



U.S. Policy Toward Taiwan

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Vice Chairman Coffman, Vice Minister Ko, distinguished guests, it is a privilege to speak to you today. I would like to thank the U.S.-Taiwan Business Council for again hosting this important annual event. It is invigorating to be surrounded by friends who share a common interest in ensuring Taiwan has the capabilities to safeguard its future and fulfill its obligations to protect regional stability.

As always when discussing U.S. policy toward Taiwan, it is important to review core principles. First, we must not forget that the stakes are high: while unlikely, war in the Taiwan Strait is not impossible. China refuses to renounce the use of force against Taiwan, even as any such use of force would be a disaster for people on both sides of the Strait, the region, and America itself. The United States therefore has an abiding interest in the preservation of peace and stability there. President Bush has made clear his commitment to the longstanding touchstones of our one China policy, the three U.S.-China Joint Communiqués, and the Taiwan Relations Act. Precisely to defend the peace, America does not support Taiwan independence and opposes unilateral changes to the status quo by either side. We urge all parties to avoid confrontational or provocative acts, and we believe the future of Taiwan should be resolved peacefully.

In this context, we continue to call on Beijing to reach out to Taiwan's elected leaders in a flexible and sincere spirit with a view to promoting genuine dialogue. We also call on Beijing to demonstrate more military transparency, to cease its arms buildup opposite Taiwan, and to reduce its armed threat to Taiwan. At the same time, we assign special importance to President Chen's June 8, 2006, public reaffirmation of his commitments that Taiwan will not declare independence, change the national name, push for sovereignty themes in the constitution, or promote a referendum to change the status quo.

We are all too painfully aware that the P.R.C. continues to channel a substantial portion of its remarkable economic gains into a military build-up targeted against Taiwan. As the Department of Defense's annual Chinese military power report makes clear, this build-up risks disrupting the status quo as the PLA's rapid military expansion is creating a capabilities gap that is widening with the deployment of every new missile, fighter aircraft, submarine, warship, and tank.

In law and policy, the United States stands behind its commitment to make available defense articles and services to enable Taiwan to maintain a sufficient self-defense capability. Indeed, in response to Beijing's military build-up, Washington in this decade has substantially boosted its defense cooperation with Taipei and taken steps to maintain its own capabilities should the President choose to respond militarily to any use of force or coercion against Taiwan. President Bush five years ago made a ground-breaking commitment to sell Taiwan several advanced defensive weapons systems that it had requested. Even as I speak, two KIDD-class destroyers – a part of the package the President approved – are sailing from the United States to join Taiwan's fleet.

Perhaps because America has moved with speed to meet the new challenge, many of Taiwan's friends in the United States regret that Taipei has failed to respond in kind. Fortunately, I am pleased to speak to you at a time when there appears to be growing recognition among the people of Taiwan that they need to do more. In this regard, however, they are dependent on their leaders from across the political spectrum to undertake serious deliberations on the threat and agree on how to allocate taxpayers' dollars to meet it. This in turn can only happen if those leaders place national security above partisan politics and responsibly articulate the diverse views that are bound to exist in any democracy. Speaking from our own experience, these deliberations must result in action, requiring a serious willingness of political parties to compromise and bury differences in the interest of peace, prosperity, and security.

Because the American people share a direct interest in the success of this process, the impatience one sometimes hears from Taiwan's American friends is not unreasonable. Such concerns do not threaten the traditional friendly ties between the Taiwan and American peoples; these rest on unusually strong and deep fundamentals. Nevertheless, optimal cooperation between our peoples depends on a serious, mature effort in Taipei to meet Taiwan's security needs. Leaders who aspire to represent the Taiwan people in dealings with the American people should appreciate that their positions right now on core national security issues cannot help but inform the sort of relationship they will have with Washington in years to come.

I hasten to add that I am optimistic about the way ahead. It's important that we bear in mind just what is going on in Taiwan. First, even with different parties controlling the legislature and the executive, Taiwan already commits nearly 2.5% of its GDP to the armed forces. That's less than in the past and than we think is necessary, but, in an economy the size of Taiwan's, it's substantial. Taiwan has also been making important strides in the more effective use of its military capabilities, and we are hopeful that trend will continue. Finally, we are pleased that the ruling and opposition coalitions are at last agreed in principle on the need to increase the defense budget.

On that final point, the Taiwan legislature's consideration of the 2007 defense budget this fall will give us an indication of how well-founded our optimism is. It's one thing for both coalitions to call for increases in the budget to 2.85% of GDP in 2007 and 3% in 2008. It's quite another for them to approve the components of a budget that add up to those percentages, especially when there may be sharp differences on some major – and expensive – weapon systems.

At the end of the day, what will be most important to the United States is not that Taiwan has approved funding for any given package of arms – whether homemade or imported – but that Taiwan's leaders engage in a serious deliberation on security and exercise wisdom and political courage in agreeing to fund urgently needed increases in Taiwan's self-defense capabilities. America fully respects the prerogative of the Taiwan people – exercised through their leaders – to decide how much to spend on defense and how to spend it. In a democratic political system like Taiwan's, there's no single correct answer out there for how exactly to structure the response to a military threat. The one thing that is sure, however, is that failure to rise above the political fray to arrive at the best possible answer under the circumstances will represent a singular failure in leadership.

For its part, the United States remains committed to fulfilling President Bush's 2001 decision to sell Taiwan certain defensive weapon systems it requested. At the same time, my government has made clear its view that urgent needs have emerged requiring immediate funding. We believe in particular that Taipei should move now to invest in hardening critical infrastructure and building adequate war reserve stocks to ensure the sustainability of its forces. In the ideal, Taiwan will appropriate enough of its wealth to purchase all that it needs. Since the real world normally operates short of the ideal, however, for us a big question is how Taipei will allocate its defense dollars if it has to make tough choices among competing requirements.

Decades from now, people on both sides of the Strait will thank the people of Taiwan for the decisions they are making right now on national security. Weakness can spark conflict as readily as aggression. As the People's Republic of China continues its aggressive build-up of forces targeted against Taiwan, it falls to the democratic people of Taiwan to make reasonable, prudent commitments to meet the challenge, emphasizing defensive military systems and strategies that reinforce predictability and stability.

At the end of the day, Taiwan's democracy gives it advantages that make it the natural guardian not only of the island's security but of peace in the Strait. It was to this in part that President Bush referred when he praised Taiwan's democracy during his speech at Kyoto last November. As the President said, by embracing freedom at all levels, Taiwan has delivered prosperity to its people and created a free and democratic Chinese society. In so doing, it has set a hopeful example for the region and the world. Given these advantages, and my country's rock solid support for Taiwan's security, I am optimistic about the preservation of peace and stability in the Taiwan Strait.

over the long term. I will be even more optimistic if Taiwan's political leaders can make the tough decisions needed now to address pressing issues.

With that thought, I'd like to thank our distinguished guests from Taiwan for making the long journey to participate in this conference. And I'd like to salute all participants from both sides, who, I am confident, share my concern for Taiwan's self-defense and the preservation of peace and stability in the Taiwan Strait. Thank you.

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