

**UNEDITED TRANSCRIPT**

# **2018 US-China Forum — November 2**

## **Opening Remarks**

**DANIEL**

Good morning. My name is Daniel Diermeier, I'm the Provost of the University of Chicago.

**DIERMEIER:**

Welcome to the second day of the fourth annual US-China Forum. This year's forum brings together experts from a wide range of fields from across the world to discuss critical issues around China's role in the global economy. As we heard from President Zimmer yesterday, this is a particularly special time for the University of Chicago.

In addition to the continued engagement of students, alumni, and faculty on issues related to China, here on campus later this month we will launch our permanent campus in Hong Kong. Both our center in Beijing and our new campus in Hong Kong will work together to further our collaborative research across a range of disciplines, further deepening our understanding of and impact on the concerns of contemporary China. From a public policy perspective, the timing of this forum has also come at a unique time. It's a time when US-China tensions are high.

There's a tremendous need and opportunity for us to improve our understanding of the other nation's respective challenges and perspectives. Like many of you, I am eager to begin another day of discussions, but first want to take a moment to reflect on what we heard and learned yesterday. Michelle Caruso-Cabrera, who joined us to moderate a number of panels as moderator extraordinaire, started off the forum by framing a list of questions regarding China's role in the global economy. Thank you, Michelle, for your thoughtful remarks.

We also heard from two American business and thought leaders, Hank Paulson and Tom Pritzker, about the increasingly important role the business community is playing on key policy issues, such as trade, emissions reductions, sustainable development-- all of which have a lasting global impact. Then we enjoyed a fascinating discussion on the geopolitical implications of China's Belt and Road Initiative, which as you all know, is an ambitious effort to strengthen China's infrastructure, trade, and investment connections across 65 countries.

We had three University of Chicago faculty-- Ken Pomeranz from history, Austan Goolsbee from the Booth School, and Dali Yang from political science-- help us to frame the significance of the Belt and Road for global economic development and China's economic agenda. And then a panel that was particularly timely, "Diplomacy in the Era of Trade Tensions," featured former US Ambassador Baucus, former Chinese Ambassador Zhou, and [INAUDIBLE] of

Kissinger Associates, Josh Ramo.

Trade policy, of course, impacts more than our own economy. Trade pacts can help to shape countries' overarching long term relationships, and we heard of how the delicate state of trade relationships between the United States and China has major implications on areas ranging from security to politics and geopolitical relationships. It was a pleasure to hear and learn from seasoned diplomats on this important issue. The day concluded with a forecast of China's economic outlook by a very thoughtful group of academic and policy experts moderated by former US Treasury Secretary Bob Rubin.

The panel highlighted a range of issues, including the global economic risks of an economic slowdown in China and a variety of other issues. This was a powerful day to end the first day of discussions. We are honored that these many esteemed panelists joined us here on campus to share their deep expertise. Their insights will reform the work of the many policymakers, faculty, students, and members of the business community who were able to join us yesterday. This morning, I look forward to switching gears a bit to learn from discussions about China's role in the global finance and trade networks, clean energy investments, the impact of China's investments around the world, and much more.

I'd like to take this moment to recognize the Becker Friedman Institute for Economics, and especially Mike Greenstone and Erik Hurst, who are just sitting right there, for their tremendous work in putting together with their teams this informative and timely agenda. And I'd also like to thank the UChicago Global team for their collaboration and support and great work in making this event possible. Together, they have made the US-China Forum an annual event for students, faculty, and China-area alumni and guests.

I would also like to recognize the China US Exchange Foundation for its ongoing support of the University of Chicago's US-China Forum To begin today's event, it is now my honor to welcome Acting Consul General of the Chinese Consulate General in Chicago, Liu Jun. A career diplomat, Consul General Liu has been working in the Ministry of Foreign Affairs in China for over 20 years, and has been based here in Chicago for over four years. Thank you for joining us at the 2018 US-China Forum, and please join me in welcoming Liu Jun.

[APPLAUSE]

**LIU JUN:**

Thank you very much, Provost Daniel, for your kind introduction. Good morning, everyone. It is

indeed an honor for me to have an opportunity to welcome all the participants for the second day of the event. So first of all, on behalf of the Chinese Consulate General in Chicago, I would like to offer a big welcome to those speakers, to the audience from out of the Chicago and out of the Illinois. A big welcome to the U of Chicago. Welcome to the Midwest.

Here, I would like to thank the University of Chicago for hosting these two-day events, the US-China Forum 2018, featuring the role of China in a global economy. This is the fourth consecutive year. And a big thank you to the leadership of this university for their strong, strong support. And also especially a big thank you to the U of Chicago Global Team, led by Vice President [INAUDIBLE] and also Mr. Michael Greenstone, the economic professor and director of the BFI of the university, and all the team, staffs, volunteers for your efforts in putting all of this activity together. It's not an easy job.

And also, I think it's fair to say that this forum can't be more timely and more to the point. And also, with much confidence, I want to say, this forum's importance and significance grows with each passing years. Yesterday, I was very much impressed by those candid talks, discussions, comments. And the takeaway I got as I walked out of this room later yesterday, I have a few very strong impression. First, it seemed to me that almost every one agrees that China-US relationship cannot be more important, and might even get more and more important in the future. So how to manage these closer and complicated relations is a huge, huge challenge.

So for sure, it will take tremendous efforts and wisdom from both countries. But one thing's for sure, that I believe the blaming, accusation are not good diplomacy, because they won't help solve the problem. And don't forget that United States is the number one in the world. We are only the second. So if blaming works, we suddenly have much more complain than you do.

So yesterday, lots of people talking about the Thucydides trap. If we do allow this happen, I think everyone will suffer from a tragic repetition of history. So if we can manage this relation well between our two country, for certainly, not only our two countries will benefit, but also so does the rest of the world. There is a very high expectation from around the globe. So I believe by working together, we can make a huge impact. We can make a difference-- huge impact.

A huge impact comes along with huge responsibility. And in China, we have a long history and the civilization, so whenever we have issues, problems, we always try to learn from the ancient philosophy. So as Confucius once said, to think twice before you act, [INAUDIBLE]

Another takeaway I got from yesterday's discussion is, I believe there is still a big gap or deficit in terms of the understanding each other. Here in the United States, there has been growing suspicion on China's growth, development, and Chinese has been accused of the unfair trade, no level playing field, [INAUDIBLE] the transfer of technology, poor IPR protections, and the South China Sea Belt and Road Initiative. And the list could go on and on. But part of the reason is that here in the United States, sometimes we can only hear one side to views and positions, and sometimes we don't have the access or we don't have the chance to have the other side's opinion.

So again, let a quote another ancient idiom in China. If you listen to both sides, you will be enlightened. Heed only one side, you will be benighted. So I believe in this regard this forum offer us a very good opportunity to get very close-- a deep look at what this relation is all about. What are at stake between us? Sometimes the insights are often disguised and out of the touch under noisy political rhetorics. So here, I would like to thank those few speakers from China. And a big thank you to the Ambassador Zhou, the former Chinese ambassador to the United States, for coming all the way from Beijing and elaborated on China's policy and the positions.

Here also, I would like to thank Professor [INAUDIBLE] of the Beijing University. He joined in a panel group yesterday. And I want to thank Mr. Wang Yanzhi, Executive Director and President of the Silk Road Fund. He's going to join a panel after this. So we are very much looking forward to their views and comments from China. Last but not least, I am confident and I'm optimistic that China-US relationship will eventually overcome difficulties, obstacles, and embrace a bright future. And I have reason for this.

First, a good relationship is in the interest of both countries and rest of the world. So this fundamental reality has not changed, especially in this time in the 21st century. But how to achieve that? Here I would like to make another quote of Chinese idiom. There will be no making without a breaking. [NON-ENGLISH SPEECH] so as time goes on, this relationship will need some adjustments, that's for sure, and also need more guidance.

So luckily, yesterday the two presidents, President Xi and the President Trump, has talked over the phone with each other on many important issues including trade. So I believe sooner or later, relationship will we reach a bottom and bounce back. I hope so. Second, the Chinese pretty happy with where we are now, and we have no intention to challenge the United States.

And even the throne is empty, as described by the Ambassador Ivo Daalder, President of the Council On Global Affairs. He recently published a book called *The Empty Throne*.

But to be frank with China, we'll not be interested in taking it over, because we still have so much to do on domestic issues. Even some people-- a small group of people-- here in the US may think and make China an enemy, but we won't fall into that trap. Third, I believe that future belongs to the younger generation. So does the China-US relationship. And looking forward, and especially today, we have a lot of the young student present at this forum. And the forum offers very inspiring informations and prospective for them to learn and judge.

And also, according to recent polls by the Council on Global Affairs and also Pew Research Center, the younger generation in the United States, especially between 18-- from 18 to 29 years old, they have much more positive view on China, probably thanks to the social media and high tech. So this is a hope. So last but not least, let me conclude by making another quote from Abraham Lincoln, because is the land of Lincoln. "The better angels of our nature will eventually prevail." Thank you very much.

[APPLAUSE]