

Full text of Chinese premier's speech at University of Cambridge

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The following is the full text of Chinese Premier Wen Jiabao's speech at the University of Cambridge on Monday.

See China in the Light of Her Development

Speech at the University of Cambridge

[Wen Jiabao](#)

Premier of the [State Council](#) of the People's Republic of China

2 February 2009

Vice Chancellor Alison Richard, Ladies and Gentlemen,

It gives me great pleasure to come to Cambridge, a world-renowned university that I have long wanted to visit. Cambridge has produced many great scientists and thinkers Isaac Newton, Charles Darwin and Francis Bacon, to name but a few, and made important contribution to the progress of human civilization. This year marks the 800th anniversary of the university. Please accept my warm congratulations.

This is my fourth visit to your country. Despite the great distance between China and Britain, the friendly exchanges between our peoples have been on the rise. The successful resolution of the question of [Hong Kong](#) and fruitful cooperation between our two countries in areas such as economy, trade, culture, education, science and technology have cemented the foundation of our comprehensive strategic partnership. Here, I wish to pay high tribute to all those who have been working tirelessly to promote friendly ties between our two countries.

The title of my speech today is "See China in the Light of Her Development".

My beloved motherland is a country both old and young.

She is old, because she is a big Oriental country with a civilization stretching back several thousand years. With diligence and wisdom, the Chinese nation created a splendid civilization and made significant contributions to the progress of humanity.

She is young, because the People's Republic is just 60 years old, and the country began reform and opening-up only 30 years ago. The Chinese people established the New China after unremitting struggles and ultimately found a development path suited to China's national conditions through painstaking efforts. This is the path of socialism with Chinese characteristics. Following this path, our ancient civilization has been rejuvenated.

The key element of China's reform and opening-up is to free people's mind and the most fundamental and significant component is institutional innovation. Through economic reform, we have built a socialist market economy, where the market plays a primary role in allocating resources under government macro-regulation. We have carried out political reform, promoted democracy and improved the legal system. People are the masters of the country. We run the country according to law and endeavor to build a socialist country under the rule of law.

The essence of China's reform and opening-up is to put people first and meet their ever growing material and cultural needs through releasing and developing productive forces. It aims to give everyone equal opportunities for all-round development. It aims to protect the democratic rights of the people and promote stability, harmony and prosperity across the land. And it aims to safeguard the dignity and freedom of everyone so that he or she

may pursue happiness with ingenuity and hard work.

Over the past three decades, more than 200 million Chinese have been lifted out of poverty, the average life expectancy has increased by 5 years, and the 83 million people with disabilities in China have received special care from the government and the society. All this points to the tremendous efforts China has made to protect human rights. We have introduced free nine-year compulsory education throughout the country, established the cooperative medical system in the rural areas and improved the social safety net. The age-old dream of the Chinese nation is being turned into reality a dream to see the young educated, the sick treated and the old cared for.

I want to quote from a Tang Dynasty poem to describe what is happening in China, "From shore to shore it is wide at high tide, and before fair wind a sail is lifting." The Chinese people are working hard to modernize their country. This is a great practice in a large developing country both ancient and new. The Chinese people, with destiny in their own hands, are full of confidence in their future.

My beloved motherland is a country that stood numerous vicissitudes but never gave up.

Earlier in my career, I worked in northwest China for many years. There, in the boundless desert, grows a rare variety of tree called euphrates poplar. Rooted over 50 meters down the ground, they thrive in hostile environments, defying droughts, sandstorms and salinization. They are known as the "hero tree", because a euphrates poplar can live for a thousand years. Even after it dies, it stands upright for a thousand years, and even after it falls, it stays intact for another thousand years. I like euphrates poplar because they symbolize the resilience of the Chinese nation.

Over the millennia, the Chinese nation has weathered numerous disasters, both natural and man-made, surmounted all kinds of difficulties and challenges, and made her way to where she proudly stands today. The long sufferings have only made her a nation of fortitude and perseverance. The experience of the Chinese nation attests to a truth: what a nation loses in times of disaster will be made up for by her progress.

I am reminded of the experience that I had in Wenchuan, Sichuan Province after the devastating earthquake there last May. That earthquake shocked the whole world. It flattened Beichuan Middle School and claimed many young lives. But only 10 days after the earthquake, when I went there for the second time, I had before my eyes new classrooms built on debris by local villagers with planks. Once again, the campus echoed with the sound of students reading aloud. I wrote down 4 Chinese characters on the blackboard, meaning "A country will emerge stronger from adversities." I have been to Wenchuan seven times since the earthquake and witnessed countless touching scenes like this. I am deeply moved by the unyielding spirit of my people. This great national spirit is the source of strength which has enabled the Chinese nation to emerge from all the hardships stronger than before.

With hard work over the past half century and more, China has achieved great progress. Its total economic output is now one of the largest in the world. However, we remain a developing country and we are keenly aware of the big gap that we have with the developed countries. There has been no fundamental change in our basic national condition: a big population, weak economic foundation and uneven development. China's per capita GDP ranks behind 100 countries in the world and is only about 1/18 that of Britain. Those of you who have been to China as tourists must have seen the modern cities, but our rural areas are still quite

backward.

To basically achieve modernization by the middle of this century, we must accomplish three major tasks: first, achieve industrialization, which Europe has long completed, while keeping abreast of the latest trends of the scientific and technological revolution; second, promote economic growth while ensuring social equity and justice; and third, pursue sustainable development at home while accepting our share of international responsibilities. The journey ahead will be long and arduous, but no amount of difficulty will stop the Chinese people from marching forward. Through persistent efforts, we will reach our goal.

My beloved motherland is a country that values her traditions while opening her arms to the outside world.

The traditional Chinese culture is rich, extensive and profound. Harmony, the supreme value cherished in ancient China, lies at the heart of the Chinese culture. The Book of History, an ancient classic in China for example, advocates amity among people and friendly exchanges among nations.

The Chinese cultural tradition values peace as the most precious. This has nurtured the broad mind of the Chinese nation. The Chinese nation is generous and tolerant, just as Mother Earth cares for all living things. She is in constant pursuit of justice, just as the eternal movement of the Universe.

In the 15th century, the famous Chinese navigator Zheng He led seven maritime expeditions to the Western Seas and reached over 30 countries. He took with him Chinese tea, silk and porcelain and helped local people fight pirates as he sailed along. He was truly a messenger of love and friendship.

The argument that a big power is bound to seek hegemony does not apply to China. Seeking hegemony goes against China's cultural tradition as well as the will of the Chinese people. China's development harms no one and threatens no one. We shall be a peace-loving country, a country that is eager to learn from and cooperate with others. We are committed to building a harmonious world.

Different countries and nations need to respect, tolerate and learn from each other's culture. Today, 300 million Chinese are learning English and over one million of our young people are studying abroad. The cultures and arts of various parts of the world are featured daily on China's television, radio and print media. Had we not learned from others through exchanges and enriched ourselves by drawing on others' experience, we would not have enjoyed today's prosperity and progress.

In the 21st century, economic globalization and the information network have linked us all together. Different cultures live together and influence each other. No culture can flourish in isolation. How much a country or a nation contributes to the culture of humanity is increasingly determined by her ability to absorb foreign cultures and renew herself. That is why China will remain open and receptive, value her own traditions while drawing on others' successful experience, and achieve economic prosperity and social progress in a civilized and harmonious way.

Ladies and Gentlemen,

I stress the importance of seeing China in the light of her development, because the world is changing and China is changing. China is no longer the closed and backward society it was 100 years ago, or the poor and ossified society 30 years ago. Thanks to reform and opening-up, China has taken on a new look.

What the [Beijing](#) Olympic Games showcased is a colorful China, both ancient and modern. I therefore encourage you to visit China more often and see more places there. This way, you will better understand what the Chinese people are thinking and doing, and what they are interested in. You will get to know the true China, a country constantly developing and changing. You will also better appreciate how China has been tackling the ongoing global financial crisis.

This unprecedented financial crisis has inflicted a severe impact on both China and Britain as well as other European countries. The crisis has not yet hit the bottom, and it is hard to predict what further damage it may cause. To work together and tide over the difficulties has become our top priority.

I believe that closer cooperation is needed to meet the global crisis, and the level of cooperation hinges upon the level of mutual trust. The Chinese Government maintains that countries should: first and foremost, run their own affairs well and refrain from shifting troubles onto others; second, carry out cooperation with full sincerity and avoid pursuing one's own interests at the expense of others; and third, address both the symptoms and the root cause of the problem. A palliative approach will not work. We should not treat only the head when the head aches, and the foot when the foot hurts. As I reiterated at the World Economic Forum Annual Meeting in Davos, necessary reform of the international monetary and financial systems should be carried out to establish a new international financial order that is fair, equitable, inclusive and well-managed. We should create an institutional environment conducive to global economic growth.

Let me talk briefly about how China has been responding to the crisis.

The fallout of the financial crisis on China's real economy is becoming more evident. Since the third quarter of last year, our exports have declined sharply, economic growth has slowed down, and the pressure on employment has been rising. In the face of the grim situation, we have acted decisively. We have made timely adjustment to the direction of our macroeconomic policy, promptly introduced ten measures to expand domestic demand, and formulated a series of related policies. Together, they make up a systematic and comprehensive package plan aimed at promoting steady and relatively fast economic growth. Its main contents are:

First, substantially increase government spending to boost domestic demand. The Chinese Government has announced a two-year investment program that will generate, through fiscal spending, a total investment of RMB 4 trillion nationwide, equivalent to 16% of China's GDP in 2007. The money will mainly go into government-subsidized housing, projects related to the well-being of rural residents, the construction of railway and other infrastructural projects, social development programs, [environmental protection](#) and post-earthquake recovery and reconstruction. The Chinese Government has introduced a massive tax-cut program, which will reduce the tax burdens on businesses and individuals by about RMB 500 billion each year. We have also cut interest rates by a large margin, increased liquidity in the banking system and adopted a range of financial measures.

Second, implement a large-scale industrial restructuring and rejuvenation program. We are pushing forward industrial restructuring and upgrading across the board and formulating plans for the restructuring and revitalization of ten key industries, including automobiles and iron and steel. We will take economic and technological measures to boost energy conservation and reduce emissions, and promote merger and reorganization of

enterprises to raise the level of industry concentration and the efficiency of resource allocation. We encourage and support the extensive application of new technologies, techniques, equipment and materials and the development of marketable products by enterprises.

Third, make energetic efforts for progress and innovation in science and technology. Science and technology are of fundamental importance in overcoming the financial crisis. A major crisis is usually followed by a revolution in science and technology, and no economic recovery is possible without technological innovation. We are stepping up the implementation of the National Program for Medium- and Long-Term Scientific and Technological Development, with special emphasis on 16 major projects including core electronic devices, development and use of nuclear energy and advanced numerically controlled machine tools. We will strive to make breakthroughs in a host of core technologies and key generic technologies to support sustainable economic growth at a higher level. We will promote the development of high-tech industrial clusters and cultivate new economic growth areas. All in all, we will rely on major breakthroughs in science and technology to foster new social demand and bring about a new round of economic boom.

Fourth, significantly raise the level of social security. We will continue to increase basic pension for enterprise retirees and upgrade the standard of unemployment insurance and workers' compensation. We will raise the level of basic cost of living allowances in both urban and rural areas and welfare allowances for those rural residents without family support. We are advancing the reform of the medical and health system and working to put in place a nationwide basic medical and health system covering both urban and rural areas within three years and achieve the goal of everyone having access to basic medical and health service. We

give priority to education and are now working on the Guidelines of the National Program for Medium- and Long-Term Educational Reform and Development. We are following a more active employment policy with special emphasis on helping college graduates and migrant workers find jobs. We are endeavoring to create more jobs and lessen the impact of the financial crisis on employment. The aforementioned measures will help us boost domestic demand, readjust and reinvigorate industries, enhance the support of science and technology and strengthen social security all at the same time. They will stimulate consumption through increased investment, drive economic growth while improving people's livelihood and creating more jobs, and see us through current difficulties while also improving the long-term prospect of the Chinese economy. They will not only benefit China's development, but also bring enormous business opportunities to other countries, Britain included.

This once-in-a-century financial crisis is truly thought-provoking. It reminds us of the need to have serious reflections on the existing economic systems and theories.

For many years in the past, China practiced a highly centralized planned economy and regarded planning as being absolute. This hampered the development of productivity. The ongoing financial crisis has made it clear to us, however, that the market is not a cure-all, either. A totally laissez-faire approach will inevitably lead to economic disorder and unfair social distribution, and will eventually take its toll. A credible market-oriented reform should never set the market against government macro-regulation. The invisible hand of the market and the visible hand of government and social supervision should both act, and act vigorously. Only in this way can resources be distributed according to market rules and distributed in a reasonable, coordinated, balanced and

sustainable manner.

The international financial crisis once again shows how dangerous a market economy without regulation can be. Since the 1990s, some profit-driven financial institutions in economies lacking effective regulation have raised massive capital with a leverage of dozens of times. While they reaped huge profits, the world was exposed to enormous risks. This fully demonstrates that a totally unregulated market economy cannot work. We must strike a balance between financial innovation and regulation, between the financial sector and real economy, and between savings and consumption.

To effectively meet the crisis, we must fully recognize the role of morality. Nothing is greater than morality. It shines even more brightly than the sun. True economic theories will never come into conflict with the highest moral and ethical standards. Instead, they should stand for justice and integrity, and contribute in an equal way to the well-being of all people, including the most vulnerable ones. Adam Smith, known as the father of modern economics, held the view in *The Theory of Moral Sentiments* that if the fruits of a society's economic development cannot be shared by all, it is morally unsound and risky, as it is bound to jeopardize social stability. The loss of morality is an underlying cause for the current crisis. Some people have sacrificed principle and sought profits at the expense of public interests. They have crossed the moral baseline. We should call on all enterprises to take up their social responsibilities. Within the body of every businessman should flow the blood of morality.

Ladies and Gentlemen,

Britain is the last leg of my European trip. I have gained a deeper understanding of Europe through this visit. China-EU cooperation

is now standing at a new historical starting point and I am all the more confident about the China-EU comprehensive strategic partnership. There are no outstanding issues left over from history or conflict of fundamental interests between the two sides. What we have is a solid foundation and a bright future for cooperation. As the first industrialized country, Britain has accumulated rich experience in economic development and environmental protection. We hope to learn from your experience and strengthen exchanges and cooperation with you.

The future belongs to the younger generation. It is incumbent upon you to build an even more splendid future of China-Britain relations. Here and now, I cannot but mention Dr. Joseph Needham, a Cambridge alumnus who made important contribution to cultural exchanges between China and Britain. With his monumental masterpiece, *Science and Civilization in China*, he built a bridge between the two great civilizations of East and West. To honor tradition and innovation is the outstanding character of Cambridge. I hope more of you will turn your eyes to China, see my country in the light of her development, and act as ambassadors of China-Britain friendship. I believe that as long as you, the young people of China and Britain learn from each other and strive for progress hand in hand, you will add a brilliant new chapter to the annals of our relations.

Thank you!

Editor: Yangtze Yan

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