

**The Taiwan Relations Act:
Turning a New Chapter**

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Mr. Armitage, ladies and gentlemen, it is my great pleasure to be here. I would like to extend my deep appreciation to the Center for Strategic and International Studies (CSIS) for making this event possible today. CSIS has been a true leader among US think tanks for the last half century, providing clarity and wisdom in the often intricate world of diplomacy and security studies.

Before I begin my remarks, I would like to take a moment to thank Mr. Richard Armitage for his kind introduction. Mr. Armitage has long been a good friend of the Republic of China on Taiwan. During his tenure at the Defense Department under President Ronald Reagan, and later at the State Department under President George W. Bush, Mr. Armitage performed a vital role in carrying out the letter and spirit of the Taiwan Relations Act (TRA). I am therefore honored by and appreciative of Mr. Armitage's participation in today's event.

TRA past and present, the House Resolution

Ladies and gentlemen, we gather here today to commemorate an auspicious occasion started 30 years ago, when US lawmakers across the aisles had the vision and foresight to write into law what would become the foundation of an unprecedented – and in retrospect, unparalleled – partnership. They realized that as the United States established formal diplomatic relations with Mainland China, America's relations in our region did not have to be the product of a zero-sum equation – and that its engagement with Beijing did not have to be an all-or-nothing proposition.

Certain obstacles would not have been overcome without America's enduring commitment to the principles embodied in the TRA. For example, President Ronald Reagan's "Six Assurances" in 1982 relating to continued arm sales to Taiwan reminded us that the evolution of US-China relations would not have a deleterious effect on America's special bond with Taiwan. Similarly, President Bill Clinton's decision to send two aircraft carrier battle groups to the Taiwan Strait in 1996 demonstrated our ally's firm resolve to preserve peace and stability of the region.

Since the enactment of the TRA three decades ago, US commitment to Taiwan has not only remained steadfast but has grown in strength. Last month, 125 members of the US House of Representatives endorsed in a voice vote on House Concurrent Resolution 55, pledging an "unwavering commitment" to the TRA and calling it a "cornerstone" of US policy. This resolution further reiterated America's longstanding policy to provide Taiwan with arms of defensive character to maintain the capacity to resist any forms of coercion that would jeopardize the social, economic or political systems of Taiwan. Moreover, President Barack Obama, Secretary Hillary Clinton and other senior statesmen have all unambiguously expressed positive overtures and support for Taiwan's defense and the maintenance of peace, security and a healthy balance in the Taiwan Strait.

The continual affirmation of the TRA's commitment to Taiwan's security shows that our two governments share a common strategic perspective. The strong security partnership established by the TRA not only provided a basis for the people of Taiwan to embark on a journey of democratization, but also allowed our citizenry that is rich in entrepreneurship the opportunity to build a free-market economy that has today become the 18th largest in the world. In many respects, this landmark legislation helped launch the emergence of what I call the "Taiwan Spirit", of benevolence, perseverance, diligence, honesty and hard work that has been the touchstone of our success.

A New Geographical Thinking

During the last 8 years from 2000-2008, we have had a lot of time to reflect on what went wrong with the country; especially why Taiwan's economy has slipped as a leading engine for growth in the region. One conclusion I draw is that some in our society had been excessively burdened with the legacies of the Civil War and the Cold

War, while others had been gripped, perhaps too tightly, by the so-called “victimization complex” (悲情意識), hoping to break out and change the status quo at all cost. Unfortunately, instead of contributing to the advancement of the nation, both mindsets had in truth only disrupted social harmony at home and incurred tension abroad. As such, precious political and economic capital has not been efficiently allocated to cultivate an environment for reform and development in Taiwan in these last years.

Since the outset of my administration my focus has been more on Taiwan’s geography rather than on its history. Geographically speaking, I believe the island of Taiwan is a premium piece of real estate in the world. To its east, the United States is the largest economy and the sole superpower of the world. To its north, west and south, Japan, Mainland China, and the ASEAN nations are the second, third and fifth largest economies respectively. Taiwan is fortunate to be so advantageously located at the center of this dense and rich network of economic powerhouses. In addition, Taiwan is culturally and linguistically familiar with all its neighbors. Combined together, Taiwan is optimally situated to serve as a conduit and springboard for multilateral exchange and growth, in other words to provide the platform for a multifaceted win-win situation. However, to achieve this goal Taiwan must fully capitalize and leverage these assets to its maximum advantage by linking up with all the members of this super-economic network, including Mainland China. If we succeed, Taiwan will indeed become a treasure island(寶島) that will be accessible to and from these countries, next to none in East Asia. Having lost a good eight years, we should now look forward towards the 21st century and take full advantage of this invaluable geographic asset.

A New Leaf in Cross-strait Relations

For obvious reasons, cross-strait relations occupy a special place in this new geographical perspective. For too long, this relationship has been described as “hot economics, but cold politics.” No where has this discrepancy grown to such gaping proportions than in recent years, when it threatened not only the security of Taiwan, but peace and stability in East Asia. However, since my administration came into

office last May, we have set into motion the elements that will not only defuse cross-strait tension, but more importantly embed a new foundation for stability. At the center of this new cross-strait rapprochement is “the 1992 consensus.” That is, both sides recognize that there is only one China, but agree to differ on its definition. Past negotiations with the Mainland over 15 years ago were also founded upon this premise, so a common understanding has existed ever since. This very fact has been well recognized by former president George W. Bush in his key March 26th telephone conversation with Mainland Chinese leader Hu Jintao last year on the “1992 Consensus,” that is, “one China, each side having its respective interpretation.” The policies of my administration will drive the impetus to move cross-strait relations forward and beyond the hostility and brinkmanship witnessed in these past eight years.

Upon a new foundation rooted in mutual benefit and friendship, we reopened negotiation channels after a hiatus of over a decade. Since then, my administration has worked incessantly to fulfill our campaign promise to our people of improving cross-strait relations. These include: the inauguration and expansion of cross-strait direct charter flights, opening up Taiwan to Mainland tourists, hosting 2 unprecedented and historical high-level talks between the Straits Exchange Foundation (SEF) and its Mainland counterpart, Association for Relations across the Taiwan Strait (ARATS). The Chiang-Chen Talks have already resulted in 6 groundbreaking agreements, which have enhanced mutual cooperation in a range of important issues from direct links to food safety. In virtually a few months my administration has transformed 60 years of cross-strait relations to better reflect the needs of our people and realities of the changing times. We are fully aware that for Taiwan to maintain its strength vis-à-vis the Mainland, Taiwan must strengthen its international competitiveness. As Mainland China becomes the workshop of the world, normalizing economic relations with the other side is a crucial step in achieving this goal.

The prospective creation of the Cross-Strait Economic Cooperation Framework Agreement (ECFA) is at the heart of this idea. The spirit of ECFA conjoins Taiwan’s interest with the ideals of liberalization and globalization. By concluding the ECFA with the Mainland, while also building Taiwan into an innovation and logistic center for multinational companies, we will surely bolster and safeguard Taiwan’s competitive edge in the Mainland market, and, in turn, the greater global market. The benefits of ECFA to the international community, including American investors are

more than obvious. Opening the Three Links—and the goodwill behind them - have made flying, shipping or mailing across the Strait a feasible option now. Together with a more stable political environment, there will be more incentives for foreign businesses to include Taiwan in their regional operations.

Revitalizing Taiwan-US Relations

By changing our cross-strait policy, we were able to restore mutual trust and cooperation in Taiwan's bilateral relations with other countries. Of particular importance is Taiwan's relationship with the United States. My administration's foreign policy style can be aptly described as surprise-free and low key. And I believe that in the past few months, we have made significant strides in restoring America's trust in Taiwan. In particular, I want to express my appreciation to President Barack Obama and Secretary of State Hillary Clinton for acknowledging the positive contributions to cross-strait relations that our policies have brought about. The United States positive assessments and support of current cross-strait developments demonstrate our policies are being favorably received. In truth, the policies of my administration share the same common ideals as those embodied in the Taiwan Relations Act. This sentiment was echoed by American Institute in Taiwan Chairman Raymond Burghardt who recently welcomed this "new era of cross-strait civility" as not only reducing the "danger for miscalculations" but also creating "real tangible economic benefits" for America and American businesses as a whole. These goals are at the heart of my foreign policy calling for "flexible diplomacy," in which we have taken the first steps towards reconciliation with the Mainland by declaring a diplomatic truce. This truce will bring about the end of diplomatic belligerency so that we can concentrate on issues that will yield more real and substantive rewards.

This includes my administration's goal to expand Taiwan's international space. Of course, foremost we hope to enhance Taiwan's meaningful participation in international organizations for the betterment of our citizens. My administration firmly believes that it is the equal right and human right of our citizens to access international services vital to their wellbeing. Therefore, participating in the World Health Assembly (WHA) is an endeavor we will not stop pursuing, until the day our citizens can enjoy the same health resources, and information freely granted to the rest

of the world. The United States has always been one of our strongest supporters in joining IGOs, so I express my deepest appreciation. As a champion of democratic rights and freedom, I hope America will take up the banner with us and call for greater fairness when judging Taiwan's international role. However, I want to emphasize that Taiwan's international space is not a one-sided arrangement. Instead, it is a mutually beneficial scheme that will not only provide our citizens the right to access international services, but also a chance to give back to the world in more meaningful and substantive ways. Taiwan is a democratically thriving, economically prosperous country endowed with sophisticated scientific, technological and medical expertise. We are proud of the fact that today Taiwan has the capability to make significant contributions to foreign aid. In fact, we remember that it was once the generous donations of other countries such as the United States that helped us achieve our own "economic miracle" and social advancement. Therefore, I hope to revamp Taiwan's foreign aid so that we can provide more effective and ethical assistance in alleviating the suffering of recipient countries.

In addition to foreign aid, Taiwan will also work to expand its bilateral relations with the United States and other countries in common interests and value. We will move forward as a responsible peacemaker, helping to safeguard the stability of the international system so that economic and peaceful relations can continue to prosper in the region. Taiwan's democratic system, strong rule of law and sophisticated social services will provide multinational firms a better point of entry into the Mainland market. As you can see, when Taiwan expands its international space the global community benefits as well.

The future prospects of Taiwan-US relations will particularly focus on issues of low politics with an emphasis on pragmatism. We will work closely with our American friends on issues such as opening Taiwan's market to US agricultural products; promoting e-Commerce; exploring ways to reform our investment environments for mutual benefit; and improving the protection of intellectual property rights. We would also like to conclude an extradition agreement as well as participate in America's visa-waiver program (VWP). Furthermore, as trade has been one of the major facets of our thriving relationship, we hope to enhance this through an FTA with the United States.

Of course US arms sales is equally, if not more, central to our relations, in which I want to reassure America that Taiwan will not free-ride on the United States for its

own security. Last month we published a Quadrennial Defense Review that shows our intention to build up our military strength on the principle of “Resolute Defense, Effective Deterrence.” On top of that, we have made plans to create an all volunteer force to enhance the professionalism of our military. Furthermore, starting from this year, our defense budget will reach at least 3% of GDP. However, the delicate balance of the status quo is being shaken by the gross military imbalances across the strait. Therefore, I urge the United States to not hesitate to provide Taiwan with the necessary defensive arms as stipulated in the TRA.

My administration will continue to redouble our efforts in not only removing obstacles but also realizing new potentials for the mutual benefit of our bilateral relationship. In particular, we will continue to look towards America for guidance and inspiration in advancing our own democracy. President Obama once said that “As Americans, we can take enormous pride in the fact that courage has been inspired by our own struggle for freedom, by the tradition of democratic law secured by our forefathers and enshrined in our Constitution.” With these words of inspiration Taiwan’s own endeavor to improve human rights protection has also entered a new era. A few weeks ago, under my leadership, our Legislative Yuan passed with overwhelming enthusiasm the two United Nations conventions concerning human rights: International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. We, by adopting an Implementing Statute, also made these two United Nations covenants a part of our domestic law at the same time, so that we may do away with the difficult, if not impossible move, of depositing them with the United Nations Secretariat pursuant to the requirement of the covenants. The passing of the two covenants signifies a historic milestone in Taiwan’s democratic development especially in regard to human rights protection. In the next two years, the Ministry of Justice and related agencies will execute a comprehensive plan to implement these covenants in Taiwan.

Ladies and gentlemen, in the past 30 years since the enactment of the TRA we have witnessed defining moments when its principles have come to life through the inspired actions of both our leaders and our people. I am sure the next 30 years will see a new chapter of the TRA requiring the same, if not more inspiration that derives from our mutual desire for enduring security, stability and peace. It is for this reason that the TRA will remain an essential blueprint – reminding us of our commitments, and inspiring us to proceed with confidence towards the future.

Thank you.