

AIT Chairman James Moriarty Remarks to the US-Taiwan Business Council Defense Industry Conference 2021

Rupert, members of the Council –

Thank you once again for inviting me to attend this conference as Chairman of the American Institute in Taiwan. I very much appreciate the opportunity to discuss a broad range of issues with experts and stakeholders who seek how best to address Taiwan’s security concerns.

Since we last met, and despite Covid-19 restrictions, the U.S.-Taiwan relationship has continued to grow rapidly. Across a wide range of issues - political, military, economic, and technological - there has been much progress in our partnership. And the growth of the relationship shows no signs of slowing down. That said, the future of Taiwan, the future of the region, and the future of the United States in the region are what concern me more and more every day. Today, I want to review for you what has remained the same in the US-Taiwan security relationship, what has changed, and where we are right now.

What remains the same?

I know many on Taiwan were pleased with the progress in our relationship under the previous administration, and perhaps worried about the impact a change in U.S. administration might have. In his confirmation hearing, now Secretary Blinken put those fears to rest, saying:

“we will stand with friends and allies to advance our shared prosperity, security, and values in the Asia-Pacific region -- and that includes deepening our ties with Taiwan... Taiwan is a leading democracy and a critical economic and security partner — its future matters to the United States for all of these reasons. America’s commitment to Taiwan will remain rock-solid.” Rock-solid. That is clear. And it is a commitment that the Biden administration has continued to reiterate – and to demonstrate.

“Facing the Future”

The U.S. “one-China policy” remains the same: The United States remains committed to the peaceful resolution of cross-Strait differences as long as that resolution is without coercion and consistent with the wishes and best interests of the people on Taiwan.

We will continue to meet our commitments and help Taiwan maintain a sufficient self-defense capability commensurate with the threat Taiwan faces. Doing so increases stability both across the Taiwan Strait and within the region.

For over 40 years, every U.S. administration has noted that U.S. policy toward Taiwan is grounded in the Taiwan Relations Act and the three Joint Communiques. Beginning in 2020, the

United States also publicly stressed the importance of the Six Assurances provided to Taiwan at the time of the Third Communique between the US. and the PRC.

The recent declassification of two documents from that time made clear the U.S. understanding of our commitment to Taiwan's security. As President Reagan put it, "... it is essential that the quality and quantity of the arms provided Taiwan be conditioned entirely on the threat posed by the PRC.

Both in quantitative and qualitative terms, Taiwan's defense capability relative to that of the PRC will be maintained." ,Thus, the foundations of our relationship with Taiwan remain the same.

What has changed in recent years, however, is the increasing belligerence toward Taiwan coming from Beijing. The current leadership in Beijing insists that Taiwan move toward unification with the PRC under a "one country-two systems" formula, a formula rejected by almost all the people on Taiwan. The reason for that rejection? Hong Kong.

The actions the PRC has taken in implementing that formula in Hong Kong have made it abundantly clear that unification on those terms would lead to the destruction of Taiwan's democracy.

Accordingly, Beijing has come to rely almost solely on coercive tactics – such as disinformation, malicious cyber actions, squeezing Taiwan's international space, and outright military intimidation – to try to push a reluctant Taiwan toward unification. None of that, however, has worked.

As the TRA noted, any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes would be a threat to the peace and security of the Western Pacific area and of grave concern to the United States.

Kurt Campbell - the White House coordinator for the Indo-Pacific - noted in July: unilateral change of Taiwan's status by Beijing would be catastrophic.

The U.S. firmly believes that peace in the Indo-Pacific region is in everyone's interest. But in order to protect that peace, we are willing to call out bad behavior and stand with the people on Taiwan, recognizing Taiwan's role in our shared prosperity.

The Present and Future:

During these tense and complicated times, the relationship between the U.S. and Taiwan grows stronger and stronger; our solid partnership will be built on our shared values and interests. A key aspect of that partnership will be to ensure the security of Taiwan, both through bolstering Taiwan's self-defense as well as expanding Taiwan's international space through engagement with likeminded partners.

Self -defense and security

The momentum generated by increasing calls for Taiwan's inclusion in international forums is reflected in the security environment. Several recent "firsts" have followed the new Administration's outreach to allies in the region and more broadly. Joint statements with close U.S. allies like South Korea included explicit mentions of cross-Strait security for the first time, as did the most recent G7 and NATO communiqués.

Also, this year, a Japan-U.S. Leaders' statement referenced the importance of peace and stability in the Taiwan Strait. Japan's annual defense white paper explicitly echoed that sentiment this summer, stressing that "stability of the situation around Taiwan is important, not only for the security of our country, but for the stability of the international community."

The U.S. Secretary of Defense, Lloyd Austin, has discussed the need for "Integrated Deterrence," which is about using technology, operational concepts, and capabilities in a networked, combined manner in order to, "fix a basic truth within the minds of our potential foes: and that truth is that the costs and risks of aggression are out of line with any conceivable benefit."

A result of this focus will be a shift away from simply assessing whether the PRC can be deterred by American military power; instead, we need to dig deeper and ask how to take advantage of operational concepts and technology that make sea and air denial easier, control of domains by an opponent harder, and therefore, successful power projection by an enemy a true conundrum. As allies and partners in the region and around the globe increasingly push back on China's aggressive actions, it is important that Taiwan remain committed to the changes that only it can make.

The U.S. supports Taiwan's maintaining a credible conventional force, as evidenced by the August 4 notification to Congress of the intent to sell M109 mobile artillery to Taiwan. But Taiwan must build as strong a deterrent as possible, as quickly as possible. Taipei has responded to the need to deter the PRC. The most recent defense budget nears 17 billion USD, and additionally, Taipei has proposed a supplemental budget over the next five years of 8.6 billion USD. These two data points show an increased willingness on the part of Taiwan to recognize the urgency of the security situation.

But US-Taiwan security relations are not just about budgets and arms sales. While the US encourages increased defense spending to address Taiwan's critical security situation, much of that defense spending has traditionally gone to arms sales that fund conventional, Service-oriented mission sets. With an outpacing potential adversary, such spending is not a complete solution. Instead, key defense and military leaders need to overhaul Taiwan's security concept by embracing modern, resilient, and cost-effective approaches, as well as innovative ways to employ existing capabilities.

WE are having productive conversations with Taiwan on these issues, and we salute both President Tsai and Defense Minister Chiu for having publicly stressed in recent days the need for urgency. But we remain concerned that this overhaul is not happening quickly enough: speed is an issue.

As larger conventional capabilities may take years to field and integrate, what Taiwan truly needs are “instant capabilities” that can be gleaned from smaller, networked systems operated in a decentralized manner. “Business as usual” will not suffice.

This all leads to a simple point: Taiwan needs defense-in-depth. All-domain defense- in-depth, from not just the land, air, and sea, but also cyber, electronic warfare, and information operations. Taiwan needs truly asymmetric capabilities and strong Reserve Forces, forces that complement the traditional military Services but do not simply mimic them; forces that understand how to conduct irregular warfare, warfare that proves to any invader that an occupying force would not have the support of the population. Unfortunately, as arms sales have become regularized and increased in scope and dollar amounts, Taiwan’s focus and direction seem to have shifted back to conventional, large-scale platforms.

Truth be told, Taiwan’s 2021 Quadrennial Defense Review seemingly abandoned the previous, well-received Overall Defense Concept. The QDR instead championed long-range strike, local air superiority, and controlling sea-lines of communication – all concepts seemingly focused on a traditional, conventional battle rather than an asymmetric defense for a struggle Taiwan cannot afford to lose. Returning to those systems which are mobile, survivable, and lethal – or as former Principal Deputy Assistant Secretary of Defense for Indo-Pacific Security Affairs David Helvey put it, “large numbers of small things” – is a real and urgent course correction.

Conclusion

There has been a tremendous amount of activity and progress in the U.S.-Taiwan relationship, and I am confident that progress will continue. We have built the momentum to carry us forward. At the same time, however, the security space has become more uncertain, and time is running short.

At this point, we cannot simply do more of the same when it comes to Taiwan’s defense, no matter how much more budget there is; What the increased spending goes to matters, and where the funding ends up will indicate what Taipei sees as important.

Our challenge then, is to work together on designing and shaping the best integrated deterrent to potential aggression. That will require a whole of society effort focused on defense in depth across all the domains of conflict. Only that will prove world that Taiwan is no place for any aggressor to intrude.

The mutual interests and long-standing friendship of the U.S. and Taiwan will allow us to weather these challenges, but it will take effort and guile.

Moving forward, then, we should be prepared to face hard choices, but rest assured, we will face them together.

Thank you for your time and I look forward to our continuing discussions.