Thank you Rupert, for your kind introduction. I really appreciated.
Chairman Moriarty, distinguish members from the United States government and industries, ladies and gentlemen, good afternoon.

It is my great honor to be here, sending you the warmest greetings from our new Chairman – Dr. Eric Chu, and sharing with our American friends the KMT’s assessment on our national security challenges and defense policy agenda. The transcript of my speech will be available to everyone after lunch.

Assessment of Taiwan Security Environment

When we celebrated the 110th birthday of the Republic of China with joy yesterday, one cannot overlook that Taiwan is currently facing mounting national security challenges.

■ The East is Rising and the West is Declining?

It has become a common view that China and the United States have entered into a long-term strategic competition. Chinese leader Xi Jinping's recent talk of "the East is on the rise and the West is declining" can be regarded as a "national strategic estimate." Xi Jinping also believes that "the international situation has reached a new turning point," which is called "a major change unseen in a century," and "on the whole, opportunities outweigh challenges." He believes that "time and momentum are on China's side."

From Anchorage to Tianjin, the Biden Administration's senior-level talks with China had gone sour as Beijing's "wolf warrior" diplomacy showing its teeth. China insists that the United States would have to "correct" its practice of "engaging from a position of strength" before meaningful dialogues can be back to normal. The release of Meng Wanzhou of Huawei was just the beginning.

■ The Taiwan Strait as the Most Dangerous Place on Earth

From October 1, the national day of the People’s Republic, the People’s Liberation Army Air Force had flown more than 150 sorties crossing Taiwan’s Air Defense Identification Zone in just four days. Taiwan’s defense minister told our legislature that this is the most severe security challenge he has ever experience in his 40 years of service.

In commemorating the 110th anniversary of the Xinhai Revolution that overthrew the imperial political system and created the first republic in Asia 2 days ago, Chinese leader Xi Jinping threatened Taiwan again. He said that “the motherland must be and will be reunified,” – which can be viewed as another signal of more coercive actions against Taiwan in the months and years to come.
Taiwan's Defense Concept

- Prevention and Sustainability

The primary focus of our national defense and force building should be aimed at "preventing our adversary from making a decision to wage war against Taiwan." The KMT holds the position that we will not be a troublemaker in the region, but a responsible partner for security in the Indo-Pacific region.

We believe that all training and exercise, research and development, procurement and investment must meet the two requirements, i.e. to increase the probability of success in preventing armed conflicts and to build sustainable warfighting capabilities.

- Smart Defense Spending

As great powers competition intensified and tensions rise in the Indo-Pacific region, it is conceivable and becoming a trend that U.S. allies in the region will increase their defense investment. Taiwan in particular, would be pushed by the growing Chinese military might and allocate more resources to defense modernization. The KMT believe there are rooms for defense budget increase.

With increased budget, the KMT also believe that Taiwan should review and balance its defense spending between capability-building to cope with near-term threat and force modernization requirement in the mid- and long-terms; between serviceability of existing systems and acquisition of new systems; between platforms and education, training, logistics.

- Overall Defense Concept

We consider the ODC is a good and useful term that can always be modified and enriched. The ODC is not Taiwan's military strategy (which is resolute defense and multi-domain deterrence) but a "joint doctrine" that guides the employment of Taiwan's armed forces in integrated actions against invasion. It also provides a common perspective from which the MND can plan, train for, and conduct joint operations.

The KMT has no way to know the extent to which the DPP government would scrap the term, but we do know that the concepts of "innovation" and "asymmetry" have already been the essence of deeply built-in defense planners' minds. We also recognize that there are conflicting views on the ODC among military services and ranks. Some believe ODC is the asymmetrical application of legacy force in military operations, and others support procurement of systems fit in asymmetrical operations.

Taiwan is surrounded by waters and heavily relies on sea lanes of communication for its survival. “Fortress Taiwan” can be blockaded, and a porcupine can be starved to death. We certainly understand that Taiwan does not have the resources to buy all and do all, and that is why without an ironclad U.S. security commitment, clear division of areas of responsibility, and supported by joint training and exercise, the ODC
would become less meaningful for many stakeholders.

**Our Approaches to Come Back**

With the intensified and long-term strategic competition between the United States and the People's Republic of China, and the current DPP government's inability to manage a stable cross-strait relationship through meaningful communication, the renewed KMT is committed to taking the responsibility to maintain peace and stability in Taiwan Strait.

Even before we can return to power in 2024, the KMT is planning to act now with the following tasks.

- **Normal Communications with the U.S.**

  Minutes after Dr. Eric Chu assumed the KMT chairmanship only six days ago, he directed General Mike Tien and me as the formal representatives to participate in this year’s defense industry conference. According to Chairman Chu, he does not want to miss any opportunity to engage with our American friends.

  Last Thursday, The KMT initiated an **International Affairs Working Group** (國際事務工作小組) consists of our best experts on U.S.-Taiwan relations and all of whom are old friends of yours. Members of the Group will take turns and regularly lead delegations to visit you as “Chairman’s Special Envoy” to exchange views with interlocutors in the United States. I bet you will see them a lot once the Covid restriction is eased.

  Before the end of this year, we will establish a permanent base – the **KMT Liaison Office in Washington DC** (國民黨駐美國聯絡辦事處) to better communicate our policy agenda and positions with U.S. federal government, the Congress, policy think tanks, and universities.

- **National Security Strategy Guideline**

  Many had considered that Taiwan’s defense strategy and planning and military modernization have long suffered disorientation due to the lack of a national security strategy as the overall guidance. Without a top-level strategy document, the Ministry of National Defense could only dig into related presidential remarks and press releases as references to publish biannual defense whitepaper and quadrennial defense review.

  The KMT Department of International Affairs is organizing experienced foreign policy and defense experts to form a “task force” to formulate a “national security strategy guideline” available after our 9-in-1 local elections and your mid-term elections next year. The Guideline will serve as part of the foundation for the 2024 presidential campaign.

- **Engaging with Defense Industry**
"Spending overpriced money for less advanced or obsolete weapons systems" and "U.S. defense contractors and arms dealers only work for profit and less care about Taiwan's real defense needs" have long been stereotype image of the U.S. defense industry and unhealthy perception for true and mutually satisfying cooperation.

The KMT is committed to an open-minded approach to defense industries, overseas and domestic. We are ready to engage, listen, discuss, and debate with representatives of foreign companies that can provide defense articles and services for Taiwan's self-defense. At the same time, we will also candidly speak up for the interests of Taiwan's defense based on our assessment.

Integration of the capacities of Taiwan's domestic defense industries has been a lingering issue. We understand that each category of our domestic defense industry has its advantages and deficiencies, but we sincerely believe that there are huge rooms for better government-private cooperation to optimize Taiwan's overall capacity. The KMT will step up our engagement with local industries and address their concerns based on previous efforts.

**Conclusion**

The year 2027, 6 years from now, might be the critical moment for Taiwan. There might be various interpretations, but then Indo-Pacific commander Phil Davidson did testify at the Senate and said there might be a war across the Taiwan Strait in 6 years.

In his remarks in a CCP plenary session late last year, Xi Jinping mentioned the “goal of struggle of the PLA at its centennial” in 2027. That year is also the end of Xi’s 3rd term (2022-2027) as the general secretary of the Party and the chairman of the Central Military Commission. Whether Xi would be trying to resolve the “Taiwan Issue” before he steps down is remained to be seen. He might also initiate a war on Taiwan to justify his intention for a 4th term (2027-2032).

More than ever, Taiwan needs the KMT. A strong KMT will make Taiwan a more balanced and healthier democracy and a viable candidate to lead Taiwan sailing through the troubled waters in the coming critical years ahead.

I believe the KMT is ready to engage in substantial dialogues with the American interlocutors, and our chairman Dr. Eric Chu is willing to sit down with you and listen.

Thank you very much, and I’m willing to take any suggestions or questions.

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