

REMARKS BY CHINESE PRESIDENT HU JINTAO TO THE U.S.-CHINA BUSINESS COUNCIL, THE U.S. CHAMBER OF COMMERCE, AND THE NATIONAL COMMITTEE ON U.S.-CHINA RELATIONS

**THE MARRIOTT WARDMAN PARK HOTEL, WASHINGTON, D.C.
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(Note: President Hu's remarks are provided through interpreter.)

(Applause.)

PRESIDENT HU: Respected Mr. Mike Espy, respected Miss Carla Hills, respected Mr. Thomas Donohue, Secretary Elaine Chao, Dr. Henry Kissinger, ladies and gentlemen, dear friends, I would like to begin by thanking my hosts this evening. They are the U.S.-China Business Council, National Committee on U.S.-China Relations, U.S. Chamber of Commerce, in cooperation with America-China Society, U.S.-China Policy Foundation, Center for Strategic and International Studies, the Committee of One Hundred, Asia Society, the Council on Foreign Relations, Brookings Institution, China General Chamber Commerce, USA, and China Institute in America. Thank you for hosting such a big dinner for all us.

This evening I'm delighted to have this opportunity to meet with my friends, both old and new, to renew our friendship and look ahead at the future.

For many years, all of you present here have made unremitting efforts to promote the friendship between our two peoples and China- U.S. relations, and you have made your precious contribution to this.

Here, on behalf of the Chinese government and people, I would like to express my heartfelt thanks to you for your valuable contributions -- (applause) -- and, through you, extend our best wishes to all Americans who care about and have supported the growth of China-U.S. relations.

I am visiting the United States at the invitation of President Bush to strengthen dialogue, increase common understanding, enhance mutual trust, deepen cooperation, and promote the all-round growth of constructive and cooperative China-U.S. relations in the 21st century.

During the visit, I had fruitful talks with President Bush, met with representatives and other U.S. leaders, met with representatives of the American public and reached important common understanding.

What has impressed me most is that both China and the United States share a strong desire to further develop our bilateral relationship, and that both sides appreciate the fact that the China- U.S. relations have gone far beyond bilateral context and have become increasingly global in importance.

Ladies and gentlemen, dear friends, we're living in an era full of opportunities and challenges. The world is undergoing profound changes, as are the mode of production and the way of life of mankind, as well as the relationship between people, between countries, and between man and nature.

Facing a world in profound change and the growing challenges, China holds that the international community should work together to promote progress and development in international society.

The will of the people in all countries should be respected. Democracy and the rule of law should be advocated in international relations.

The current international system and order should be gradually reformed and improved to make it more just and equitable.

A new security concept featuring mutual trust, to mutual benefit, equality and cooperation should be advanced. Disputes should be settled through dialogue and negotiation, and countries should make concerted efforts to safeguard world peace and security.

The international community should make development a priority and support developing countries in speeding up their development. The international trade and financial system should be reformed and improved to ensure that economic globalization will lead to common prosperity.

The historical and cultural traditions of different countries and their particular national conditions at different stages of development should be respected. Dialogue between different civilizations should be strengthened to maintain diversity of the world and advance human civilization.

Ladies and gentlemen, dear friends, profound changes are taking place in contemporary China. The development of China, a country with one-fifth of the world's population, concerns not only China itself but also peace and development in the Asia Pacific region and the whole world.

I understand that you have a keen interest in the direction of China's future development. Here let me tell you in explicit terms that China adheres to a path of peaceful development. It is firmly committed to promoting development domestically, and maintaining world peace and promoting common development internationally.

China must pursue a path of peaceful development if it is to meet the goal of modernizing itself.

Since reform and opening up was launched 28 years ago, China's social productivity has been greatly boosted, and the livelihood of its people has steadily improved. But China remains a developing country with a large population, poor economic foundations, and imbalance in regional development. The most pressing and immediate task facing China is to give top priority to economic development and to continue to raise the living standards of its people. What China needs most is a peaceful international environment. We hope to develop ourselves through safeguarding world peace, and better promoting world peace as we develop ourselves.

China's decision to pursue peaceful developments is deeply rooted in its historical and cultural traditions. The Chinese nation has always been a strong advocate of good neighborliness. Over several thousand years China has maintained friendly relations and business and cultural exchanges with all other countries. In a period of over 100 years, from the Opium War in 1840 to the founding of the People's Republic in 1949, China was long subjected to aggression, and economic and social development was simply off its national agenda. We, the Chinese, are therefore most appreciative of the value of peace.

The path of peaceful development embodies the national trait fostered in China's culture over several thousand years, and of course with the lofty pursuit of the Chinese people who love and value peace. China's pursuit of peaceful development conforms to the trend of the times and is in keeping with human progress. In today's world, countries are increasingly interdependent, and the destiny of their people is more connected than ever before. A peaceful environment is the prerequisite for development.

Only by strengthening exchanges and broadening cooperation can countries realize common development.

To safeguard world peace and develop friendly relations with other countries is in the best interests of China's modernization drive and contributes to the stability and prosperity of the Asia-Pacific region and the whole world. In pursuing peaceful development, China strives to advance both the fundamental interests of its own people and the common interests of the people in the world, and it plays a responsible and constructive role in promoting world peace and development. China actively participates in efforts to ease tensions over regional hot-spot issues, and works to promote regional cooperation of mutual benefit. China is firm in upholding the authority and the role of the United Nations and the U.N. Security Council. It takes an active part in international peacekeeping operations and international disaster relief operations.

China has conducted energy dialogue in cooperation with other countries in a joint effort to maintain stability of the international energy market.

Ladies and gentlemen, dear friends, in the past 27 years diplomatic, since the forging of diplomatic ties, China-U.S. relations have steadily moved ahead, despite twists and turns. Enhancing China-U.S. friendship is the shared wish of our two peoples, and fostering mutually beneficial cooperation is a natural choice for both countries. Entering a new century, China and the United States, two major countries, share increasing common interests and can cooperate in more and more areas. Both China and the United States have high stakes in anti-terrorism and nonproliferation.

A bilateral medium and long-term exchange and a cooperation mechanism against terrorism is now in place.

Our business ties are growing rapidly, have brought tremendous benefits to our two peoples, and are giving a strong boost to world economic growth. We are both committed to safeguarding peace and stability in the Asia-Pacific region and maintaining vitality of its development.

China-U.S. exchanges in cooperation in culture, education, and in science and technology serve as a bridge for enhancing friendship between our two peoples. Both countries share a keen interest in important issues like environmental protection, public health, climate change and humanitarian assistance, and have conducted effective cooperation in these areas. We also commit ourselves to strengthen regional cooperation in avian influenza prevention and control in the Asia-Pacific region. It is a good example showing that we are living up to our common responsibilities.

On the other hand, we should not lose sight of the challenges facing us. As we look around to the world, we can see that the international security environment remains fragile. Development presents a pressing issue. Gap in wealth is widening and trade frictions have mounted. How to address these problems is a major challenge facing us.

Ladies and gentlemen, dear friends, advancing China-U.S. relations both serves the fundamental interests of our two countries and peoples, and contributes to peace, stability and prosperity of the Asia-Pacific region and the whole world. We should view China-U.S. relations in a broad and a strategic context, and from the perspective of our times of ensuring mutual benefit and win-win outcomes, and guide the stable growth of our constructive and cooperative relations.

To this end, I wish to propose the following.

First, increase understanding, expand common ground, and build long-term and stable constructive and cooperative China-U.S. relations. China values its relations with the United States, which are high on its foreign policy agenda. China is committed to long-term, peaceful coexistence, mutual benefit and common development with the United States. China and the United States should continue high-level

exchanges, maintain and expand consultation at all levels, pursue strategic dialogue, foster strategic mutual trust and promote two-way cooperation.

Second, seize opportunities, be creative, consolidate and expand the foundation for our economic cooperation and trade. Economic cooperation and trade are a pillar sustaining China-U.S. relations. We should encourage Chinese and American companies -- large, medium and small ones alike -- to build strong business ties and explore new opportunities for cooperation in such fields as telecommunications, environmental protection and services, and strengthen strategic consultation on energy and increase energy cooperation.

China and the United States should resolve trade disputes through a consultation on equal footing and expanding mutually beneficial cooperation. China will continue to honor its WTO accession commitments, expand market access, strengthen IPR protection, and increase imports from the United States. The Chinese side also hopes that the U.S. side will take positive steps to promote the growth of our business ties. China and the U.S. should also increase dialogue and cooperation on microeconomic policy to facilitate balanced and orderly growth of the global economy.

Third, adhere to principles, honor commitments, and properly handle the question of Taiwan in accordance with the three China-U.S. joint communiques.

The question of Taiwan involves China's core interests. The principles laid down in the three joint communiques should be strictly observed. This is crucial for the sound and stable growth of China- U.S. relations. We will continue to make every effort and work together with our Taiwan compatriots with every sincerity to ensure the peaceful and stable development of cross-straits relations and China's peaceful reunification. But we will never allow the Taiwan independence/secessionist forces to split Taiwan from China under any name or in any form.

President Bush and the U.S. government have reiterated on many occasions their adherence to the one-China policy and the three joint communiques, and their opposition to Taiwan independence. We appreciate their commitment. It is our hope that the U.S. side will fully honor its commitment of adhering to the one-China policy and opposing Taiwan independence. This meets the common strategic interests of China and the United States, and will contribute to peace and stability in the Taiwan Straits and the Asia-Pacific region.

Fourth, maintain close consultations, take up challenges, and strengthen communication and the coordination of major international and regional issues. The Chinese side is ready to deepen anti-terror cooperation with the United States on the basis of reciprocity and mutual benefit, work with the United States to uphold international nonproliferation regime, properly address the Iranian nuclear issue through diplomatic means and negotiation, and continue to peacefully resolve the nuclear issue on the Korean Peninsula through the six- party talks.

The Chinese side is also ready to strengthen consultation and coordination with the United States in environmental protection, public health, and disaster relief and reduction.

China and the United States should maintain and strengthen cooperation in U.N. affairs and push for progress in resolving issues relating to global developments. China will continue to work with the United States to promote civility and prosperity in the Asia-Pacific region, step up discussion and cooperation in APEC, ARF -- ASEAN Regional Forum -- and other regional and multinational fora in a common effort to promote open and inclusive regional and multilateral cooperation.

Fifth, draw on each other's strengths and strengthen friendly exchanges between the two peoples. China and the United States both have cultures that we take pride in, and they have both made contributions to human civilization and progress of mankind. China and the United States should step up cooperation in science and technology, culture and education, increase exchanges between our media

and think tanks, and expand friendly exchanges between our provinces and cities. Young people are the hope for the future, and we should make special efforts to strengthen exchanges among our young people and thus provide new momentum to sustain China-U.S. relations.

Sixth, respect each other, treat each other as equals, and view differences in the proper context and manage them properly. China, in line with its national conditions, will continue to reform its political structure, develop socialist democracy, expand citizens' orderly participation in political affairs, and ensure that people exercise democratic elections, democratic decision-making, democratic management and democratic supervision in accordance with the law.

China takes human rights seriously. The state respects and upholds human rights has written into China's constitution. China will keep advancing human rights in the course of its social development. The Chinese people fully enjoy freedom of religious belief as provided for by the law.

Due to different national conditions, it is normal for China and the United States to disagree on some issues. We should seek common ground while shelving differences, conduct consultations on equal footing, and promote mutual progress through exchanges.

Ladies and gentlemen, dear friends, President FDR remarked that the world can be changed by man's endeavor, and that this endeavor can lead to something new and better.

I'm convinced that we need to ensure sound and stable growth of China- U.S. relations if we are to build a harmonious world of durable peace and common prosperity. Let us work in partnership to promote the all- round growth of constructive and cooperative Chinese relations, and make even greater contribution to the well-being of our two peoples and the lofty cause of human peace and development. Thank you all. (Applause.)

CARLA HILLS (former U.S. Trade Representative): President Hu, I hope you can feel the warmth in this room, and I'm privileged to be able to represent to this audience that you have graciously consented to answer a few questions.

During the dinner hour, we have selected questions that have been collected -- far too many than we can ask in the time that the president has to be with us. But I think we have selected two good ones. And let me start with:

China has announced plans to pursue balanced growth, a plan that will seek to boost domestic consumption. And this questioner, Mr. President, asks: What are the key elements of this plan?

And how do you believe it will impact U.S.-China trade balance?

PRESIDENT HU: Dear friends, I'm very pleased to answer your questions.

As our friends may know, since reform and opening up in China, we have achieved tremendous achievements in economic and social development. These being said, development in China is still far from being even. It is particularly noteworthy that we have uneven development between the urban and the rural areas, among different regions, and between economic development and social progress.

Among China's 1.3 billion people, 750 million live in the countryside. While China's countryside has a huge population with very limited amount of land and serious shortage of water, the productivity in China's countryside is not high either.

As a result, the income of the farmers in the countryside is far below the level of the urban residents. Approximately, the farmers' income is just about one-third of the income of the urban dwellers.

Since reform and opening up in China, we have successfully resolved the problem of providing adequate food and clothing to over 200 million rural residents. Although this has been achieved, there are still 23 million rural residents who remain poor.

To feed the 1.3 billion Chinese people, we must seek successful development of the agricultural sector in the country. And to achieve the goal of build (sic) a moderately prosperous society on all fronts in the country, we must vigorously make efforts to make lives better for the rural residents. And to achieve China's sustained and stable economic growth, we need to bring into full play the potentials of our domestic demand, which lies mainly in the countryside. We must properly do our work in China's rural areas.

The development from region to region is far from being balanced, either. I can give you example by citing the per-capita GDP throughout the country.

Take Shanghai, for example. Last year, the per capita GDP in Shanghai exceeded the level of 6,200 U.S. dollars, while that in Beijing went over 5,000 U.S. dollars. And the national average was merely 1,700 U.S. dollars. In some western provinces in China, the per capita GDP was merely over 1,000 U.S. dollars. The gap is too obvious to be seen. In other words, around the vast expanses of the Chinese territory, you cannot see the same development taking place in Shanghai and Beijing everywhere.

Besides, there is imbalance the development between economic growth and social progress. We have seen the development of science, technology, education, culture and some other social programs lagging behind.

And to tackle these problems, in the first place we stress the importance of implementing the human-oriented scientific outlook on development that favors comprehensive, balanced and sustainable development. We have also formulated a series of implementation plans. For example, we will continue our efforts to materialize a great plan to develop China's western regions. We will continue our efforts in the implementation of the plan to revitalize the old industrial bases in China's northeast and to facilitate the economic taking off of the central part of the country.

Besides, we also formulated the plan to build a new countryside. We made it a special requirement that the state need to earmark more financial resources to be invested in the weakest links and regions.

With the implementation of all those measures and plans, we will be able to vigorously boost the domestic demand of China, and by boosting the domestic demand, we will be able to further facilitate the economic growth of China.

I'm also sure that with the implementation of all those plans and programs, we will be able to create more cooperation opportunities for the American businesses and other businesses from around the world.

We welcome more American businesses to China to make investment and transfer their technologies. I would also like to specially stress the point that for the technologies that have been and are to be transferred to China, I can assure you that your lawful rights and interests will be duly protected, according to law.

I have full confidence that thanks to the concerted efforts made by all of us, we will be able to embrace a broad prospect for our economic cooperation and trade in the future. (Applause.)

MS. HILLS: Mr. President, if we can ask a second question, it would be:

What were the key outcomes of your meetings today with President Bush? And how do you believe they affect the prospects for future U.S.-Sino relations?

PRESIDENT HU: Today I had pragmatic and constructive talks with President Bush, during which we had an in-depth exchange of views on the China-U.S. relationship and other major issues of mutual interest. We also reached important agreement in a wide range of areas.

Number one, we both agree that against the new international background, China and the United States share extensive common strategic interests. The new China-U.S. relationship is not only contributing to the interests of China and the United States, that of the two peoples, but also is of great significance to the promotion of peace, stability and development in the Asia-Pacific region and the world at large.

We both agree to comprehensively move forward with the constructive and cooperative relationship between the two countries in the 21st century to the benefit of our two peoples and people around the world.

President Bush and I also compared notes on the exchanges and cooperation between the two countries in economic, trade relations, counterterrorism, nonproliferation, environmental protection, energy, and law enforcement. And the two sides expressed a wish to further step up their exchanges and cooperation in all the foregoing areas. We touched upon the issue of economic ties and trade between the two countries. We both agree that mutually-beneficial cooperation and win-win outcomes represent the mainstream of our trading ties have caused the differences and even frictions in this relationship. We both believe that these issues need to be properly resolved through consultations on an equal footing and further expansion of our mutually beneficial cooperation, so that we can facilitate continuing sound and stable growth of our economic cooperation and trade.

In short, I believe the meeting today is a very productive one, and I certainly look forward to a future China-U.S. relationship that is more stable, more mature and developed on a sounder track. (Applause.)

END.