President Tsai Ing-wen Discusses the Diplomatic, Security, and Economic Challenges Facing Taiwan

TRANSCRIPT

Discussion ................................................................. 2

- President Tsai Ing-wen, President of Taiwan
- Bi-khim Hsiao, Representative, Taipei Economic and Cultural Representative Office in the United States
- Seth Cropsey, Director, Center for American Seapower, Hudson Institute
- Kelly Magsamen, Vice President, National Security and International Policy, Center for American Progress
- Neera Tanden, President and CEO, Center for American Progress
- John Walters, COO, Hudson Institute

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A video of the event is available: https://www.hudson.org/events/1850-video-event-president-tsai-ing-wen-discusses-the-diplomatic-security-and-economic-challenges-facing-taiwan82020

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Hudson seeks to guide public policy makers and global leaders in government and business through a vigorous program of publications, conferences, policy briefings, and recommendations.
John Walters:

Good afternoon. I'm John Walters, Hudson Institute's Chief Operating Officer. It is my pleasure to welcome you to this virtual event.

In January, the people of Taiwan re-elected President Tsai Ing-wen to a second term. Since then, Taiwan's government has effectively limited its coronavirus outbreak, assisted other countries combating the pandemic, and faced an increasingly aggressive China. So in just the first few months of President Tsai's second term, Taiwan has managed threats that have shaken most other nations. Applying the difficult lessons learned during the 2003 SARS epidemic, for example, Taiwan contained its coronavirus outbreak to 467 cases in a population of 24 million; a remarkable achievement.

Today, President Tsai will explain how Taiwan dealt with the challenges in the past few months, and describe the security, diplomatic, and economic priorities for her second term. Hudson was honored to host Taiwanese Foreign Minister Wu earlier this year. Today, it's a great honor to continue our friendship with the people and the leaders of Taiwan by virtually hosting President Tsai. We will also be joined by Representative Bi-khim Hsiao who was recently appointed as Taiwan's representative to the United States after serving as a senior adviser to the President at the National Security Council of Taiwan.

Even though we are convening this conversation virtually, we want to hear from you. To contact us and to learn more about our work on Taiwan and China, visit Hudson.org.

Now, I give the floor to Neera Tanden, President and CEO for the Center for American Progress.

Neera Tanden:

Good morning everyone. My name is Neera Tanden, and I'm the President of the Center for American Progress. On behalf of CAP, I want to welcome all of you to this event. It is an absolute honor to partner with the Hudson Institute and to co-host an address by Taiwanese President Tsai Ing-wen.

Before we get started, I'd also like to take a moment to offer my condolences over the recent passing of President Lee Teng-hui. President Lee was an instrumental figure in forging Taiwan's democracy. He helped shape the country we see today, and he did it by drawing on the key principles and values of Taiwan. As a man known as Mr. Democracy, he will be sorely missed.

Now today's event couldn't come at a more appropriate time. With President Tsai's recent re-election and Taiwan's impressive response to the coronavirus pandemic, there's plenty to discuss. There have been fewer than 500 coronavirus cases in the country, and deaths remain in the single digits. Taiwan's response is an example of how openness, transparency, and the free flow of information can be effective in facing such a daunting challenge. We in the United States have a lot to learn from Taiwan in this regard, and I think it's fair to say that those in the White House have a lot to learn from the strong, effective leadership in public health of President Tsai.

Having accomplished so much in her first term, including the legalization of same-sex marriage, President Tsai has been an immense force for progress, and I'm excited to see what she'll accomplish in her second term. Now, more than ever, our two countries need to stand together. We need to stand up for progressive values and for democracy, because recent events in Hong Kong show what's at stake. So I want to thank President Tsai, Representative Bi-khim, and the Taiwanese government for the work they're doing in Taiwan, and for the role they're playing as a beacon of democracy for the rest of the world.

And now, I'll pass it over to President Tsai Ing-wen for her recorded remarks.
President Tsai Ing-Wen:

Good morning to you all, our friends in Washington, DC. Thank you to Hudson Institute and the Center for American Progress for hosting this event. It’s great to be with all of you through the internet, which the world is getting used to these days. And I want to express my appreciation to President Weinstein and President Tanden for your leadership during these challenging times. People say that the second term is supposed to be easier than the first. They must be people that have not experienced the year 2020 like we have. We are gathered at a time when billions around the world are reeling from the unprecedented effects of COVID-19, when over half a million people have lost their lives and millions more have been sickened. There is tremendous economic uncertainty around the world with soaring unemployment and disruptions to global trade. Well, Taiwan has fared relatively well in the current pandemic, but not immune to its aftershocks.

My government has already unveiled a number of stimulus measures to get our economy back on track, to take care of workers and businesses that are especially vulnerable, and to ensure that our industries are well positioned following shifts in global supply chains. As a result of this, we have been able to maintain positive economic growth at a period of time when our neighbors are facing significant economic downturn. While we are concerned about COVID-19’s economic impact, we’re also worried about its broader political implications across the region. When the rest of the world has been distracted in responding to one of the most significant crises in recent history, we’re seeing a growing effort to pose ever more challenging threats to free and democratic societies.

Nowhere is this more apparent than in Hong Kong. Taiwan hosts deep historical and cultural ties with Hong Kong. Millions of people traveled between the two places each year and thousands of Hong Kong students studied in our universities. We are the only two Chinese speaking societies around the world that commemorate June the fourth and its profound significance for freedom and democracy. As a result, we are saddened and alarmed to see this beacon of civil liberties become extinguished in violation of the promises Beijing had made to the people of Hong Kong as well as the international community. We recognize the bravery of the people of Hong Kong. Earlier in July, hundreds of thousands of people turned out to vote in primary elections despite the significant actions that had been taken to discourage them from doing so. We also see the international community as having an obligation to speak out and act against the demise of Hong Kong’s freedoms. I applaud the actions that the U.K., the U.S., and many other democracies have taken and call on more like-minded countries to do the same.

In May, I visited the reopened Causeway Bay Books in Taipei, which had long been a symbol of freedom of speech in Hong Kong. The owner, Mr. Lam Wing-kee, was detained and interrogated after crossing the border to Shenzhen and came to Taiwan after fears that he would be extradited back to China. Cases like Mr. Lam inspired us to quickly establish a new Taiwan-Hong Kong Services and Exchange Office to provide humanitarian support and assist the people of Hong Kong in relocating to Taiwan. The measures that have taken place against Hong Kong further exemplify how Taiwan is on the front lines of freedom and democracy. This has made it all the more incumbent for my administration to prudently manage cross-strait policy in the next four years so that we can maintain peace and stability while protecting our freedom and democracy.

This is why in my inauguration speech in May, I mentioned four principles in our management of cross-strait relations. That is peace, parity, democracy, and dialogue. Peace means we will seek continued peace with Beijing and call for the renunciation of force to settle our differences. Parity requires that both sides should not deny each other’s existence. Democracy means Beijing must recognize that Taiwan is a democracy whose future is decided by our own people. And dialogue means we will not
refrain from dialogue with Beijing that is not based on political preconditions. With these four principles, we will seek to continue our engagement across the Taiwan Strait. We will always be willing to work together in the interest of peaceful coexistence and to prevent a downward trend in cross-strait relations. We will always acknowledge the historical and cultural ties that exists across the strait. And we will never stop believing that there can be a better future ahead where both sides can share in each other's successes and accomplishments.

But before this can take place, we must also be realistic and take stock of our differences. Taiwan has become a full-fledged democracy. Our 23 million people have the right to determine our own futures, which is antithesis to the position Beijing has taken. Consequently, we must ensure that cross-strait interactions do not jeopardize our freedoms, democracy, and way of life. The people of Taiwan expect nothing less from their democratically elected government. Upholding these principles requires us to be able to defend Taiwan against coercive actions. It entails backing up our words with actions. And this is precisely what I have in mind as I preside over the current round of capacity building of our military. I am pleased that working together with our legislature last year, we unveiled our largest ever defense budget, reaching 2.3% of our GDP. I fully expect that this number will continue to grow, but what will be equally important is ensuring that these resources are being spent on the right capabilities. This is why I am committed to accelerating the development of asymmetric capabilities under the overall defense concept.

As I mentioned in my inauguration speech, this will be our number one priority. We’ll also identify, develop, and expand capabilities that can more effectively utilize our geographical advantages. Furthermore, we are deeply engaged in the reforms necessary to make our military even more effective. As an example of this, during the annual Han Kuang Exercise in July, we introduced our new joint battalions, which have greater capacity to conduct independent operations. For the first time during the Han Kuang Exercises, our reserves also participated in live fire scenarios showcasing the capacity to support and complement our regular forces as well as play a critical role in our defense strategies. Moving forward, we will continue to expedite the implementation of these reforms in order to transform our military into an even more effective force.

As effective our military is, we cannot stand alone without support from the community of like-minded democracies. I am proud that the relationship between Taiwan and the U.S. has never been closer. Across the board, we share a high degree of mutual trust and a common strategic picture of how we can work together to protect and preserve a free and open Indo-Pacific. I am pleased that my new representative to the U.S., Bi-khim Hsiao, has arrived in Washington DC and looks forward to engaging in more of these discussions. In my second term, I will continue our cooperation with the U.S. Foremost amongst my priorities is to establish a constructive security relationship built on the clear understanding of our shared interests in the region. I am confident that our common acknowledgement of challenges in the region transcends politics and political parties. Through more frank and robust policy level dialogue, we want to forge greater consensus on ways we can preserve peace across the Taiwan Strait.

The second area of focus is to begin negotiations towards an FTA. Past months have shown us the importance of economic linkages and supply chain security for both Taiwan and the U.S. TSMC has announced that it will be building a state-of-the-art facility in Arizona. Over the past year, American companies such as Google and Microsoft have substantially increased their investments in Taiwan. We must be clear-eyed on how we can move forward on FTA. For too long, closer trade relations have been hindered by technicalities that account for just a small fraction of two-way trade. We want to work together to resolve these issues in a way that is safe for our consumers and also consistent with established scientific standards. I believe that the people of Taiwan can see the value and wisdom in
building closer economic relations with the U.S., and conversely, we hope that the U.S. recognizes the broader strategic implications such an agreement will undoubtedly have.

My third priority is to work with the U.S. to strengthen engagements with other like-minded democracies. We have noticed the U.S.’ effort to build greater awareness in Europe, Asia, Africa, and many other places about the challenges posed by authoritarian actors. At the Copenhagen Democracy Summit held in June, I saw firsthand the growing consensus amongst like-minded countries about the need to take a forceful stand in defense of global democracy. A very first step can be more institutional and cohesive support for Taiwan’s participation in international institutions. In January this year, over 14 million Taiwanese lined up in polls to cast their votes for the future of our country, one of the highest levels of turnout in our history. The people of Taiwan could not be more proud of our democracy and all that we have accomplished. They exemplify how democracy is not a Western phenomenon or as some people claim, “Incompatible with certain cultures.”

The right of the people to choose how they are governed is a universal aspiration and inalienable right. As president, it is incumbent on me to protect these rights and to make certain that they will be passed down to future generations. Taiwan stands on the front lines in the defense of democratic values. The gravity of the threat we face signifies the difficulty of the task before us, but by standing as one, as a community of like-minded democracies, I am confident we will rise to successfully meet the challenge. Together, we will continue to see Taiwan as a bastion of freedom and democracy in the Indo-Pacific region. Thank you all for joining me. I look forward to a robust dialogue in the time ahead.

Seth Cropsey:

Good day to all our viewers from Taiwan to the US. Hudson is honored and delighted that President Tsai could join us today. Thank you, President Tsai. I hope that the time is not distant when you'll be able to visit Washington in person and talk face-to-face with Americans and their elected leaders.

Seth Cropsey:

I'm pleased that our internet audience could join us today for President Tsai's remarks and the discussion to follow. I should identify myself; I'm Seth Cropsey, Senior Fellow at Hudson Institute and Director of Hudson's Center for American Seapower.

Just a couple of words about me, and then a couple of words about our other guests today. I visited Taiwan for the first time in 1991, shortly after Operation Desert Storm, and have returned more times than I can count. I was Director of the Asia Studies Center here in Washington at the time, and having served previously, immediately before, as Deputy Undersecretary of the Navy and then acting Assistant Secretary of Defense for Special Operations.

It's also a great pleasure to welcome the sponsor of this event today, the Center for American Progress. We are deeply honored to be joined today by Taiwan's new representative to the US, Bi-khim Hsiao. A very warm welcome to Representative Hsiao.

Prior to arriving in Washington, Representative Hsiao served four years in Taiwan's National Legislature and was for many years, a ranking member of the Foreign Affairs and Defense Committee. She began her political career as Director of the Democratic Progressive Party, International Affairs Department through the terms of six different DPP Chairs since 1996. After Taiwan's first democratic change of government in 2000, she became an advisor in the office of the President and was international spokesman for all DPP presidential elections between 2000 and 2012. Representative Hsiao holds an MA in Political Science from Columbia, and a BA in East Asian Studies from Oberlin College in Ohio.
Also on today's panel, I'm happy to say, is Kelly Magsamen, who is vice-president for National Security and International policy at the Center for American Progress, our co-sponsor of this event. Prior to joining the Center for American Progress, she served various national security positions. From 2014 to 2017, Ms. Magsamen was the principle deputy assistant secretary of defense for Asian and the Pacific Security Affairs, and performed the duties of an assistant secretary of defense. In these positions she was a lead advisor to the secretary of defense for US defense policy and strategy across the Indo-Asia-Pacific, including in Afghanistan and Pakistan.

Our time today is short, but we do have enough, I hope, for a discussion. I'd like to turn the floor over to Representative Hsiao. Following her remarks, I'll turn to Kelly Magsamen. Then I'll, if we have time left, offer some thoughts, and then in what time remains, I hope we can discuss President Tsai's remarks and current related developments in US-Taiwan relations.

Representative Hsiao, the floor is yours.

Representative Bi-khim Hsiao:

Thank you, Seth, for that kind introduction, and I want to thank the Hudson Institute and the Center for American Progress for putting this event together today. I'm pleased to be able to speak to all of you, but I just want to add a few points following our President, Tsai Ing-wen's remarks.

The first point I want to say is that President Tsai has carefully sought to achieve a balance in a very volatile region right now. Her goal is to maintain the status quo of a free and prosperous Taiwan, protecting the basic freedoms and hard-won democracy in our country.

Under her leadership, Taiwan will neither provoke nor appease. Under this leadership, we have also seen changes around the region, especially in light of recent trends of a more belligerent and aggressive People's Liberation Army, tensions with India, the South China Sea, and Japan as well.

China seems to have less regard for the public opinion and norms of the international community, with daily intrusions into Taiwan's ADIZ, as well as lately, crossing the median line in the Taiwan Strait. There's an increasing risk of miscalculation and accidents, so close coordination with the United States and allies in the region is needed forging a joint threat picture and responses to acts that upset the status quo in the Indo-Pacific region.

The second point I want to add is that we welcomed Secretary Azar to Taiwan. It was a gesture of good will, and we do believe that it will help to strengthen cooperation in health and medicine between our countries. Furthermore, it's also a recognition of Taiwan's success in handling COVID-19; a tribute to the joint efforts of the government and people of Taiwan. I'm sure you will come back here to the United States with a deeper appreciation of Taiwan as a force for good in the world, witnessing the resilience of Taiwan society and the generosity of Taiwan's people.

The third point I want to make in addition to President Tsai's speech is that in Taiwan, we are still mourning the passing of former President Lee Teng-hui. He led Taiwan through a process of democratization with the first popular election of a president in our history, and the first ever peaceful transition of power from one party to another, laying foundation for Taiwan's free and open political process.

Taiwan's democracy was no accident. It was a process that incorporated enlightened leadership, such as that provided by President Lee, as well as the courageous determination of our people to fight for our basic freedoms. The process was not easy, but the Hong Kong situation is a difficult reminder that our democracy is under a constant challenge, and it does require a vigorous effort to strengthen and defend
that democracy. And that’s why it’s so important that we’re having discussions like this, to coordinate efforts with other like-minded democracies about how to further strengthen where we are today and the status quo of the region.

We believe that our democracy is under threat, not only by hard military force of the PRC; we’re also under constant threat by a hybrid set of influence operations in Taiwan, aimed at isolating Taiwan, discrediting our political system, and sowing international conflict and internal tensions. So these operations are included to but not limited to disinformation, fake news, manipulation of economic leverage for political ends, as well as infiltration in our social and civil society organizations. All of this requires a stronger effort among all of us, so again I thank you for putting together this dialogue today, and I look forward to ongoing discussions here in Washington.

Seth Cropsey:

Thank you, Representative Hsiao for those excellent remarks which I'm sure we'll be discussing. Let me turn the floor over to Ms. Magsamen, and the floor is yours.

Kelly Magsamen:

Thank you very much, Seth, and thank you Representative Hsiao, and of course, President Tsai for very good and comprehensive remarks about the moment we find ourselves in.

I'm very pleased that we're doing this event today in partnership with the Hudson Institute. I think it's a very strong signal of the importance of the US-Taiwan relationship that cuts across administrations and political parties, and so a really important bipartisan expression of support for that relationship today.

So welcome to Washington, Representative Hsiao. You are arriving at a very interesting moment, not just in terms of our system, but just globally all the things that you've already articulated. I'm very excited to be here, where I learned my Taiwan relationship. When I was in the Pentagon, I had the wonderful opportunity to meet with you, Representative Hsiao, in your prior role, so it's nice to see here in Washington; another familiar face. Also, appreciate girl power, so thank you.

But I'm really looking forward to the conversation today because we have a lot to discuss: everything from Taiwan's excellent coronavirus response and what we might be able to learn from that; how we can work together as democracies, in the context as the President admitted in her remarks, of rising authoritarianism around the world; and of course, many other areas of cooperation in the US-Taiwan relationship that I think are going to be important in the coming years ahead of us, including on the economic front, on the digital trade front, on disinformation and election interference. So, very eager to jump into the conversation today, and thank you again, Representative Hsiao for being with us today, and thank you again to the President for her great discourse.

Seth Cropsey:

Thank you, Ms. Magsamen.

The backdrop of much of what there is to discuss, especially on the security side, is China. This backdrop is important for all the reasons that all of you have pointed out, including President Tsai. China and the US have widely different views of war. For us, there is the hope of a lasting peace, the understanding that under normal circumstances, war is the exception and peace is the rule. We talk about the interwar periods as exceptions to war.

Today's Chinese Communist Party sees war as the normal human condition. War for the Communist Party is not only combat, it is the keel of diplomatic, economic, and cultural relations. Investments in
other states provides strategic advantage, whether Chinese troops are fighting or not. They offer leverage over the indebted state. The Belt and Road Initiative is a lever for increased global influence on land to match China's growing Navy.

Nowhere is this clearer than in China's attempt to intimidate Taiwan by all possible means. America's response to China's efforts to isolate, frighten, and threaten Taiwan's free society must be looked at through Chinese Communist Party eyes. Beijing regards hesitance, sporadic arm sales, and uncertainty about US intentions as a general would, who sees that the enemy has not organized itself for battle. US hesitance will not deter China. On the contrary, it will encourage China to increase its challenge to Taiwan's democracy.

The US is doing better today ... as President Tsai pointed out, relations are closer than ever ... than it has in years to assist in Taiwan's defense. Still, there is a great burden that Taiwan bears.

I have several questions for Representative Hsiao, and the one that I'd like to ask first is about the President's specific reference to Taiwan's right to determine its own future. President Tsai mentioned developing asymmetric capabilities. Representative Hsiao, could you offer specifics, especially in light of Taiwan's Overall Defense Concept?

**Representative Bi-khim Hsiao:**

Yes. Thank you for the question. The Overall Defense Concept has been laid out as a broader strategy for Taiwan's current self-defense, and it involves primarily the establishment of asymmetric capabilities to counter coercion from China. What we mean by asymmetric capabilities is cost-effective, but lethal enough to become deterrents to make any consideration of an invasion very painful.

And we are working with the United States now on a number of hardware capabilities, including coastal defense cruise missiles that would be working in conjunction with Taiwan's indigenous Hsiung Feng missile system, to provide better defense on the coastal system. Other systems, including our underwater sea mines and other capabilities to deter an amphibious landing or immediate attack against Taiwan, are also underway.

We have very good discussion with the United States, in terms of priorities and how to move ahead, but I want to add that our defense is not just about hardware. It involves a modernization of our military, and that is why President Tsai has also emphasized in her inaugural speech the need to strengthen our reserves. That is an important part of civilian defense, that would not only be involved in a regular humanitarian disaster relief, but also as a last resort defense in our homeland. And this is a concept that is being developed, but we are in involving the reserves in a number of initiatives, including the most recent Han Kuang exercises, and strengthening their war-fighting capabilities as well.

At the same time, we need to deal with some other new challenges, such as cybersecurity and cyber warfare. And in addition, as part of our broader military restructuring, incorporating this as an important part of our modern military, but also the need to train and recruit and retain talent in this area. I believe it's always been a challenge for governments to retain cyber talent, so we need to work in conjunction with the reserve forces to strengthen our capacity to deal with all kinds of cyber intrusions. Our civil service and their ability to deal with defending our critical infrastructure, government institutions, as well as significant private sector infrastructure are all important in this initiative together.

And finally, President Tsai also spoke about modernizing military management. Taiwan has recently significant improved our recruitment in a all-professional military service. And joining the military is becoming much more attractive to talented young people in our society and we believe this is a positive step in strengthening the overall quality of our defense forces. So modernizing management is also an
important part of the reform that President Tsai has highlighted in the overall broader Defense Concept of Taiwan.

Seth Cropsey:

Thank you, Representative Hsiao. Kelly, would you like to ask a question?

Kelly Magsamen:

Yes, Seth. To pick up on a little bit of that, first of all, I think it's good to see Taiwan making the kind of progress it's been making on defense modernization, asymmetric planning, et cetera. But maybe just to take a step back for a second, and to pick up something the President spoke at length about in her remarks is really just the broader picture facing democracies around the world, with respect to authoritarianism. Because well before they potentially occur at military complex with China, of course there's the ongoing challenge of dealing with just rising authoritarianism and their ability to work on disinformation in elections, and to exert economic influence, and work there essentially against Taiwan but also around the world. So really the challenges start well before potentially a military conflict. In the United States, of course, we're also watching what's happening in terms of authoritarians potentially interfering in our elections, whether it's the Russians or others.

I would love to get your perspective; the President talked about the importance of work being as democracies around the world together on this issue, and of course, Taiwan brings great experience in this regard. And I would love to get your thoughts on what that looks like going forward. Clearly, there was the Copenhagen Summit, but what does an agenda among democracies look like for dealing with these challenges? Because it's not just the authoritarians, there's also the liberal democracies. There's a liberalism growing in other democracies, whether it's Turkey, or Hungary, or the Philippines. This is a bigger challenge than just dealing with China or Russia. So I'd be curious from your perspective what that might look like, and what areas of cooperation democracies should be really focusing in on at this moment?

Representative Bi-khim Hsiao:

Well, I think the pandemic has really highlighted a difference in global narrative in how liberal and authoritarian governments have dramatically different approaches to dealing with such significant challenges. And Taiwan has been an example of a liberal narrative, and that is a focus on transparency and openness, cooperation between the government and civil societies as we face significant national challenges. And so, I think we need to advance this type of narrative and strengthen liberal democracies, of course, in the process.

Thanks to the cooperation and initiative of the United States, we have had what we call the GCTF network of cooperating with other like-minded countries to provide training and workshop, and also best practices examples around the world. And together we have worked on a number of issues, including health cooperation, women's empowerment, disaster relief, digital economy, and even media literacy, in light of all kinds of global disinformation and various cyber challenges. Taiwan, the US are important partners in this initiative. Japan has also joined as a partner. We are working in Latin America, in the Pacific region, and I think this is a great framework as a foundation for working on a number of issues quite relevant to the societies around the world. But what we want to present jointly is that liberal democracy narrative, and that is the need for open government, transparency, and accountability in the process.
Seth Cropsey:

Thank you, Representative Hsiao. We don't have a map unfortunately, today, so the President's comments about the geographic capabilities that Taiwan has to offer is something that may not be immediately apparent to our internet audience. Could you say a little bit about what that means?

The backdrop of my question is the centrality of Taiwan in the so-called First Island Chain. And the history, which is that for example, during the Japanese presence, the operation against the Philippines in World War II was conducted by troops based along Taiwan. So geography matters a tremendous amount in the defense of Taiwan, and in the defense of the entire First Island Chain.

We would appreciate hearing from you a little bit more about Taiwan's geographic capabilities, as mentioned by the President.

Representative Bi-khim Hsiao:

Well, Taiwan used to be called the Unsinkable Aircraft Carrier of the region, and of course it is located in a very strategic position between Northeast Asia, Southeast Asia, the South China Sea that is also a very volatile area. Taiwan is also a stakeholder in that region, having actual control of a number of islands in the region, with a Coast Guard presence as far as the Taiping Islands in the South China Sea.

Now, given this strategic position of Taiwan, of course we seek to strengthen our security for ourselves, as well as peace and stability in the region. As I said, we're an important stakeholder. For Taiwan, we are facing an existential survival issue, given China's territorial and sovereignty claims over Taiwan, as well as that claim being backed by actual military expansion. Within just a few years, China's naval capacity has expanded really beyond its shores to the Second and now reaching the Third Island Chain, close to Hawaii. And so, we believe that Taiwan's strength in its strategic position and its survival will be a very important point of defense in the broader stability of the region.

But at the same time, we do have to recognize that while Taiwan and the United States share a number of overlapping strategic interests ... mainly in the stability of the region, and also in the freedom of navigation, not only in the Taiwan Strait but also in the South China Sea ... we also have very different perspectives. We are an island fighting for our survival, while the United States is a global superpower, with global challenges, but also global responsibilities.

And so, while we have overlapping interests, we are working on these challenges from a very different perspective. For Taiwan, our priority in our survival involves building up the defense of Taiwan itself, but also of the islands that Taiwan currently controls in the South China Sea. And it's important that we constantly dialogue with the United States, with our other partners in the region, including like-minded partners that share our interests in stability and freedom of navigation, on what the joint threat picture would be, and would what responses that would be acceptable in international norm to those threats would be, so that we're on the same page.

I think one challenge that we've had in the past is we have had good bilateral discussions with the United States, but we need to further work with other stakeholders and regional partners in the interest to jointly secure that freedom of navigation, to jointly secure that status quo, and the security and stability of the region at large.

Kelly Magsamen:

Maybe I'll just pick up there real quick. I think Taiwan deserves to be applauded for its efforts to diversify its economic relationships, especially to the New Southbound Policy that Taiwan has been pursuing under President Tsai's leadership, but also these important engagements multilaterally with
other partners, like Japan and India. I think that's going to be the wave of the future, in terms of where the United States and Taiwan want to put this effort.

And in that regard, I'm curious from your perspective: one of the big areas that we've worked on for a long time, with respect to Taiwan, is trying to build international space for Taiwan to be seen as an active participant in global organizations, in multilateral structures, et cetera, et cetera. And there, of course, have been the challenges that come with that, especially with respect to Beijing's influence in keeping Taiwan out of organizations. The World Health Organization's a perfect example of that and a very recent example, as well as a area where we would love to have Taiwan actively engaged in the World Health Organization as a full member, especially because Taiwan has such tremendous knowledge and ideas to share, especially around coronavirus response, which makes sense for everybody, including China, for Taiwan to be engaged on these issues.

So I'm curious from your perspective, what would it take to get Taiwan further integrated in the international system, in places like the World Health Organization, in regional security structures, or regional economic structures, and how are you thinking about the roadmap forward on that?

Representative Bi-khim Hsiao:

Thank you, Kelly, for bringing up the extended concept of Taiwan's security, that is that concept of comprehensive security that includes economic security, human security, as well as better integration in the international community.

And on the economic side, Taiwan has not only put forth the Southbound Policy in our efforts to diversify our global economic interests, but also we would seek to deepen that relationship with the United States, as President Tsai has indicated, by forming a bilateral trade agreement.

Now in other international organizations and institutions, we really thank the United States for being a champion of advocacy in leading an effort in supporting Taiwan's participation. Unfortunately, we have not yet achieved the goal of better inclusion in such international institutions. However, we have made some progress, and I want to emphasize that working with other like-minded democracies is absolutely important.

The recent pandemic really highlighted the significance of inclusiveness. The world cannot afford to exclude a certain country, or a health entity from the international health network. Viruses and pandemics see no borders. You could try to put a political boundary and isolate Taiwan, but you will not see that same boundary among viruses, and we are all suffering from that. And in the same logic, the international network to fight crime, and Interpol, the International Civil Aviation Safety in ICAO, and other international institutions, where inclusiveness and universality are important for the integrity of these organizations. United State's support has been crucial for Taiwan, but we do require the endorsement and support of other countries, and so we would continue to appeal to our partners here in the United States to reach out to other partners to collectively work on these issues.

This year we have seen some progress, and the irony of the disaster or the tragedy of the pandemic is that Taiwan's successes has actually drawn a lot of international attention, and this year more than ever before, there's been greater international interest to engage with Taiwan. And so, we have seen more outreach from other countries around the world to engage with Taiwan on health cooperation. And the people of Taiwan have also demonstrated their generosity in sharing the PPEs the supplies and other medical devices that Taiwan has produced with the rest of the world. So this year we have had more support from other like-minded countries for Taiwan's participation in the world health assembly, but we are not there yet. And so, a constant effort in coordinating this is essential.
And I also hope that eventually the Chinese leadership will come around to sharing our understanding of how the world works, and that is a new outlook on inclusiveness that would actually help to decrease hostility across the Strait. And if they would be more accommodating and willing to be open about Taiwan’s participation, I’m sure that would be very much welcomed in Taiwan as well.

Seth Cropsey:

Thank you. Representative Hsiao, you mentioned a moment ago the movement of China even to the Third Island Chain, and a large part of that is facilitated by any Chinese successful attempt in the future to control the Miyako Straits, where both Taiwan and Japan’s interests are engaged. You mentioned a moment ago about working with other countries. I’d like to ask the specific question about: How are things with Japan on the security relationship side? Where do you see things going? Is the picture improving? Do you anticipate further cooperation?

It'd be interesting if you could tell our audience something about the state of security relations between Taiwan and Japan as things get more tense?

Representative Bi-khim Hsiao:

Well, our relationship with Japan is very strong in the cultural and societal side. Various opinion polls in Taiwan show actually a very favorable image of the friendship with Japan within Taiwan.

However, on the security side, we have not been able to make significant progress on official security dialogue, although years of discussion among second track, think tanks, experts in many areas has laid a very good foundation.

Now Taiwan and Japan also have some disputed waters around the Diaoyu area. However, we have managed to manage the differences and disputes through dialogue, and engaging through our Coast Guards, and working out a fishing agreement with Japan a few years ago that was supported by all parties in Taiwan, so that we can deal with, or contain and manage those differences while working together on security in a broader perspective.

Now we share an interest in the stability of the region. Japan has an alliance with the United States, and the United States is connected as a stakeholder to the security of Taiwan through the Taiwan Relations Act. Now these are two very important pillars for maintaining the status quo and stability in the region, and I think these are two important pillars on which we need to further develop the dialogue and the security cooperation with other like-minded countries, who are also interested in stability and freedom of navigation in the region.

Seth Cropsey:

Thank you, Representative Hsiao. Kelly?

Kelly Magsamen:

I'm conscious of the Representative's time, but I would love to maybe get the first readout of Secretary Azar's trip to Taipei, or HHS Secretary, to talk about things like the coronavirus and health cooperation. Clearly, the United States has a lot to learn from Taiwan, and other democracies like Korea. And I'd be curious: How did Taiwan do it? What's your secret, and what advice would you have to give to the United States at this moment where we are facing a tremendous amount of increases in cases and deaths?
Representative Bi-khim Hsiao:

Well as I said, we welcomed the Secretary and his delegation to visit Taiwan. There was an MOU for health cooperation signed between the two sides during this visit, and I think that will lay an important foundation for further cooperation as we move to develop vaccines, and ensure that they are available around the world. And also, as we discuss the movement of supply chains in critical PPEs as well as other medical devices around the world. Taiwan is a reliable partner to the United States, and we want to be part of that supply chain security discussion, as well as involvement in the development of vaccine and the production of vaccines in the future.

Aside from that, I think you mentioned Taiwan's ... We really don't have a secret but we learned from a tragedy way back during the SARS crisis, which was actually quite devastating. But the tragedy of that prepared our society for this current pandemic crisis. Since SARS, we have had annual drills of governments, of health institutions on how to deal with contagious viruses, or SARS-like epidemics, and other health crises. And so, these annual drills, as well as the requirement of strategic supplies within our health institutions as well as our society actually made our society much more prepared.

Also, we were on alert at a very early stage, and we took action there. We started to quarantine Chinese visitors at an earlier stage than anyone else in the world. And this was also part of the lesson from the SARS disaster over a decade ago.

But I think what's important about Taiwan's handling it was a very significant network of tracing and containing the few cases that were known at very early stages, so that the outbreak would not extend out into the communities. And that is why we have contained or limited community outbreaks. Most of our cases right now are imported from visitors coming from abroad. But another important aspect has been the use of new digital technologies in the process of tracking and tracing.

But I think the most significant of all has been a very open and transparent public and private sector partnership: The government leading the effort, but the private sector, civil society, local communities being very cooperative in moving ahead, not only in properly using PPEs but also in administering the various societal quarantine or at-home quarantine and self-isolation measures. And of course, constant dialogue and communication in the process has been absolutely important, so involving the health community scientists, government officials, as well as leading members of the civil society, as well as industry in enhancing the production and manufacturing of critically needed medical supplies have all combined to the success of Taiwan so far.

But we are not complacent. We are still very much on high alert, and we are also willing to work with other countries on continuing the global effort to overcome the present challenge.

Seth Cropsey:

Well, we've used up an hour and it went like 15 minutes, as far as I'm concerned. A very productive discussion.

I'd like to thank President Tsai Ing-wen for participating, Ambassador Bi-khim Hsiao for her remarks and for participating. I know your time is very valuable. And last, but absolutely not least, Kelly Magsamen and the entire CAP organization for their participation and cooperation in this.

I look forward to similar events in the future, and thank everyone involved, and wish you all the best, Representative Hsiao. Thank you.
Representative Bi-khim Hsiao:

Thank you.