

Building National Security for the Republic of China

Speech by President Ma Ying-jeou

Republic of China (Taiwan)

Videoconference with

Center for Strategic & International Studies

Washington, D.C.

May 12, 2011

President Hamre, distinguished guests, ladies and gentlemen, good morning!

It gives me great pleasure to be addressing my friends at the Center for Strategic and International Studies once again. We last met two years ago on the occasion of the 30th Anniversary of the Taiwan Relations Act, a milestone in the history of the Republic of China on Taiwan. And this year, after a long journey of blood, toil, tears and sweat, the Republic of China is achieving a greater milestone, its centennial anniversary. This year also marks the third year of my presidency. Therefore, it is time I shared with you how I am building three lines of defense for the ROC's national security, so as to ensure its longevity for many more centuries to come. These three lines of defense are institutionalizing the Cross-Strait rapprochement, enhancing Taiwan's contributions to international development and aligning defense with diplomacy.

The First Line of Defense: Institutionalizing the Cross-Strait Rapprochement

The Cross-Strait rapprochement that began three years ago continues to bear fruit and increase regional peace and stability. We witness this in so many aspects of our society. The arrival of nearly three million mainland Chinese visitors has created a tourism boom in Taiwan. The increase in Cross-Strait trade also boosted Taiwan's total trade volume to a record high of 526 billion US dollars in 2010. Since the Cross-Strait Judicial Mutual Assistance Agreement was signed in 2009, a joint crackdown on Cross-Strait crimes by the police forces of both Taiwan and mainland China has seen more than 100 fugitives repatriated to Taiwan, up 50% from before, and has cut cases of fraud in Taiwan by more than a quarter. And in education, more than 5,600 mainland exchange students studied in Taiwan's universities in 2010, paving the way for another 2,000 students to arrive in the fall semester this year. We have also seen a surge in Taiwanese companies with a heavy investment presence in mainland China returning to list their companies on the Taiwan Stock Exchange, rather than on the Hong Kong Stock Exchange, a dramatic reversal of previous practices.

I owe much of my administration's success to our new approach to Cross-Strait relations. The new way of thinking revolves around moving beyond the outdated mode of unilateralism that previously characterized, and also hindered, relations between the two sides. As the renowned diplomatic historian Paul Schroeder concluded in his study of the events that led up to the Congress of Vienna peace era, “***One must have change of thought, before one can have change of action.***”

Before I came to office, we had all witnessed the spread of instability, unpredictability and especially insecurity in Cross-Strait relations. I had long recognized that Cross-Strait relations required a new mindset, one that would emphasize the commonalities, take advantage of our shared interests, capitalize on our mutual opportunities and de-emphasize our political disagreements. Former KMT Chairman Lien Chan undertook some of the first steps towards instilling this new mindset when he embarked on his “Journey of Peace” to the mainland in 2005. His speech at Peking University, calling for the two sides to join together to “beat swords into plowshares”, captured the essence of this new idea. The decades-old rivalry between Taiwan and mainland China was thus given a rare window of opportunity for change.

After I came to office in 2008, I worked hard to accelerate this change. All around me, the world was changing at breakneck speed while the ill-founded policies of the last decade were threatening to sideline Taiwan in the Asia-Pacific region. I knew I had to break out of the Cross-Strait deadlock for the sake of Taiwan's economic future and national security. Hence, I championed a “three-no” policy of “*no unification, no independence, and no use of force*”（不統、不獨、不武）under the ROC Constitution. This has changed the fundamental structure of, and created a “virtuous cycle” for, Cross-Strait relations.

I then adopted the “92 Consensus”（九二共識）as the cornerstone for the Cross-Strait negotiations. The 92 Consensus, meaning “one China, respective interpretations”, has proven crucial to paving the way forward. It was under this Consensus that the six rounds of Chiang-Chen Talks were able to take place, and the two sides were able to achieve so many practical, indeed incredible, breakthroughs. By “putting Taiwan first for the benefit of the people,”（以臺灣為主，對人民有利）we and Beijing have thus far signed 15 agreements that tackle the issues of greatest concern to the people in Taiwan. At the same time, my administration managed to institutionalize convenient, predictable and stable channels for Cross-Strait communications. It was only through this groundwork that the next milestone – of signing an Economic Cooperation Framework Agreement (ECFA) last year – could be realized and its benefits fully exercised. One econometric study has even shown that the ECFA will eventually add 4.4% to our GDP, once the dynamic gains of structural adjustments have time to

be fully implemented. And that is not even including other potential spillover benefits as a result of an improved services, trade and investment environment.

It is also my belief that increased exchanges across the Strait will lead to increased exchanges with other countries, for both sides. This will enhance mutual understanding between Taiwan, the mainland and other countries, which will in turn help Cross-Strait relations evolve even further. That is, the virtuous cycle in Cross-Strait relations has positive consequences for the international community, which then adds even greater momentum to improvements in Cross-Strait relations. For example, due to the diplomatic truce between the two sides of the Strait, the number of diplomatic allies that Taiwan has remained constant at 23, compared to a loss of six allies by the previous administration. Taiwan has also joined the Government Procurement Agreement (GPA) and become an observer in the World Health Assembly (WHA) after a hiatus of 38 years. Taiwan has expanded its visa waiver programs from 53 to 113 countries and regions—with the United States as a notable exception, as well as working-holiday arrangements for young people from 2 to 6 countries.

This just shows what can be achieved by merely changing the way one thinks. This I believe is also the essence of good governance: never to interfere, but to build the necessary structures that encourage the right conditions for growth in society. And it is through this process of institutionalization that we created explicit or implicit principles, norms, rules, and procedures around which the expectations of both sides can converge. This very convergence has created predictability and mutual understanding in our relations, leading to stability across the Taiwan Strait and in the region as a whole. The idea of institutionalizing the Cross-Strait rapprochement, therefore, is not only to reduce the possibility of miscalculation but, more importantly, to increase the cost of reversing this trend.

The Second Line of Defense: Enhancing Taiwan's Contributions to International Development

Although the incredible breakthroughs achieved in Cross-Strait relations have ensured a brighter future for Taiwan and the region, Taiwan's national security is also heavily dependent on how it contributes to the international community. I envision Taiwan contributing on two primary fronts: the economy, and foreign relations. In terms of the economy, Taiwan already has the infrastructure and conditions in place to attract the best talent and become East Asia's next commercial center. Without a doubt, the expansive business and personal networks Taiwan has built up throughout the region over the last 60 years are an invaluable asset. Its historical ties and cultural and language affinity with the mainland give it a competitive edge in the vast Chinese

mainland market. At the same time, Taiwan also has a special partnership with Japan, as we share many cultural traits, common interests, ideas and even the same fashion sense. Therefore, many Japanese and Taiwanese businessmen have decided to work together to enter the mainland Chinese market. And this type of win-win partnership can be successfully repeated with other countries.

Taiwan is located at the geographical center of East Asia, and could not be in a better position for tapping into business opportunities in the region. Any businessman or multinational company based in Taiwan has convenient access to the whole Asia-Pacific region. With direct air and sea links, Taiwan is connected to all major cities in the Chinese mainland, from the coastal metropolises of Shanghai and Beijing, to the fast developing cities in the Chinese hinterlands. At the same time, all other major cities in the region – such as Tokyo, Seoul, Singapore, New Dehli, or Sydney – are well within reach.

Taiwan is also endowed with many “soft-power” attributes that make it an ideal place for both domestic and multinational companies. Its democracy and rule of law ensure that the rights of individuals and companies, including intellectual property rights, are guaranteed. The country’s modern and comprehensive transportation, healthcare and education infrastructure ensures that those who live here enjoy access to very good quality services. We also have a highly educated, innovative and skilled labor force just waiting for foreign companies to tap into. We have created an enviably safe society where anyone out at night walking their dogs or buying food at the grocery stores can feel safe. And improvements are happening all the time, making our society a better place to live and do business in. Against a backdrop of stable Cross-Strait relations, Taiwan’s regional connections, geographic advantages and soft-power attributes make it poised to ride the next wave of opportunities in the region, and to help others do the same if they choose to join us.

With respect to foreign relations, there is also a lot of value that Taiwan can add to the global community. And as a maturing democracy, I believe Taiwan must learn to fully shoulder its own responsibilities in the world. In fact, Taiwan’s national security is inseparably tied to its role as a responsible stakeholder. Our nation’s political and economic survival depends entirely on how well we uphold the peace and stability of the international system. This is the same system that is making Taiwan prosperous, and allowing our government and people to connect with the rest of the world in ways that are enriching our nation even further. So, Taiwan certainly has a vested interest in putting a stop to improper diplomatic practices and in adopting a foreign aid policy that is more in line with international standards and norms. This is exactly what we have been doing over the last three years. Humanitarian work has especially become an important platform

for Taiwan's contributions to the international community. Taiwan's democracy and economic prosperity have combined to give rise to a vibrant society of numerous non-profit organizations. In almost every major disaster that has occurred in the world recently, Taiwan has been an important contributor, whether providing financial aid to help rebuild homes in Sichuan, or giving life-sustaining medical aid to Haitian children. We were also one of the first to arrive with emergency relief supplies and rescue teams when Japan was struck by the triple disaster of an earthquake, tsunami and nuclear incident. Deeply saddened by the devastation, my wife and I were personally on hand to answer calls from donors at a major fundraiser in Taiwan last March. An equivalent of 27 million US dollars was raised that night. My administration had also pledged another 3 million US dollars. In fact, Taiwan ended up donating more than 200 million US dollars in total, Japan's biggest donor so far. But, as you may know, our humanitarian contributions in that crisis extended beyond Japan. Our China Airlines was chartered to help fly out scores of US expatriates to Taipei before they headed back home to the US. This second defense line aims to give Taiwan a higher moral ground in international politics.

The Third Line of Defense: Aligning Taiwan's Defense with Diplomacy

From securing the Cross-Strait rapprochement to enhancing Taiwan's contributions in international development, I now come to the last but equally significant part of the ROC's national security: aligning Taiwan's defense with diplomacy. I have two priorities. First, I want to continue to build up Taiwan's credibility and trust with our closest allies, especially the United States. To be a trustworthy partner, Taiwan must be keenly aware of how its actions in the international system affect the interests of the big powers. This means "never rocking the boat" and "full consultation."

Second, Taiwan has the resolve to defend itself. My administration wants to enhance Taiwan's defense capability on a newly designed volunteer military system. This is a huge undertaking, as we need to overcome difficulties in training, organization, finance and military doctrines. However, we are confident that we will succeed in building a small but strong military force. Complementary to our defense capability is Taiwan's democratic values, rule of law, and an advanced civil society, which could make Taiwan an indispensable reference for socio-economic development in the Chinese mainland. This is, it could be said, a soft-power approach to national defense.

Given the high stakes that America has invested in the region, I am sure the US, of all countries, can appreciate my administration's commitment to being a responsible stakeholder. For example, President Barack Obama expressed earlier this year his support for the progress that has been

made to reduce Cross-Strait tensions, and in particular how its continuation will be in the interests of the region and the United States. However, for Cross-Strait relations to continue advancing, the US must help Taiwan level the playing field. Negotiating with a giant like the Chinese mainland is not without its risks. The right leverage must be in place, otherwise Taiwan cannot credibly maintain an equal footing at the negotiation table. This is why I continue to urge the US to provide Taiwan with necessary weaponry, such as the F-16 C/Ds and diesel-powered submarines, to keep its aerial and naval integrity intact, which is key to maintaining a credible defense. As Secretary of Defense Robert Gates wrote in *Foreign Affairs* last year, the US can best help itself by “helping others defend themselves.” At the same time, American presence in the very system it helped create decades ago is crucial to that system’s survival. In the end, only a strong US commitment, backed by its credibility in East Asia, can guarantee the peace and stability of this region.

Concluding remarks

In conclusion, a country’s overall strategy for security requires a sound political foundation in the domestic setting. My approach to Taiwan’s national security is based on my administration’s unwavering identification with the Republic of China and its Constitution. This is a common denominator for our vibrant democracy, which has a wide spectrum of political views ranging from those who prefer *de jure* Taiwan independence, to those who enjoy the status quo and to those who favor reunification with mainland China. Any deviation from or equivocation on this common denominator will only cause unnecessary uncertainties and risks in Taiwan’s domestic politics, Cross-Strait relations and international politics. Given that the stakes for all the countries in East Asia and for Taiwan’s future development are high, I am confident my approach to the ROC’s national security is already at an optimum.

My friends in America, the future of the region holds enormous opportunities, but also many potential pitfalls. Changes in both Taiwan and the mainland’s domestic politics could derail much of what has been achieved. Intransigence, overconfidence or unilateral pursuit of national interests could lead to a losing scenario for all relevant parties. So it will be essential to keep track of these moving pieces in the future. For my part, the process of transforming Taiwan into a valuable member of the global community, and thus ultimately enhancing its own security, will continue full-steam ahead under my administration. The same-old “no frills, no surprise” diplomacy will also continue to be the operational code for my administration’s conduct of foreign policy. That said, I hope this year will mark the start of a new 100 years that will be known as the century when the Taiwan-US partnership achieved its greatest accomplishments.

Thank you!

Closing Remarks

Videoconference with

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Dear friends and colleagues, as the famous American poet Robert Frost once wrote, “I took the road less travelled by, and that has made all the difference.” The past three years have witnessed unprecedented breakthroughs and positive developments in Taiwan and the region. Yet for the road ahead, we still need to be patient and careful in our political rhetoric, in the signals we send, in the gestures we make, and in the reputation we cultivate. I draw reassurance from the positive developments that continue to unfold across the Strait and in the international community, and I have full confidence in my administration’s roadmap. On a deeper level the improvement of Cross-Strait relations in the past three years reflects the result of something fundamentally more significant: the comprehensive overhaul of Taiwan’s strategic approach to the world. An approach that has coupled Cross-Strait relations, the economy and foreign relations together in such a way as to fully maximize Taiwan’s potential value in the global community. Taiwan has to transform itself into a peacemaker, a contributor of humanitarian aid, a center for innovation and business opportunities, a major promoter of cultural exchange and the standard bearer of Chinese culture. As the Republic of China reaches its centennial anniversary, I believe my administration’s grand strategy will make the Republic more secure, more prosperous for many, many years to come. I also firmly believe America’s friendship will be an inseparable part of the Republic’s future, as it has been in the past one hundred years.

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The First Line of Defense: Institutionalizing the Cross-Strait Rapprochement

The Cross-Strait rapprochement that began three years ago continues to bear fruit and increase regional peace and stability. We witness this in so many aspects of our society. The arrival of nearly three million mainland Chinese visitors has created a tourism boom in Taiwan. The increase in Cross-Strait trade also boosted Taiwan's total trade volume to a record high of 526 billion US dollars in 2010. Since the Cross-Strait Judicial Mutual Assistance Agreement was signed in 2009, a joint crackdown on Cross-Strait crimes by the police forces of both Taiwan and mainland China has seen more than 100 fugitives repatriated to Taiwan, up 50% from before, and has cut cases of fraud in Taiwan by more than a quarter. And in education, more than 5,600 mainland exchange students studied in Taiwan's universities in 2010, paving the way for another 2,000 students to arrive in the fall semester this year. We have also seen a surge in Taiwanese companies with a heavy investment presence in mainland China returning to list their companies on the Taiwan Stock Exchange, rather than on the Hong Kong Stock Exchange, a dramatic reversal of previous practices.

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With respect to foreign relations, there is also a lot of value that Taiwan can add to the global community. And as a maturing democracy, I believe Taiwan must learn to fully shoulder its own responsibilities in the world. In fact, Taiwan’s national security is inseparably tied to its role as a responsible stakeholder. Our nation’s political and economic survival depends entirely on how well we uphold the peace and stability of the international system. This is the same system that is making Taiwan prosperous, and allowing our government and people to connect with the rest of the world in ways that are enriching our nation even further. So, Taiwan certainly has a vested interest in putting a stop to improper diplomatic practices and in adopting a foreign aid policy that is more in line with international standards and norms. This is exactly what we have been doing over the last three years. Humanitarian work has especially become an important platform

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Concluding remarks

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