in Utah made a campaign promise that if elected, he would introduce Chinese language courses in every public school. The growing craze for the Chinese language and Chinese culture in the United States, and the senators’ bill to strengthen cultural exchanges with China that I mentioned above, will usher in an unprecedented new period of Sino-American cultural exchange in the first half of the twenty-first century. Currently, our interaction through education, culture, science, and technology is going strong; our cooperation over the Olympic Games and AIDS prevention is full of vigor; and the two sides are working together to act quickly on a travel agreement for Chinese tourists in the United States. The future for Chinese-U.S. cultural cooperation is indeed very bright.

Tenth, I would also like to point out that we can’t just wait passively for opportunities to come to our doorstep. We should roll up our sleeves and create them. Not long ago, a former American official said the following to me: If China and the United States

can work in closer cooperation, then the twenty-first century will be a great century. But if the relationship moves back, the twenty-first century will be a very bad one for the two countries and the world. I could not agree more. It takes two hands to make a clap, so fresh headway in Chinese-U.S. relations calls for common efforts by both governments. Let me suggest to my American friends, when you look at China's rise and Chinese-U.S. relations, you may perhaps need to rise above three things: The first is cold war thinking, which follows ideological lines and positions one according to social systems. When someone subscribes to such thinking, he is very likely to make a strategic misjudgment about Chinese-style socialism and the Chinese Communist Party. The second is the sense of cultural superiority that takes one's own values as the yardstick of right and wrong. Today, after all, we already live in a brand new age, with many civilizations living side by side and different cultures interacting productively. The third thing that should be overcome is the traditional theory that the emerging power is bound to challenge the existing dominant power; this theory cannot explain China's peaceful rise and the fact that rising China is a staunch force for world peace.

In conclusion, please allow me to quote two great Chinese leaders. Mao Zedong, the founder of New China, said in the 1950s, "China will become a great, strong, and also friendly country." Deng Xiaoping, the chief architect of China's program of reform and opening, said in the 1980s, "Relations between China and the United States must eventually be improved." Let me present the words of these two wise men to my American friends here, hoping you will agree with them and tell your friends and colleagues about them. I also hope that you will be disposed to embrace China's peaceful rise.