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Keynote Speech U.S.-Taiwan Defense Industry Conference 2019 Luncheon Keynote Speech by Dr. Alexander Chieh-cheng Huang Ellicott City, Maryland

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Thank you, Rupert for your wonderful introduction.

Ladies and gentlemen, Good afternoon!

Last year, thanks to the arrangement of the U.S.-Taiwan Business Council, I stood at the same podium to share with you my own thoughts about Taiwan's defense development. Now I am honored to be back again, for my 9th participation in this great conference but with a different identity. I am authorized by the KMT Chairman Wu Dun-yi and the party's presidential candidate Han Kuo-yu to present our assessment of Taiwan's national security situation, the candidate's campaign themes, national defense concepts, and defense policy guidelines. The transcript of my speech will be available to everyone after lunch.

National Security Assessment

Though the academic community is still debating on whether the U.S. and the PRC have engaged in a "New Cold War," the U.S. has already positioned the PRC as a "revisionist power" in various strategy documents recognizing the rapid expansion of Chinese influences in diplomacy, economic, military and cyber areas in the past 2 decades.

Today, the strategic environment of the entire Indo-Pacific region, including Taiwan, is shaped by the competition for dominance in global affairs between the two largest economies.

The prolonged US-China trade war has been going on for 18 months and has extended to the areas of technology and international finance. All of these uncertainties have great impacts on Taiwan's future economic prospects.

Communication channels across the Taiwan Strait have been down for over 3 years now. The cross-strait relations has been further deteriorated this year by Chinese president Xi Jinping's new initiative of a "Taiwan formula" under the concept of "one country, to systems," and the altered and intensified protests ignited by the controversial "anti-extradition movement" in Hong Kong.

Warmer relations between the United States and Taiwan has been seen by new legislations in the US Congress, new initiatives in diplomatic collaboration, and approval of new arms sales items to Taiwan.

The increase in the frequency of the Chinese People's Liberation Army's far-sea air and naval training exercises



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surrounding Taiwan and the incursion of the median line in the Taiwan Strait by Chinese fighter earlier this year have made Taiwan Strait emerging as a hot spot of military tension after the disputes in the South China Sea and the Korean nuclear crisis in the past years.

As we have witnessed the largest military parade in Tiananmen Square just a few days ago, the PRC has also set the ambitious goals for "moderately prosperous society in all sectors" in 2020, "centennial of the Communist Party of China" in 2021, the "20th Party Congress" in 2022, and the extension of Xi Jingping's term of presidency in 2023. Almost parallel to our next presidential term, during a period that the PRC cannot afford to been seen as weak, the Taiwan Strait will be a place of high risk in the next 4 years.

In 3 days, we will celebrate the 108th birthday of the Republic of China and in 3 months we will elect our next president. With change of governments 3 times in the past 23 years since 1996, Taiwan voters had repetitively reaffirmed the pro-United States policy and will be do that again in the next election. Therefore, the coming election is actually about whether to continue the state of zoro-communication with the other side, and potential risk of war in the Taiwan Strait.

Different from the "**horizontal spectrum**" of how to position cross-strait political relations in the past, this year's presidential election has added a "**vertical spectrum**" of the contrast between the "plebian masses" at the bottom and the "privileged establishment" at the top. The mixture of this X and Y axis will make the election more complicated and hard to predict.

Campaign Themes of Mr. Han Kuo-yu

As a kid grown up in the village of military dependents, a man graduated from the ROC Military Academy, and a person who never studied abroad but with a master degree in Chinese Communist studies, Mr. Han Kuo-yu has a political career quite different from the previous presidents in the past 20 years. I believe our American friends know more about Taiwan participants here in this room than about Mr. Han.

In a public rally of 350,000 people on September 8th, Mr. Han revealed the themes of his presidential campaign:

- 1. **Defend the Republic of China**: Safeguarding the Republic created by Dr. Sun Yat-sen in 1911 with full strength and will not allow the country name being used for "back-listing" and stolen by Taiwan independent supporters.
- 2. **Uphold the Chinese culture**: Chinese history should not be regarded as foreign history. Taiwan has integrated Japanese and Western cultures into our own, but we cannot cut off the inheritance of Chinese culture and traditions.
- 3. Adhere to freedom and democracy: Defending freedom and democracy is the true value of Taiwan. We support democracy in Hong Kong and resolutely oppose the "one country, two systems" advocated by Beijing.
- 4. **Never forget the underprivileged hard-working people**: We should take care of the socially vulnerable people and bring better education to the next generation.

National Defense Concept of the KMT and Mr. Han Kuo-yu

"Taiwan security and people's prosperity" is a well-known campaign slogan of Mr. Han Kuo-yu. He believes that the purpose of national defense is to maintain peace and stability across the Taiwan Straits, to enable the people to live and work in peaceful environment, and to maintain cross-strait peace. In addition to having a smart and pragmatic Mainland policy, there must also be strong military power as the backbone.

Mr. Han Kuo-yu has always believed in President Ronald Reagan's famous quote: "peace through strength" and thus he also believes that "only peace can bring about people's good livelihood."



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Our national defense policy will be built upon four basic concepts: "**prevention of war**", "**sustainable warfighting capability**", "**integration of military and civilian**", and "**discipline and honor**."

- 1. The primary focus of our national defense and force building should be aimed at "preventing our adversary from making a decision to use force." We will never be a troublemaker in the region, but a responsible partner for security in the Indo-Pacific.
- 2. If we want to be able to prevent war, we must follow the principle of "exploration and innovation" and "training in realistic war conditions," and build "asymmetrical" and "sustainable" warfighting capabilities through constant verifications in training and exercises.
- 3. We believe that national defense is a part of the overall national power. While investing in national defense and building the warfighting capability, we must also focus on integration of national defense and economic development, and only through combination of "national defense and people's livelihood" can we build the overall national strength.
- 4. We insist on the essence of national defense is built upon the highest standards of discipline and honor. National defense would become empty talk if without a force of high honor and strict discipline.

National Defense Policy Guidelines of the KMT and Mr. Han Kuo-yu

The fundamental of national defense and force building is in fact the integration of "**continuation**" and "**innovation**," i.e. reform must be conducted on the basis of existing planning and programs. The defense reform should keep pace with time in accordance with changing nature of warfare, acquirable and affordable technologies, innovative management models, and organizational adjustment.

If elected president next year, our top 10 national defense policy priorities are:

- 1. **Formulate a national security strategy**: We will recommend the president to take the lead and instruct the National Security Council and relevant ministries of the Executive Yuan to work together and issue his "*National Security Strategy Guideline*," to direct the formulation of defense and military strategies, the *Quadrennial Defense Report* (QDR) by the Ministry of National Defense, and to clarify the responsibilities of designated ministries in support of national defense.
- 2. Enhance the "overall defense concept": We will continue to support and work closely with our ally to develop the ODC and present a comprehensive articulation in the 2021 QDR. We will also continue to update the ODC based on military threats, financial resources, expected military acquisition, and available defense manpower.
- 3. **Optimize defense procurement**: We will respect those well-intended advices from our allies and members of the Legislative Yuan on management of foreign and domestic procurements, industrial cooperation and offset, and efficiency evaluations. We will also introduce reform plans on defense procurement, international legal practice, financial management, and incorporate them in the 2021 QDR.
- 4. **Support of domestic defense industries**: According to the principles of steady contracts, sustainable business, and talent retention, we will designate one State Minister to guide the MND and relevant ministries to formulate a *"Defense Technology and Industrial Development Strategy"* parallel to the QDR time frame, to ensure better integration of defense industry and economy, dual-use technologies, and civil-military profit sharing.
- 5. **Meaningful increase of defense budget**: Under the principles of reasonable allocation, readiness requirement, and morale maintenance, we will support disciplined and effective increase of defense spending to support



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"prevention" and "sustainable" warfighting capability. We invest not only in weapons systems, but also in military personnel.

- 6. **Base force review**: The National Development Council of the Executive Yuan will invite relevant ministries and commissions to refer to the QDR and conduct a "*National Development and Youth Manpower Review 2030*" for the next 10 years, through scientific methodologies based on demographic projections. The review will exploit adequate options between economic development and force requirement, and will serve as the basis for force structural planning and reform of military service systems.
- 7. **Reserve and mobilization reform**: Under the principle of "adhere to realistic war," we will conduct staged reforms on structure, equipment, and training of the reserve and mobilization system. We will separately and constantly recalibrate the recall training of reserves from volunteer and compulsory services and put few model reserve units in the "*Han Kuang 27*" live-fire exercise in 2021.
- 8. **Enhance investment in military education**: We insist future defense reform rests in investment of next generation commanders. The fact that the total education spending of all 13 military academies and war colleges is less than even one civilian national university must be corrected. We will, in the next 10 years, gradually increase the percentage of "Chinese-English bilingual education" in all military academies and schools and promote internationalization of future commanders, staff, and non-commissioned officers.
- 9. Effective troops management in base units: Increased difficulties in base units command and troops management have been well-known since all military discipline and criminal cases were transferred to civilian courts. To face the reality of increased military threats and necessity of training for realistic warfighting, we will require the MND, within 1 year after the presidential inauguration, to issue a report to the Legislative Yuan on the improvement of military command and justice procedures based on unshakable respect of human rights and due process of law.
- 10. **Military medicine for warfighting requirement**: Strengthening military medical capacity that adhere to realistic warfighting conditions will not only provide powerful protection and care of military personnel in peacetime, serve as a key element in international military exchange, and more importantly, demonstrate the determination to defend our country and to dissuade the enemy from using force.

Conclusion

If Mr. Han Kuo-yu is elected president and the KMT returns to power next year, we will resolutely protect the common interests in the Indo-Pacific region, and defend our country and security in the Taiwan Strait.

We will build defense capability and capacity aiming at "prevention and sustainability."

We will formulate our defense policy based on "continuation and innovation."

We will make utmost efforts and invest necessary resources to build a new armed forces that reassure our allies and partners, and bring peace of mind to our people.

The Republic of China is the country our military force to defend. The men and women of Taiwan armed force are our brothers and sisters. We stand with our family, always.

Than you all and I would be happy to answer any questions you might have.

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