I am very happy, not only to come to Canada for the first time and have opportunity to enjoy the diversity and the beauty of Toronto city, but also to see the success of the conference. Therefore, thanks to CIGI for your kind invitation, the Stanley Foundation for your strong support and particularly Alan (An Daoyuan 安道远) for your effective arrangements.

As the last keynote speaker, I find it very difficult to say something new. I doubt whether Alan made the arrangement deliberately and think whether I need to do the same arrangement for Alan next time in Beijing and let him speak in Chinese.

Anyway, I could not stop here, even if I wanted. Dr. Yuan Peng suggested, however, that I talk about the Chinese traditional philosophy, culture and their influence on Chinese foreign policy. I think it is a good idea and will try my best to share with you my understanding of four Chinese idioms or phrases.

The first phrase I’d like to talk about is: “Tao guang yang hui” (韬光养晦). The reason why I wanted to talk about this idiom is the circumstances of China–US relations. This talk occurs after the clashes between China and the US over the approach towards climate change in the Copenhagen climate conference, the US arms sale to Taiwan and Obama’s meeting with Dalai Lama. There were “hot” discussions and disputes inside and outside China after these issues arose. Some Chinese scholars and officials were angry at these US actions and regarded the Chinese government’s responses as not being strong enough. These critics thought China today is different from what it was 30, or 20, or even 10 years ago. These experts thought the Chinese government should stop adhering the phrase and to take a stronger position on key Chinese national interest matters such as Taiwan and Tibet. Many foreign experts and officials, on the other hand, criticized Chinese diplomacy and regarded the government’s protest as arrogant and too aggressive.

What’s the meaning of “Tao guang yang hui”? In the Chinese-English dictionary, it was translated into English by some Chinese translators as “hide one’s capacity and bide one’s time”. Unfortunately, this translation has been widely accepted by many foreigners and even some Chinese scholars and officials. Many foreigners accordingly suspect that China has an ulterior and malicious strategic intention in international relations. Moreover they think China doesn’t want to fulfill its responsibility as a global leader and, instead, China is trying to accumulate strength and become strong enough that one day it can dominate the Asia region and even possibly the world.

Recently, in order to write an article, I checked the idiom in Chinese carefully and found the translation in the Chinese-English dictionary is a rather inferior translation and may in fact even
be wrong. In Chinese, *tao* means “to hide” in English; the word *guang* means “bright, light, and advantage”; the Chinese word *yang* means “to grow up”; and the word *hui* means “darkness or disadvantage and shortage”. The original meaning of the phrase in Chinese is to “hide one’s advantage and to improve one’s disadvantage”.

After the collapse of the Soviet Union, some third world leaders approached China and asked that China take leadership in dealing with the developed countries. Deng Xiaoping, then China’s leader, quoted the phrase and pointed out “China could not, could never, take this leadership”. He said, “We are not capable. It would not be beneficial [to China] to take this leadership.” As you could see, there is some similarity between Deng Xiaoping’s thinking on the subject and my own explanation of the phrase.

Actually, the phrase comes from the Confucian “Doctrine of the Mean”. We can translate the phrase in yet another way as “to do what you are capable of, and to prevent overreaching oneself”. The phrase, however, doesn’t mean to refuse responsibility, it but means rather to play a role according to one’s capacity. As to its influence on Chinese foreign policy, it means China doesn’t want to be a “free rider”, but to make a contribution within China’s capacity.

The second phrase I think has influence on Chinese foreign policy is: “Gao chu bu sheng han”(高处不胜寒). We can translate this expression as, “when you are on the top of the mountain, you are unable to stand up to the cold”. In other words, the higher your position, the more problems you face. So, in holding leadership it is very easy for a leader to overreach. The collapse of the Roman Empire in antiquity and the end of the far more recent Soviet Union are examples of overreaching. The United States also faces the same problems to some degree. For example, the US financial and trade deficits have existed for a long time. The US national debt has reached a new high of some US$13 trillion, more than US$42,000 of debt for each American today. Given this outcome for the US--given its leading position in the international system--China doesn’t want to be the number one. As a personal reflection, last night, my colleagues went to the street and watched TV after dinner. But I could not. I had to do my homework for the speech. I felt deeply the leadership is no good--even though only the head of a small delegation.

These two phrases: “Tao guang yang hui” and “Gao chu bu sheng han” can be categorized as “strategic culture” phrases. The third phrase is more in the category of a “behavioral norm”. In Chinese, it is: “Hai ren zhi xin bu ke you fang ren zhi xin bu ke wu” (害人之心不可有,敬有之心不可无). We can translate this phrase into English as: “you should not have any intention to do harm to others; you should not lack the foresight to safeguard against the harm from others”.

As you are aware, after the financial crisis broke out in East Asia in 1997, the Chinese government resisted the temptation to implement a competitive depreciation of the renminbi. Recently, the Chinese government has been very prudent in permitting renminbi appreciation. China has a huge population of 1.3 billion people, nearly four times that of the United States and some forty times the population of Canada. The Chinese government, so it has been argued, has to provide 10 million new jobs for young men and women each year. Since the reform of renminbi exchange mechanism the renminbi has appreciated more than 20 percent over the last five years. It has further appreciated as a result of the depreciation of euro brought about by the Greek sovereign debt. The EU today represents China’s largest export market. If China lets the renminbi exchange rate drift, or even gives a signal that it will do so, China likely would face a
serious financial security problem. Of course, the appreciation will strengthen purchasing power in China and push the companies to give up the labor-intensive production. But in doing so, even if the further appreciation is completed gradually, many ordinary Chinese people are likely to be thrown into the ranks of the unemployed. The already large inequality gap separating poor from the rich would only widen. The savings of the rich will expand greatly in terms of foreign exchange reserves. But since the price of agricultural products are nearly at the international market levels as a result of China joining the WTO, the appreciation of the renminbi will make the conditions in its agriculture sector and for its 800 million peasants very difficult.

The fourth phrase is in a category of “outlook on life”. The Chinese expression is: “Tian xia xing wang pifu youze” (天下兴亡，匹夫有责). We can translate this as: “each ordinary man has a duty to ensure the prosperity and security of the motherland”. Chinese government documents always stress that the Chinese government and the Chinese people work to maintain regional and international peace, security, stability and prosperity.

To sum up, then, given the influence of traditional philosophy and the culture on Chinese foreign policy, some greater degree of global governance leadership on China’s part may be anticipated. But Chinese responsibility and leadership beyond China’s capacity, however, should not be expected.

It is time for me to stop. I expect foreign experts and officials may wish to undertake greater examination of China’s traditional philosophy, culture and reality in order to secure a deeper understanding of China’s policy. CICIR has a strong interest in assisting others in a greater understanding of China’s traditional philosophy and culture and its impact on Chinese foreign policy. CICIR is eager to develop academic exchange and cooperation with foreign think tanks--of course CIGI and the Stanley Foundation on the top of the list.