

The Economic Club of New York

456th Meeting
109th Year

Li Keqiang
Premier, People's Republic of China

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Questioners: William Berkley
Chairman and CEO of W.R. Berkely Corporation

Thomas Farley
President of New York Stock Exchange

Susie Gharib
Senior Special Correspondent, *Fortune Magazine*

Robert Hormats
Vice Chairman, Kissinger and Associates.

Introduction

Chairman Terry J. Lundgren

Welcome everyone to the 456th meeting of The Economic Club of New York. This is our 109th year in existence. I am Terry Lundgren, Chairman of The Economic Club and Chairman and CEO of Macy's Incorporated. The Economic Club in New York is the nation's leading nonpartisan forum of speeches on economic, social, and political issues. More than 1,000 guests have spoken at our club sessions over the last century and we have established a very strong existence of excellence.

I want to personally recognize the 234 members of the Centennial Society. These club members continue to do extraordinary work and make great contributions to insure the financial stability of the club into our second century.

I would also like to welcome the students who are here from Columbia University School of International and Public Affairs. They are here in attendance with us and whenever possible we like to invite our high performing students to expose them to the activities of The Economic Club.

This evening, The Economic Club of New York joined by the US China Business Council, The National Committee on United States and China Relations are honored to be able to welcome our

distinguished guest, his excellency, Li Keqiang, The Premier of People's Republic of China. We have headsets by the way on your tables, if you would like to use them, to assist you in translations.

The introduction of the Premier this evening will be done by none other than an Economic Club member, Chairman of Kissinger Associates, Dr. Henry Kissinger. Dr. Kissinger please come to the podium.

Dr. Henry Kissinger

Chairman, Kissinger Associates

Premier Li Keqiang, members of The Economic Club of New York and the National Committee on US China Relations, it is a great honor to welcome Premier Li Keqiang with whom I have had the privilege of having many conversations over the years.

A lifetime ago in 1971 Premier Zhou Enlai meeting for the first time in Beijing to end a quarter century of broken contacts. Zhou Enlai began by telling me that China was not a mysterious country to the billion Chinese who live there. Presumably neither would I, if I made an effort to get to know China. Since then, over the course of four decades I have witnessed three dramatic revolutions in China. Mao's which restored unity and dignity. Deng which brought reform and now the revolution of President Jinping Xi which seeks simultaneously to renew a party of 87

million members, restructure an economy of 1.3 billion and advance a new vision of foreign policy for the world.

When asked about the prospect of success of such vast undertakings, I say that over these decades I have witnessed many extraordinary, seemingly unbelievable efforts in China. Doubters do not take into account the determination of the Chinese people and the vision of its leadership. So today, 40 years later, theorists speculate about the impact on geopolitics, when China's GDP equals or perhaps exceeds that of the United States.

Premier Li you have helped guide the most recent years of China's progress. Not only as Premier and Vice Premier, but as the head of major provinces Liaoning and Henan. As Premier you have challenged your country to undertake macroeconomic reform, to redistribute wealth and move the Chinese economy from reliance on manufacturing and export to yuan-based technology and consumption, emphasizing innovation to both neutral new sectors, and remodeled old ones. You have called for a hybrid driving force of growth. As these efforts gain momentum, the United States and China will become the world's two most consequential countries, not only economically, but geopolitically.

This reality and the heretofore, inconceivable reach and deceptiveness of modern technology impose on our two countries an obligation which has been recognized by both leaders to avoid conflict and to define common purposes. In pursuit of these goals, both countries are challenged

to some extent by their histories. We both conceive of ourselves as exceptional, but in markedly different ways. The United States believes its values are universal and should be spread to other countries around the world through a kind of missionary effort. China acts on the assumption that its values are culturally unique. It strives to have an impact by example so that its performance will cause other countries to turn to Beijing.

The task before us then is to enable these two concepts of nationhood to coexist peacefully and cooperatively. In this effort, it is essential that in regions where the US and China interact directly no effort will be spared to diffuse crisis and to seek cooperative solutions as in Korea.

And on the constructive side, the One Belt, One Road initiative, which you Premier Li have been so instrumental in putting forward. It is historic, both in scope and in impact. A way should be found for the United States to participate in some of its projects.

Mr. Premier, I am confident that your first visit to the United States as Premier, will make a significant contribution to the relationship of our two countries and to the peace of the world. On behalf of The Economic Club, the National Committee on US China Relations, and the US China Business Council, and on my behalf, I welcome you to New York and to the States.

Ladies and gentlemen, it is my honor to introduce to you Premier Li Keqiang. (Applause)

Li Keqiang

Premier, People's Republic of China

I have been rendered warm hospitality and I appreciate the invitation for me to attend this event. Before I entered this room I had a brief conversation with Dr. Kissinger, I asked him, when 45 years ago on your plane to China on this secret visit, what's on your mind. He didn't say much, he didn't share with me any of his secret thoughts, he just told me that, at that time, China-US trade was almost zero, even less than what was traded between the United States and a small country in Central America. At that time, he might be predicting that 45 years later, China-US trade will take up one-fifth of the world's total trade. And combined, our two economies will take up one-third of the world's total, 45 years later. Well that is the magic of change.

That is how much has changed. But sometimes a man proposes what God deposes. Because in 2008 the global financial crisis broke out. Back then, world trade was almost collapsed. Well, eight years later, today, world trade is still sluggish and there have been a series of challenges.

Today I attended a meeting on the large movement of refugees and migrants at the United Nations. And in many parts of the world we see terrorist attacks. Although we still cannot confirm the nature of what has been happening around the world but people worry. Just the day before I departed for the United States there was this explosion right here in New York. We all live in the same planet Earth and no one can stay immune. The geopolitical conflicts have kept

popping up. Just now Dr. Kissinger asked, when China's economy equals that of the United States, what kind of political, geopolitical changes there will be.

Now let me address that question. Even if China's economy is on par with that of the United States. The United States is the largest developed country in the world and China is the largest developing country in the world and that reality has not changed. There is still a long way to go for China in its modernization drive. While size is important, but per capita figure is more important.

Now for the United States, the per capita GDP is seven times that of China's per capita GDP. For China to reach the level of a middle-income country; our goal is that it will happen by the mid of this century. Now as things stand, people are seeing that China's economy is growing rapidly and at the same time people also have questions. It seems that China's economy is slowing down and will that create problems.

Indeed, we need to answer this question from two perspectives and that is not easy. What I am trying to say today is that as the world economy has had this slow recovery, as the world trade is declining in growth, while last year world trade was down by 13%. For China its economy is so closely integrated with that of the world economy, we still maintain steady growth of our economy, but there is a change or something has changed. The growth rate has slowed down.

And there are many reasons.

One important reason is in 2014 China's economy in size reached \$10 trillion US dollars.

Around the world economies above \$2 or \$3 trillion US dollars, if they keep growing by double digit growth rate, there is no precedent. It is never seen. For China for the past three to four years, our growth rate has been capped at above 6.5%, but this year in the first six months, our economy grew by 6.7%. At that rate, while five years ago or 10 years ago, to China means an increment generated by double digit growth rate. Because that means every year the increment will be \$800 billion US dollars, equivalent to the economy of a medium sized economy.

We will maintain such a medium high growth rate. People may ask, as a major economy when China has been one of the top in terms of growth rate; why do you still want to sustain such a medium high growth rate. That is because in China we have 1.3 billion people. Every year there are 13 million or 14 million people need new jobs in urban areas. And we have, according to our standard, 50 million people living in poverty. So in China we need to keep developing and in that process create jobs. Or sufficient jobs. We need to mobilize our national resources to fight poverty.

I can say here that in the third quarter of this year or till the end of this year China's economy will maintain this momentum of steady growth as we saw in the first half of this year. For the past three years every year we create 13 million new urban jobs and this year from January to August we created 9.5 million new urban jobs.

Talking about new urban jobs, maybe some people will say, what does that mean to the United States? Will that mean that there will be implications for jobs in the United States? Well look at China/US trade figures, you will find that Chinese investment to the United States and China's import of industrial goods, agricultural produce from the United States, have created millions of jobs for the United States, inside the United States. If China's economy cannot sustain such a growth rate, to be honest, that will have negative implications to the United States, to the US jobs. And vice versa, if the US economy is not doing well, as the largest economy in the world, it is bad news for China as well. So we are interdependent.

Just now, in his remarks, Dr. Kissinger said that China's economy is in the process of transformation and upgrading. How can we still sustain this medium high growth rate, that is because we are going for restructuring of China's economy. On the one hand we are transforming and upgrading traditional industries, including out-phasing outdated production capacities and at the same time we are fostering new drivers, new dynamisms. The new drivers can generate enormous help, whether in rural China or cities. If you have the chance go to China and you will see that new business types, new industries and new technologies are mushrooming day by day.

With a mobile phone some people can provide the services for people living in the northern part of China to have a holiday in the southern part of China in winter. And they can provide low priced housing services in the real-estate sector to those holiday makers. And in rural areas the

agricultural.... the farmers, sometimes find it hard to sell what they produce, but if they go online, you don't have to set up a counter by the field, for example 2 yuan of orange if you go online 5 yuan per half a kilogram. So these are the new drivers emerging and still we don't have the full picture. This is just a few examples.

These new dynamisms and new driving forces are transforming our traditional industries. And our traditional industries, combined with new driving forces are being elevated to higher levels. China's economic structure is undergoing these huge changes. Now the service sector, its contribution to GDP has exceeded at 60%.

Well for the past two years the growth rate has been 4% to 5% points and the momentum continues to sustain. Why could we achieve such a growth? And why do we think that we can keep this continued and steady growth in the fundamental way? It is because of Reform and Opening Up. Reform and Opening Up has carried China this far for the past three decades and going forward, we still need to rely on Reform and Opening Up to go further. Just now I mentioned the new drivers and new dynamisms and they create a lot of employment opportunities. We are also working to streamline our administration while strengthening regulation. On the one hand we are relaxing the administration over the entrepreneurs when they want to start up their business. At the same time the government provides a service platform so that the business can compete with each other on this level playing field. And we also reform the business registration sector and administration approval system. We want to promote a mass

entrepreneurship and innovation. Every day there are 15,000 new businesses get registered. And last year that figure was 14,000.

Before this reforms were started, the newly registered businesses grew by about two times compared with previous years. China has 1.3 billion people, 170 million people have received higher education or have special skills and that is rarely seen in other parts of the world. So we have a huge reservoir of human capital. If we can bring market potential to full play if we can unleash all of the creativities in the society, what can be achieved is a lot.

There are huge choices and options for consumers. In China we say that three ordinary people can outsmart a vastest strategist and three persons working together, there is a teacher that can teach me something. While the figure three can mean limitless numbers, Confucius say that one gives birth to two, two gives birth to three and three generates the world. So three means the massive general public. Well people are now innovating and they are the players, directly involved in a market. So if their creativity can be brought into full play, how much can be achieved.

At the same time while also advancing Opening Up in the recent years, the Chinese government has abolished 40% of the items that previously require administrative approval. And also the items that require approval for foreign investment or the items which are restricted for foreign investment have been slashed by half. And I often receive a letter from foreign companies and

investors, they complain about the business environment in China but on the other hand, I also often receive reports from US China Business Council, according to their analysis, last year, over 90% of American companies are making profits in China.

In the first half of this year, US investment in China has grown by 1.2 folds and when there was no trade between China and the United States, there was no trade complaints, there was no trade disputes and there was not even a direct flight to our countries. So Dr. Kissinger had to come to China on a plane of a third country and now we have such a big trade volume and such big commuter investments.

So it is inevitable that we may have trade frictions and differences, but these frictions and differences are not the mainstream. They only account for a very small part of our corporations. Of course we cannot turn a blind eye to these very small part of frictions. We need to expand our common ground and our common interest while properly resolving our differences.

China has made enormous economic and social progress over the past three decades and more. It is attributable to a peaceful international environment and a stable neighborhood environment. So while pursuing Reform and Opening Up, China will also be firm in following the path of peaceful development. As I said earlier, China is a developing country. We have 1.3 billion people. The central and the western regions are still lagging far behind the eastern regions and there is even a bigger gap between the urban and the rural areas.

If China can manage its own affairs well, if China can achieve modernization, it will be a huge contribution to the world in itself. We are maintaining a stable growth rate. Our contribution rate to the world economy is now 30% in China and the United States combined. Our contribution to world economic growth is over 50%. China is willing to uphold the international order that was established after the Second World War. And at a general debate of the UN I will reaffirm China's position, that is we uphold the sanctity of the UN Charter, we uphold the authority of the United Nations in coordinating international affairs. And of course the international system and the international governance system need to be improved.

China as a developing country hopes that there will be greater voice of developing countries in the international governance system and we also hope to promote inclusive economic growth and balanced economic and social progress.

In international relations, countries big or small need to work together and they need to respect each other, to treat each other as equals and jointly uphold a world of harmony. China and the United States may differ in national circumstances and in cultural backgrounds. But we are willing to promote mutual respect and a willing cooperation with the United States. China believes in cultural diversity and we maintain that cultural exchange is a mutual learning, important. We believe that all countries and all nations have their own civilization that they are proud of.

China will be a constructive player in international relations. We also believe that in its course of modernization we need to learn advanced technology and managerial expertise of foreign countries. We need to form a mutually beneficial and a win/win relationship with the United States, the largest and developed country in the world.

I believe that this is a strategic policy we will follow in the following decades. Even China becomes a modern and developed country at a medium level. We will never forget the teaching of our ancestors, that is we should not do unto others things we do not want to do unto ourselves. We will continue to follow the path of peaceful development.

Thank you. (Applause)

QUESTION AND ANSWER PERIOD

CHAIRMAN TERRY LUNDGREN: Thank you Premier Li for your words and Dr. Kissinger for your informed introduction. The rest of the program will be consecutively translated so you will no longer need your headsets. As is the tradition of the club, we will now introduce our questioners, all members of The Economic Club and at the request of Premier Li there will be four questioners this evening. They will include, William Berkley, Chairman and CEO of W.R. Berkley Corporation. Thomas Farley, President of New York Stock Exchange, Susie Gharib, Senior Special Correspondent for Fortune Magazine and Robert Hormats Vice Chairman of

Kissinger and Associates. We will go in alphabetical order, so Mr. Berkley you have the first question.

WILLIAM BERKLEY: Premier, as China has become more and more of a global power and seeks to do business around the world it is important that its markets become open to competitors from around the world. How do you see that evolving? How do you see the markets in China becoming more open?

PREMIER LI: As this is a consecutive interpreting, maybe I will take a pause for you to have some time to have some food. In the early days of China's Opening Up we put most of the emphasis on bringing in foreign investment. But for China's economy to come to where it is today in the age of globalization, now we are making great efforts to work with multinationals and Chinese companies are also finding more opportunities to invest overseas. So nowadays we are giving equal emphasis to bringing in foreign investors and for Chinese companies to go global. We are attracting foreign investment not just for the sake of capital. It is true that the capital has been essential in boosting China's economy but it is not the sole purpose. As you may know, currently the total paid in foreign investment made in China has reached a 1.7 trillion US dollars. For 24 years in a row China has been the largest recipient of foreign direct investment among all of the developing countries and going forward we hope that China will remain one of the most attractive destinations for foreign investment. As I just said, attracting foreign investment is not just for the capital, it is also for working with multinationals to draw upon their

advanced technologies and managerial expertise. But one thing is clear here, that is in the technological cooperation, such cooperation has no prerequisite attached. And there will be no mandatory requirement for technology transfer. At the same time, I have heard certain complaints from the business leaders of foreign invested companies saying that they still face some restrictions in accessing Chinese market. To them I want to say that it has not been that long since China launched its Reform and Opening Up program and some sectors in the Chinese economy have not become mature ones. But this process of them becoming more mature is also a process for them to further open up. And the areas of China's economy open to foreign investment will only increase and China will only open its door even wider. This door will not close. For all of you, as long as you have the capital, and the interest of making investment in China, you are more than welcome to come to invest in the Chinese market. Specific projects can be discussed later.

THOMAS FARLEY: Premier Li, thank you so much for being here. Thank you for having us in your hotel. This is lovely. (Laughter) It truly is an honor and thank you very much. With the United States and China needing each other more than ever as the two strongest economies, as quite frankly the strongest economies, but yet, and you spoke in your speech about mutual respect and there is no doubt mutual respect, but yet there is so much negativity and even an element of mistrust. You know, you see the press here, and there are articles about currency rate setting or the respect for intellectual property in China. I know on my trips to China I have noticed that the Chinese press even finds negative things to say about the United States,

amazingly. But my question truly is, what can we do about this level of mistrust, how can we reduce the level of mistrust, increase the level of cooperation, and in particular, is there anything that frustrates you about misperceptions that Americans have about your country?

PREMIER LI: It is true there are misconceptions and differences between our two countries but I believe the level of mutual understanding and common interests between our two countries far outweighs such misconceptions and differences. And just now you said, my hotel. Coming to my hotel, but I want to make a correction here for the record. That is, as far as I know, this hotel is for business leader from a private company in China, holding a stake in the hotel, but the hotel is still under long-standing management of American businessmen. So I am thinking, I am still staying at an American hotel. (Laughter) (Applause) While talking about the mutual media coverage of our each other's countries I think we need to take a look at the whole picture instead of partial picture. If you open the news products of a certain media organization, here, I don't want to name it, not for advertisement, but I believe you will find the coverage is quite multifaceted. Sometimes truthful and objective coverage may not get people's eye, but nitpicking or sensational stories get people's attention. Well using nitpicking here may be a little bit too much. If it is well intentioned coverage reporting, even if it is a critical one, I think it should be welcomed because it is good for us to improve what we have been doing. As for the specific topics you alluded to in your question, like currency rate, we wouldn't have that much time for me to dig into the details, but I just wanted to say that there is not a basis for the continuous devaluation of the Chinese currency and China has no intention whatsoever to use the

devaluation of the Chinese yuan to boost exports because that is not good for China's economic transformation. As for how we can do to boost mutual trust and narrow the misconceptions and differences, I think the key lies in closer mutual engagement. As far as I know last year Chinese tourists made 2.6 million trips to the United States and now there are some 600,000 Chinese students studying in the United States. But I also know that for many Americans, maybe they have not been to China yet. Maybe many of them have been to Central American countries instead. So I believe the key to deepening our mutual trust lies in close engagement and a larger interflow of personnel between the two countries, so that we can have candid and deep discussions and communication between us, to deepen mutual understanding.

SUSIE GHARIB: Premier Li, thank you so much for your very refreshing speech and your encouraging words. I would like to followup on some of the comments that you have made in answering these questions. Many American business leaders tell me that they are very worried about the current backlash to globalization and global trade that is building here in the US and I am sure you have heard the candidates who are running for president here in the States have very harsh words about the loss of American jobs and unfair global trade agreements. Given that China's economic growth really depends on global trade and you said that there is a mutual interest between our country and China, how concerned are you about this developing trend? What would you say to the presidential candidates in terms of advice (laughter) and also to the American public to reassure them that they shouldn't worry about this?

PREMIER LI: Yes, I am coming to attend the UN high-level events, but as I am coming to New York, before I came here, some friends already said to me that they don't think I am coming to the city at the right time. Because the US presidential election is about to reach a high key point, this is the United States' internal affair, so for me, things that I can say about this topic is very limited. But I recall that in the 1980's during my visit to the United States, I also went to both headquarters of the two political parties for the presidential campaigns. And at both places I was asked whether I like the presidential candidates and to both of them I said that no matter who gets elected I have confidence in the continued positive growth of China/US relations.

(Applause) And now you have put me at such a podium and considering my current capacity I can only repeat what I said years ago, that is, no matter who gets elected in the US presidential election, I believe that China/US ties will continue to grow steadily and in a positive direction.

(Applause) But tomorrow I will give a statement at the General Debate of the UN General Assembly. In my statement I will definitely say something about globalization and global trade, but don't misread it as these having anything to do with US presidential election. Globalization may also have some downsides or adverse impact on certain areas, sectors and groups of people. But I believe that to address these downsides, we can still and we must rely on continued globalization, trade liberalization and investment facilitation. Just as one does not give up eating for the fear of choking on his food, as the Chinese saying goes. Following the United Kingdom, the United States has been the biggest beneficiary from globalization. And China is also a big beneficiary from this trend. So we want to work with all other parties in the global community. One of the big beneficiaries from globalization. So China wants to work with all members of the

international community to continue to advance trade liberalization and advanced globalization as appropriate but in the meantime we should also pay high attention to the calls and aspiration of relevant groups of people and see to it their concerns will be properly addressed. But all in all I believe the world's trend will continue to move forward. I hope you will understand as Chinese is one of the official languages of the UN, so I should speak in Chinese here. (Applause)

ROBERT HORMATS: Premier Li, first let me thank you very much for your very thoughtful and very comprehensive speech. You honor us by your presence tonight and by your leadership and your vision. I would like to followup one of the points that you made in your speech and in the question and answer session on the trading system. As you correctly pointed out, global trade has been declining over the last several years. You also pointed out how interdependent our two countries and many others are on the global trading system. One of the concerns now in addition to the decline in global trade is that in many countries throughout the world we see increased economic nationalism, we see domestic pressures for localization, we see various groups who want to pull back from the global trading system rather than take the lead in improving the global trading system. Those pressures occur in the United States, in China and in many other countries. But you also make the fundamental point that we need a global trading system, we need an open and thriving global system. So my question is, what can China and the US do together to reverse this deterioration in support for the global trading system, to make sure that it thrives and becomes more open rather than less open. And in particular are there opportunities for the United States and China through the negotiation of the bilateral investment treaty to take the lead

together in strengthening international rule, strengthening the rules, improving opportunities for global investment, which will stimulate growth and stimulate additional trade.

PREMIER LI: Well I believe China and the United States should send a common message to the international community. Both of our two countries are strong supporters of the existing global trading regime and we both believe that we need to advance trade liberalization and investment facilitation under the WTO framework. So China and the US should work together with all other countries in the world to send out a strong and concerted message and I believe this will help prevent the anti-globalization trend from further evolving and help prevent the trade barriers and a beggar-thy-neighbor approach from emerging. Because the anti-globalization trade or the approach that I just mentioned are not good for the enhancement of global economic recovery. Secondly I believe our two countries need to further open up to each other in both trade and mutual investment. Now China and the United States are engaged in the BIT negotiation. The negotiation in itself has sent out a positive message to the business communities of both countries. China has exerted strong efforts in this respect and in just two years put forward revised offers for three times. Now the two countries are engaged in the 29th round of BIT negotiation. We are now waiting for a response from the US side. I believe that as long as both sides take a pragmatic and flexible approach, we will be able to arrive at a high standard and mutually beneficial BIT. Well your question reminds me that there are two things that I can share with you here, showing Chinese sincerity about opening up its market to the United States. One is China's domestic governmental authorities have completed the quarantine procedures for

imports of US beef with bone and we will soon have such imports of beef from the United States. But China itself is a large producer of agricultural products and animal husbandry, but we also recognize that the United States has very good beef, so why should we deny Chinese customers this good choice. (Applause) I am sure there will be louder applause if I say it in mid-west United States. One more thing, as I am in New York, I want to say that we have decided to designate a Chinese investment bank as a clearing bank for R&B business in New York and we also welcome those foreign banks in New York who meet the eligibility requirements to become clearing banks for Chinese R&B business. I am sure that will only further boost our engagement. (Applause) It seems that Mr. President wants me to have the chance to taste US beef during our dinner, so maybe I will wrap up my remarks. (Applause)

TERRY J. LUNDGREN, CHAIRMAN: Thank you Premier Li. Thank you. (Applause). And thank you to our questioners as well. And you are about to be able to taste some US beef but before, we just have some brief remarks which will lead to a toast for this evening and for that I would like to introduce Carla Hills who is Chair of the National Committee of US China Relations and who was Secretary of Housing and Urban Development under President Gerald Ford and US Trade Representative under President George H.W. Bush and she will be joined by Economic Club, NY Chair Emeritus, Barbara Franklin who currently serves on the boards of both the US China Business Council and the National Committee on US China Relations and was Secretary of Commerce under President George H.W. Bush. Carla and Barbara please take the podium.

CARLA HILLS: Well good evening one and all. I must say that as Chair of the National Committee on US China Relations, one of my most enjoyable assignments is to welcome visiting Chinese leaders who come to the United States and so I really want to extend the warmest welcome to Premier Li and also to extend our deepest appreciation for you making the time to be with us tonight. (Applause) The National Committee is delighted to join The Economic Club of New York and the US China Business Council for this evening's celebratory dinner. This year, the National Committee is celebrating its 50th anniversary. And since hosting the ping pong exchange in the 1960s the Committee has been absolutely dedicated to strengthening China/American relations. Your remarks Premier Li and your wonderful answers to the four questions have given us an excellent overview to your government's thinking on a range of critical policy issues. This year the UN general assembly is focused on sustainable development and we strongly at the National Committee applaud the fact that China and the United States, the world's two largest economies have formally committed to the Paris Climate Agreement. (Applause) The world will be a better and safer place as a result of our collaboration. This partnership is an outstanding example of the good that can come, not only to our two nations, but to the world at large, when we work together. (Applause) Your meeting yesterday with President Obama is continued evidence of our joint dedication to find sound solutions to tough problems and we look forward to much more collaboration in the days, the weeks, and the months ahead. Now let me turn to my very good friend, Secretary Barbara Franklin to say a few words. (Applause)

BARBARA FRANKLIN: Well thank you and good evening everyone. I am here tonight with my US China Business Council hat on, although I wear several different hats. I am a longstanding board member and of course the Council is one of the co-hosts for this evening's event to honor Premier Li. We are really delighted that our three organizations could come together this way and honor Premier Li. We are thrilled that you are here. I want to add my thanks and those of the US China Business Council, to Premier Li for his wide-ranging remarks and his candid answers to the questions, particularly the question about our politics. I appreciated that answer very much. Trade and investment, and again, I am very pleased Premier with the way you have addressed the need to continue to build trade around the world. But trade and investment are the very foundation of stable relations between the United States and China. And with the global economy facing numerous challenges, it is more important than ever that the two of our countries be sources of economic stability. We must continue to strengthen cooperation, reduce our differences and increase confidence and friendship. I am optimistic that the United States and China will continue to find ways to work together for our common good as well as for the common good of the entire global community and I want to echo what my friend Carla said, we are honored that you took time from this very busy United Nations General Assembly schedule to come and talk with this large and distinguished audience and we thank you.

(Applause)

And now a toast. Will you, Carla and I ask you all, to raise your glasses and join us. Premier Li on behalf of the US China Business Council, the National Committee on US China Relations,

and The Economic Club of New York, our best to you, to your health, to a successful visit and to mutually beneficial relations between China and the United States. (Applause)

I am to also tell you to now please enjoy your dinner and your table companions and just before the Premier must leave, Chairman Lundgren will take the podium again and give us our instructions and I am sure we will thank Premier Li Keqiang once more and thank all of you for coming. (Applause)