Thank you Rupert for your kind introduction. You see, now I have a gold star on my name badge which means that I have physically participated in the conference 11 times. As the strategic balance of power, geopolitical features, and leadership visions have all experienced great changes in the past 20 years, we are gathering here again to discuss, debate, and also renew friendships and advance entrepreneurship.

Friends, it’s been a long way since the first conference in 2002 in Florida. From the Global War on Terrorism (GWOT) to the Free and Open Indo-Pacific (FOIP), from Xi Jinping’s “grand rejuvenation of the Chinese nation” to Donald Trump’s “make America great again,” the U.S. dominated international order in the post-Cold War has been replaced by the great power competition between the United States and communist China. The power equation has shifted.

If we erase Taiwan from the map or remove it from the Earth and make the Taiwan Strait disappear, the Beijing leadership will still make the comment saying “the East is rising and West is declining” (東升西降) and proclaimed that “the time and momentum” (時與勢) are on their side. The western Pacific remains a critical location for sea lanes of communication and the contested area between the American and allied forces in Asia and the People’s Liberation Army (PLA).

The reality however is that Taiwan remains to exist and is ready to celebrate the 111th national day of the Republic of China next week.

Since our conference last year, two significant events may later be seen as game changers to not only international power structure but also the conduct of military operations. The two are Russia’s ongoing invasion of Ukraine since February and the Chinese military coercion against Taiwan in early August.

The 6-zone military drill encircling Taiwan by the PLA has testified to those assessments by many that Mainland China has long prepared multiple sets and forms of military actions against Taiwan – from “grey zone” coercion to a full-scale invasion.
We realize that Taiwan has been the focal point of international news coverage in recent months. Even before House Speaker Nancy Pelosi’s visit to Taiwan, the Economist has already named Taiwan as the most dangerous place on Earth in May last year. Being isolated for too long, we of course appreciate the increase in international visibility. However, the flood of foreign media coming to Taiwan, and visiting the offshore islands to do their stories also hinted the potential military crisis is looming large around our home.

We strongly believe that “peace and stability in the Taiwan Strait” is an “essential feature” of a free and open Indo-Pacific and in the interest of all parties in the region. For Taiwan, the priority of our national security strategy is to safeguard the peace and protect the lives and wellbeing of our citizens. To that end, KMT Chairman Eric Chu has called for a “double-D strategy,” (雙D戰略) i.e. “defense and dialogue.”

“Defense” means quickly and significantly boosting Taiwan’s military capability and civil defense capacity to prevent and deter possible short-term military conflict while paving the foundation for sustainable defense modernization.

“Dialogue” means making efforts to maintain communication channels with the Mainland for the purpose of threat reduction and crisis management. When tensions are high, keeping the communication line open is essential to deal with possible unintended incidents.

The “double-D strategy,” to put it in a simple way, combines “war preparation” (備戰bei zhan) on one hand and “war avoidance” (避戰bi zhan) on another hand. We must use both hands to maintain peace and stability in the Taiwan Strait.

Since late last year, KMT has established an ad hoc “national security strategy working group” (國家安全戰略工作小組) to develop and frame our overall strategy for the next 5-8 years, and an ad hoc “defense dialogue group” (國防對話小組) to engage with our American interlocutors.

Let me highlight some key issues that have been in our discussions:

1. **Joint strategic assessment**: Enlarging the common interests of Taiwan and the United States will enable us to set the foundation for better cooperation. To that end, we need to calibrate our strategic assessment of potential military conflicts – their forms, scales, timing – and so can we construct better joint approaches to respond.
2. **Defense reform priorities**: First, improve our capability in asymmetric operations by rebalancing military investments and acquisition of defense systems that are necessary and available for near-term contingencies. Second, deal with political restraint and explore areas of joint training and exercise with allies for future interoperability. Third, reorganize and elevate the all-out defense and reserve mobilization mechanism to the cabinet-level for effective interagency coordination.

3. **Harmonious political-military relations**: The ROC armed forces have been politically neutral as testified in the past 20-plus years with 3 times of changes of government. We understand that it’s quite normal to find the uniformed services have their perspectives on defense matters but never questioned the military’s loyalty to the democratically elected government. We believe political leaders while enjoying unquestionable authority to command should also have the hearts to convince and the wisdom to appreciate professional military expertise.

4. **Make “time” our friend**: From General Chip Gregson’s recommendation of “innovation and asymmetry” at this conference more than 10 years ago to Admiral Lee His-ming’s best-seller new book on “overall defense concept,” there have been dozens of proposals raised from operational doctrines to specific weapons systems, from foreign military procurement to indigenous defense productions, all are valuable ideas but all require time to make them operational. Slogans cannot elevate defense capability overnight and we all need to buy time.

Some people see the Chinese threat to take Taiwan by force as imminent and cry that time is running out. Some people have argued that we should not give the PLA another 10 years to build up and suggest that force China into a war the sooner the better. Some people consider that INDOPACOM’s Pacific Deterrence Initiative and the proposed Taiwan territorial defense force cannot reach maturity anytime soon. Some people worry that “strategic ambiguity” has been outdated and needs to move toward clarity. Some people try to convince themselves that “preventive diplomacy” would not work with dictators and design wargames only based on “D-Day” scenarios.

My dear friends: Are we living in a time when advocating “war preparation” gets applause and “war prevention” gets despised?

Taiwan is not Mexico, but we are too close to Mainland China and too far away from the United States. Taiwan is not Ukraine, because we are so politically isolated and surrounded by waters.

In Taiwan, we are not naïve but vigilant, we are not romantic but pragmatic, and we do seriously realize that war may come to us and we must have the utmost determination to fight the war, and if necessary, alone.

To safeguard our homeland and ways of living, we need to be brave and also to be smart. We are committed to working with our American friends to stay in the game so the young generation would not
be the hostage of war, and the business community may thrive for decades to come. Together we should make the game infinite (無限賽局).

In conclusion, let me say - The topic of our time is not merely deterrence but also endurance, not only resisting autocracy but also enlarging democracy.

Thanks and God bless you all!