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**A JOINT SYMPOSIUM:
CONSOLIDATING TAIWAN'S DEMOCRACY:
CHALLENGES, OPPORTUNITIES, AND PROSPECTS**

WEDNESDAY, MARCH 22, 2006

**3:45-5:00 P.M. – IMPLICATIONS FOR U.S. POLICY AND CROSS-STRAIT
RELATIONS**

**REMARKS BY DR. MICHAEL GREEN,
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**ROUNDTABLE COMMENTARY LED BY MR. JAMES STEINBERG,
DEAN, LYNDON B. JOHNSON SCHOOL OF PUBLIC AFFAIRS, UNIVERSITY OF TEXAS**

**AND INCLUDING PARTICIPATION BY
MS. BONNIE GLASER, SENIOR ASSOCIATE,
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DEREK MITCHELL: Okay, folks, we're starting our last session of the afternoon, and of the day, if we could. Normally conferences seem to lose steam as they go. This one has gained quite a lot of steam right to the end. We've got a camera and all the rest coming in.

The reason I suppose you have this conference here in Washington is for this final panel. I think all the folks in the room during the day have been interested in Taiwan democracy, have worked on Taiwan democracy over the years, and care about the Taiwan issue. But where the rubber meets the road here in Washington is the issue of American interests and how this affects the security situation, how it affects U.S. interests specifically. What we're going to talk about in the next hour and a quarter, or so, is that very topic, to round off the day of sort of the technical issues that we've talked about to this point.

To start, we're going to have a kind of mini afternoon keynote from someone we are extremely fortunate here at CSIS to have added to our team, as it were. Mike Green, whom I'm sure you all know, made a detour through the National Security Council over the past four or five years from his academic career, although he also was an adviser to the Defense Department when Kurt and I were there in the late '90s. Mike, of course, is also now at Georgetown University. Although he is now the Japan Chair here, he obviously takes on a lot more hats than that, given his experience and his background.

Mike will make some comments. If we have time, we might just have his comments and then turn to the final session. But he will stay on the podium to take questions after everyone has spoken.

I'll turn right after Mike to Jim Steinberg, who is now dean at the LBJ School in Austin, Texas -- the other Texas, I guess, maybe in Austin. He's sort of emeritus from Brookings, and he will chair the final session.

With that, let me turn to Mike Green.

MICHAEL GREEN: You must have had a really good conference. It's a mess up here. There's all kinds of -- (laughter). Excuse us for a second.

You know, I used to be in a job where I would learn months beforehand if something was on the record or off the record. Is this on the record?

AUDIENCE MEMBERS: Yes.

DR. GREEN: Okay. Yeah, the cameras -- good. All right. No problem. (Laughter) Just between us and our 22 million friends on Taiwan.

I had the real privilege and pleasure of working in the NSC on the issue of how to help Taiwan. I mean, it was not my only job in the White House, but it was one I felt very strongly about. I had the very great pleasure of working with people like Randy

Schrivers, who cared and had a long track record of working about this as well. When we worked on these issues, we really worried about and thought about Taiwan's strategic position. It was sentimental in part, but it was based on U.S. national security interests as well. In particular, I think many of us came to believe strongly that the state of Taiwan's democracy and the example of Taiwan's democracy was something that could make us proud as Americans, proud of our own democracy, proud of our relationship with the people on Taiwan, but something that was and is a critical national security interest for the United States and, I would argue, for Taiwan as well.

What I want to talk about briefly is Taiwan's democracy as a national security issue, as a strategic issue for the United States and, I think, for the people of Taiwan as well. I would encourage you all to read the new National Security Strategy that came out of the White House. I would discourage you from reading any newspaper accounts of it or the -- (laughter) -- or even the White House summary of it, which is not very well done, frankly. Off the record! (Laughter)

The actual National Security Strategy is very profound, I think, on this question of the role of democracy and national security, and it has subtlety to it. It's something everybody in a democracy and everyone who is a friend or ally of the U.S. should read, I think, and try to understand. And it captures thinking that evolved in the administration over time. Before 9/11, accelerated by 9/11, the president used to say that to fight terrorism, you have to be a realist in the short term but an idealist in the long term. Really what he was saying is realism and idealism in this era have to blend, have to come together.

If you look at what Secretary Rice said in Japan in March of last year, or what the president said in Kyoto in November of last year when he praised Taiwan's democracy, you'll see a clear line of thinking in the administration, which I think many Americans on both sides of the aisle would subscribe to, that we're going to manage great power relations and the challenges of the 21st century based not just on traditional balance of power calculations or realpolitik, but on the idea that, as Secretary Rice said in Japan last year, if the 19th and 20th centuries were about power, the 21st century is really going to be about ideas; ideas are going to matter a lot. If we're going to manage and deal with China's growing clout and growing importance, if we're going to deal with terrorism and prevent states from becoming failed states or places that harbor terrorism, we're going to have to get democracy right, and it's going to have to be a central part of our foreign policy.

We are clearly not -- the United States -- containing China. I used to have visitors who would come to visit me in the White House and complain about our containment policy, and I would ask, "Do you know who China's seventh-largest export market is?" They would never get the answer right, but the answer is Wal-Mart. It's one U.S. company.

We do not contain China's growth, and I don't think this administration or any Democratic administration in the current circumstances will make its policies to contain

China's growth or power, but rather to shape it, to shape China's choices, to shape China's direction.

For that purpose, if you think about how to structure your strategy in Asia, there are several options.

You could engage China directly and try to negotiate the terms of China's behavior. That would be a mistake because you'll end up with a bipolar concert of power, a condominium of China where China will try to speak for Asian values, and the U.S. will speak for global values. China will not shift -- China will not make the changes we want as China plays a larger role. It'd be a mistake. It'd be two systems meeting and negotiating how the rest of Asia looks, in effect.

You also wouldn't want to have a situation where perhaps, say, just the U.S. and Japan deal with China in a bipolar way. What you really want, frankly, is a multi-polar structure in Asia. Clearly, the U.S. is the most important pole. But you want a situation where, when Beijing looks out, it sees an India, it sees a Japan, it sees a Taiwan, it sees a Republic of Korea and an Australia and a U.S., it sees transitions in places like Indonesia, and China looks out and sees that the norms and the agenda for this region and for the world are about good governance, democracy, rule of law, transparency, intellectual property rights, all the things that Taiwan represents and that the U.S. represents.

It is not about containing China. It's about shaping their choices by creating a broad consensus on the agenda so that China has to join that consensus to continue succeeding. Ultimately, these are choices China has to make because its own social transformation and political transformation will be much rockier and the implications much, much worse for all of us if they don't have a stable civil society, if they don't have accountability, if they don't have all these things that we're talking about.

So in many ways, it's about helping China succeed. It's not about containing China, because China will have an impact on us, and we want to shape China's choices.

For that reason, Taiwan is absolutely critical to U.S. national security strategy. Taiwan's democracy has a demonstration effect that we need, that the president was pointing to in November, that we need China to see -- not just Taiwan's democracy; we need the whole region to see this demonstration effect. We want Taiwan to be part of a growing consensus about the need for these kinds of rules of the road.

Taiwan's also important because if independence and changes -- unilateral changes to the status quo become the currency of U.S.-China interaction, it changes the subject. It complicates the U.S. strategy. It means we're dealing with traditional, old, 19th-century balance of power issues. It's a distraction.

I was never worried that China would attack Taiwan, but I was very worried, in the period of 2003 and 2004, that China would be able to delegitimize Taiwan's

democracy, to change the subject away from the kind of stakeholder role we want China to play. So that's why Taiwan's democracy is important to the U.S.

I think Taiwan's democracy is a national asset, obviously, for Taiwan. Often our friends in Taipei, I think, lose sight of this. Bates Gill, who's not here, asked me to write a piece for the Freeman Chair about some of the thinking about democracy as a strategic center of gravity as a national asset of power for Taiwan.

I quoted President Chen -- there are copies available outside, I understand, and also some of Derek's writings and other things; you can read in more detail -- but basically I quoted President Chen, who said, "With no clear national identity, our national security cannot be safeguarded, for there will be no basis upon which national interests can be defended." I think that was a very strategic point by President Chen, and I would argue that that identity, which is so critical to Taiwan's national security, should be an identity based on democracy, not based on the trappings of sovereignty, whether it's the flag or the name or things like that.

But ultimately, Taiwan's security, Taiwan's independent identity, Taiwan's ability to determine its future freely will be much more determined by this identity as a democracy. I gave, in the paper, two examples.

In late 2003, Taiwan's strategic position was not good. The emphasis in Taipei was on issues that had to do with sovereignty, independence, traditional 19th-century concepts of the nation-state. That's China's playground. China already owns that playground.

What happened was that, as a result of this -- and there's a lot of debate about how far President Chen was going to go, and I honestly still don't know the answer -- but clearly, that was the atmosphere of the time, that Taiwan might unilaterally change the status quo and go for the de jure independence that would cause instability.

What happened was that relations with Washington, Taiwan's natural partner, and strategically, relations with Tokyo, a natural partner, and even more so, relations with Australia or Europe or other democracies frayed. So Taiwan was in a weak strategic position because of that.

Internally, the issue polarized the debate, which made Taiwan internally more vulnerable to Beijing's position, and Beijing enjoyed the benefits.

In 2004 and 2005, I pointed out, President Chen -- Taipei took a different tack.

On the one hand, on the issue of Taiwan's status, a more moderate track by reinforcing and reiterating the commitment to the Four Noes and the One Without, and by reaching out with a hand of moderation and at the same time having a clenched, determined fist to defend Taiwan's democracy by promising to pass the special budget and increase defense spending.

What was the result? China was forging ahead with the anti-secession law, they passed the anti-secession law, Taiwan was recognized for its value as a democracy, the independence and sovereignty issue was relatively quiet, and as a result, the Europeans put off the arms embargo, the U.S. and Japan put out a statement of strategic objectives which reinforced Taiwan's strategic position, and I think Taipei was in a stronger position vis-à-vis Beijing strategically.

So the identity of Taiwan as a democracy is a strategic asset that should not be squandered, and it's a better asset than the trappings of sovereignty and independence, which is a 19th century way of thinking about identity that plays to Beijing's advantage because that's how Beijing thinks, in 19th century terms.

So what do you do about this? What are the implications for the U.S. and for Taiwan? First of all, it's very important strategically to the U.S., I would argue, and to Taiwan, that Taiwan gets democracy right. That's why this is a very timely and very useful conference. If you believe what I said about the strategic importance of democracy for Taiwan's identity and for the U.S. strategy in Asia, it matters how democracy works or doesn't work in Taiwan, matters a lot, a lot more than the question of whether the people of Taiwan are being served. It has a much broader strategic implication for the U.S.

Polarization, personal animus, neglect of defense spending and national security, and even corruption, can all weaken Taiwan's strategic position and the U.S. strategy in Asia if they're happening in Taiwan. To some extent, all these things are happening. Why? If you have this kind of polarization, it makes it easier for Beijing to drive wedges within Taiwan, to use the united front strategy to divide political camps.

It turns Taiwan's democracy from an asset into a liability. Why? Because in terms of the demonstration effect of the importance of democracy, you can't say it's helping. Countries in Asia are going to choose these rules -- democracy, rule of law, governance -- they're going to choose them because it makes them stronger. They're not going to choose them necessarily because it's the right thing to do. China will choose to move towards a more liberal political system because it thinks it will make China stronger, not because we make China. We need Taiwan to be strong strategically because it's a democracy. If the people lose confidence, if they're cynical, if they seem to not have resolved, if Taiwan seems a weaker entity in the international system because of democracy, the demonstration effect will be weakened. So it's critical that democracy be done right.

The other implication is -- and this is an obvious thing from what I've been saying, but I think it's important for Taiwan to make democracy its theme. I'm not speaking as a U.S. government official; this is my personal view. But I would urge strategic thinkers in Taiwan to think about how to use democracy as an asset of national - - whoops -- as an asset of power. (Laughter) I can do that now. Poor Foreign Minister Aso Taro -- (laughter) -- got tripped up like that.

What does that mean? Well, there's the Taiwan Foundation for Democracy. The Taiwan Foundation for Democracy is the kind of NGO that has and increasingly can play a role spreading Taiwan's image as an upholder of democratic principles.

Secondly, I think it's a mistake to frame Taiwan's democratic model in terms of changing China. Going right at China's jugular by having meetings with Tibetans or Hong Kong or emphasizing color revolutions in China and revolutionary change in China is the wrong way to go. China will use that. They will be paranoid. They will turn other democracies against this. It will look self-serving. Taiwan's democracy agenda has to be much broader. It needs to be about building civil society, building democracy everywhere, because the way we're going to change China is by showing that democracy is breaking out everywhere, not by going to the Chinese and saying, "You're wrong and you need elections tomorrow." So the approach needs to be very broad.

In that context, I think that our friends in Taiwan need to rethink their traditional diplomacy towards the South Pacific and Central America, because when you talk to our friends in Australia or New Zealand, they will tell you that Taiwan is -- I'm being very frank as a friend -- that Taiwan is undermining democracy and governance in places in the South Pacific and Central America because Beijing and Taipei are throwing large amounts of money to try to buy relations. So if Taiwan is going to be serious about a democracy identity and agenda, then Taiwan's foreign aid policy and economic policy and diplomacy should aim to strengthen governance in these places and help countries succeed based on the model that Taiwan has.

Finally, the Foreign Ministry, the TECRO offices, the overseas offices, I think -- this is friendly advice -- in places like Europe, U.S., and Australia and Japan should be talking about all of this stuff, should make it part of the theme of why Taiwan is so valuable to the international system and to democracies of the world. Justifying or explaining debates within Taipei between pan-Blue and pan-Green about the status of Taiwan doesn't help Taiwan's image abroad, but showing what Taiwan has accomplished, showing what Taiwan represents, is good public diplomacy. This is coming from an American. We don't do the best public diplomacy. But looking at Taiwan's situation, I would recommend it.

Finally, and last of all, the people of Taiwan, strategic thinkers in Taiwan should be confident. There's a certain reactivity to Beijing's moves, whether it's normalizing with Nauru or statements made by Beijing. Taiwan has made the right choices. So the people in Taiwan, the government of Taiwan should be confident, should be patient, shouldn't react to the little tactical annoyances that come out of Beijing, but should be confident that as a democracy Taiwan's already made the right choices, and it's only a matter of time before Beijing comes along in the same way. That confidence will immeasurably improve Taiwan's strategic position in relationship to Beijing.

I'll end there. I hope I wasn't too long. I look forward to the panel.

Thank you. (Applause)

JAMES STEINBERG: Thanks, Mike, for a characteristically insightful and very concise articulation of some very, very valuable advice.

The first thing I should say to you, however, is that you obviously haven't fully made the transition to the NGO think tank world. You'll soon learn there's nothing you want more than to be on the record. That's all we try to do is get quoted, right? (Laughter) So be grateful for the cameras, hope that there's some press out there, and get the CSIS publicity machine going. (Laughter)

I think it's not an accident that Mike cited both President Bush's and Secretary Rice's speeches in Japan as important sources of the big thinking on the question of the role of democracy as part of U.S. foreign policy strategy because Mike really played an extraordinary role in helping to articulate that and seeing the issues of East Asia in a broader context, and it's one of the reasons why people -- our system is so strong to have people coming in and out of the world of think tanks and academia. I think we've all benefited greatly from Mike's service.

So I think despite differences that we've had on some issues, I think it's really been a great period, and his service has done the country a great deal of good.

Also, listening to Mike, I really recognized that there are a lot of commonalities when you think about this. As you were talking about the new National Security Strategy, I was thinking back to the first one of the Clinton administration, which had the subtitle "The strategy of enlargement," so the idea of this central role of democracy is not a new one or a partisan one in foreign policy. I also very strongly share what I think is the most powerful message that you articulated, which is the idea that the strength for Taiwan going forward is to define its identity in terms of democracy, that the issues of sovereignty which play such a big deal in the domestic politics of Taiwan do in some ways impede Taiwan's own objectives by its own terms in terms of its standing in the world and its ability to make itself more secure and more influential over the evolution of the region.

A number of the specific recommendations that you made, particularly with respect to its foreign policy and its foreign aid policy I think are extremely important. You mentioned the South Pacific and Latin America. I would just add Africa to that mix. I think one of the less fortunate aspects of Taiwanese external policy in recent times has been engagement with some regimes in Africa, which does not do credit to Taiwan, and I'm glad to see -- I think there is some evolution in the thinking on that.

Now, having said that democracy is central to all of our strategies, I'm maybe going to want to look at the flip-side of this question and hope the panel will look a little bit at the flip-side of the question, which is accepting that in the long term there are enormous advantages to the United States for the spread of democracy and especially strong democracies. There are some very specific challenges that it poses, particularly in

the context of Taiwan, because the problem, of course, with democracy is that it often produces inconvenient results in terms of policy, which can have a big impact on the United States. This is not unique to Taiwan. Obviously, we've had just in the region challenges coming out of the democratic process in South Korea, which imposed challenges for us in terms of managing our policies vis-à-vis North Korea.

It is especially poignant in the case of Taiwan, because it really is a matter, potentially, of war and peace. Therefore the question becomes, to what extent and how can the United States appropriately play into the democratic debate that takes place in Taiwan when the outcome of that debate matters a great deal to the United States? What is our proper role? How should we see that? What is an appropriate role of interference or non-interference in domestic politics?

The second big question is how effective are democracies in concocting long-term, good national security strategies? As we look at the debate in Taiwan and hear some of the discussion that took place earlier today, there are questions of whether the imperatives of politics are consistent with sound long-term strategy.

Finally, I think the question is, can we, as we look at your prescription about the idea of trying to embrace democracy as a theme, as opposed to sovereignty, is that plausible in the context of the contemporary political situation in Taiwan? To my mind, it's very sound advice, but -- it at least thus far it's had some difficulty in getting traction.

So I'm hoping that Mike will respond a little bit to this, but I'd like first to turn our panelists to respond to this and any other thoughts they have in response to Mike's excellent opening presentation.

I'll just start to my left with Bonnie.

BONNIE GLASER: Thanks very much, Jim.

I agree with a lot of what Mike had to say. I have read your article that you wrote for the Freeman Chair. But my reaction, I think, is that this is a great prescription for what Taiwan should do if you're looking at it from the perspective of an American. I think if you're standing in Chen Shui-bian's shoes, what he is looking at is a very tactical situation, domestic political environment in which he's seeking to gain advantage by attacking his political enemies. In that domestic political milieu, the notion or the objective of developing a better image of Taiwan as a democratic entity in the world, a model for good governance, does not seem to get that kind of traction; it doesn't seem to have the appeal. So I think that this is one of the reasons why the United States perhaps has been somewhat unsuccessful in trying to convince Chen and his administration to go down that path. I think increasingly as we move forward now into the presidential elections in 2008, Chen is going to define the situation very much for him in domestic political terms. So while the message is a good one, I just don't see it getting any real traction in Taipei.

I think your question, Jim, about the inconveniences of democracy is really the big challenge for the United States. A lot of things that are produced from democracy in Taiwan create many real challenges and difficulties for the U.S. I think we're seeing this in the issue that was talked about earlier in the constitution of putting democratic choice first. I think we're going to see this as we move forward over the next year or so in the process of constitutional reform, regardless of how that works out. This is going to pose a lot of difficulties for the United States. There is no reason for the U.S. to not support a better constitution for Taiwan, whether it is changed, revised, or new. If it's executed in the right way through the constitutional procedures, we should be supportive of that. But increasingly, as people spoke this morning on this subject, I was really convinced how messy a process this is going to be.

So I think it's incumbent upon the U.S. to engage with Taiwan on this question very early. I know we've done so to some extent when Mike and Randy were in the administration, about the process of constitutional reform, but I think there's a whole lot more that the U.S. needs to do in that area to help set boundaries and ensure that people in Taiwan are not hiding behind the argument that Taiwan is not unilaterally changing the status quo. We have real problems with the status quo and how it's defined. I liked the fact this morning that one of our Taiwan participants said that what really matters is how the U.S. defines it, not how Taiwan and China defines it. But, of course, we have studiously avoided defining what it is; we only say what it isn't. That vagueness increasingly becomes problematic for us as well. I would hope that as we go forward that we will think more about clearly articulating what the status quo is for the United States so that we can set some boundaries in that regard.

RANDALL SCHRIVER: Thank you very much. Thank you, Bonnie, for very good remarks, and also thank you, Mike.

I was reminded, as I was sitting here listening to Mike Green speak, why I was always so proud to serve with him in government, and why I'm still proud to call him a friend. But also, really why I'm grateful that I can vastly shorten my remarks because I agree with most everything Mike said. It was really an excellent speech.

Let me say up front that the democratization of Taiwan is unambiguously, unquestionably good for the people of Taiwan. That's first and foremost what this is about. But we don't do ourselves any favor if we sort of give the stock, easy answer that it's good for America too. I think the real answer is, well maybe, maybe it's good for us. It's not good for everybody. Any change, but particularly change from authoritarian to a more democratic system is going to produce some winners and losers. It's going to produce people who on the margins are better off or worse off.

So for the United States, it depends where you sit. I think if you're in defense, you think of it a certain way. If you're maybe in industry, you're maybe a little more optimistic.

But I think in government, the answer in my mind is it is definitely a positive if seized upon in the right way. In other words, Taiwan's democracy presents an opportunity for the United States, but it's simply that: it's an opportunity, and it has to be seized proactively and we have to be oriented the right way in order to seize upon that opportunity.

Now, let me also be frank -- and usually when Americans start, they say, "Let me be frank," or "I want to be candid, I'm speaking as your friend." That's preparation for we're going to criticize the hell out of you in Taiwan. (Laughter)

But let me be frank and speak a little bit critically of the United States. Let me frame this in such a way that I hope you understand that this is friendly advice; this is not a scare tactic or this is not trying to prompt any particular kind of action out of Taiwan.

But let me suggest -- how these things are going to be received in the United States depends very much on how U.S. policymakers orient themselves to the Taiwan issue.

If people in the United States government and senior policy level positions think about Taiwan largely or solely as an issue in the U.S.-China bilateral relationship, an issue that needs to "be managed in our bilateral relationship with China," that orientation is going to produce a lot of outcomes that should be, I think, troubling to our friends in Taiwan, particularly in the near term because all of these inconveniences that we've acknowledged throughout the day become more problematic if that's your orientation and lead you to think about things in a certain way.

Here's the friendly advice: I think there is a tendency to orient that way, and that tendency is growing with the so-called rise and emergence of China, and it's sort of natural as China becomes more important, not only bilaterally but how it impacts everything else the United States will be involved in. There's going to be sort of a natural orientation to think about Taiwan as an issue, the, quote, "Taiwan issue" in our relationship with China.

That has a whole host of implications. It allows Beijing to be the pacing agent, to define the scope of what is possible in our relationship with Taiwan. It defines the issues on which we work in very sort of perverse ways. You know, there's the idea that "the single greatest obstacle to cross-Strait relations improving is U.S. arms sales to Taiwan." I mean, what a bunch of nonsense. But this is, if you sort of orient it -- my main objective here and strategic objective is to manage this for the betterment of China-U.S. bilateral relations. That's sort of the orientation that that produces.

There's sort of always this siren song hanging over you, that if we just manage the Taiwan situation properly, all things are possible, all issues can be managed, all work on Korea, all work on Iran, everything is possible if we just manage Taiwan carefully. I say "siren song" because the historical record is, I would suggest -- not even is it unclear, I would suggest it's the opposite. The Clinton administration sends two aircraft carriers,

and it does absolutely nothing to derail WTO negotiations when they were at a very critical point at that time, and I think that during the Bush administration, our largest arms sales package offer ever to Taiwan was followed shortly thereafter by a period that some have called the best period in U.S.-China relations. So I say "siren song" and I mean it because I think it's a red herring, but it's a trap that people can fall into.

There is another way for the United States and policymakers to orient themselves to these issues, and that is to think about Taiwan as a valuable relationship in and of itself, a valuable U.S.-Taiwan bilateral relationship, a valued partner in regional and global affairs, a valued partner in a range of important agenda issues. I think Mike spent the bulk of his remarks talking about a democracy agenda, and of course Jim rightfully pointed out that this was not necessarily made in the Bush administration but certainly embraced by the Bush administration.

If you orient that way, well, all kinds of things are possible in our work with Taiwan. I do think we should pursue an FTA with Taiwan. I think we should pursue it vigorously, and I don't think Beijing should be the pacing agent for something of that nature. Our work on counterterrorism could be far more robust than it already is. Our work on North Korea, illegal and illicit activities could be more robust than it already is.

Our work -- you know, we talk about a democracy agenda and potentially partnering with Taiwan; where is the implementation? Where is the agenda? This is a concept that has absolutely no initiative or no agenda attached to it, and that's a shared mistake. We need to be pursuing that, I think, more robustly.

Taiwan made major contributions in Afghanistan and Iraq, but guess what -- they're ready to do more. We're a little uneasy about that, and we should, in my opinion, have them do more.

Regarding tsunami relief -- Taiwan made contributions. They were prepared to do more. We were uneasy about them doing more.

They were very quick to respond to the mudslides in the Philippines, one of the first on the ground, and this is the kind of thing that I think the United States could encourage more if we orient towards this issue in this relationship in a different way.

But to sort of wrap up, as we used to say in my neighborhood, here's the rub: in a way, conceptually, it's easier to orient towards thinking about Taiwan as a bilateral U.S.-China issue. The infrastructure is there. It's in place. The costs are relatively easy to measure. Tactically, your day is sort of managed in quite predictable ways. You know, you respond to what the latest stuff, the so-called provocative rhetoric is, and so there's sort of a blueprint, a framework that's in place.

As I said, it's getting easier because the lure is also greater with the so-called rise of China, and I think this is not good for our friends in Taiwan.

The second approach is not conceptually difficult, but it involves a conceptual pivot to thinking about more parallel types of engagement and being prepared to think, "Well, we'll take some knocks from Beijing if we do things a little differently with Taiwan."

I hope that the United States is up to it, and I hope Taiwan is up to it, too, because the second approach involves a different kind of commitment from both of us. I do think the United States could do more: receive higher-level visitors, have our interactions done in a more open fashion that conveys a greater respect for our friends in Taiwan. I know that's very important to our friends in Taiwan.

But Taiwan is absolutely critical. These issues that Mike was raising about good regional citizenship, global citizenship -- the resources are there; if oriented the right way, Taiwan does stand to be a partner in shaping the region and China for the better. So it's conceptually not difficult, but it requires a pivot, and it requires a commitment from both sides.

So again, friendly advice: I do have some concerns about the direction things are trending, and I do think it takes some serious proactive steps to arrest those trends.

MR. STEINBERG: Thank you, Randy. And it seems to me there is a certain parallelism between the reframing that Mike is suggesting and the reframing that you're suggesting. But I was particularly struck by your last remark, which is it takes it on both sides, because when you talk about visits, for example, when they are signs of respect, it fits in that framework. When they are proxies for the debate over sovereignty, that's where it causes the problem. At least in the past, on the Taiwan side, this has clearly been part of the -- it goes beyond the respect, then, to the tokens of sovereignty and the framing that Mike was sort of cautioning us to move away from.

Dr. Lo?

LO CHIH-CHENG: Thank you. I agree with most of what Mike talked about. He's seeing Taiwan's democracy as a strategic asset in shaping China's future or even in changing China into a democracy. So on that, I've not much to add on.

So I would try to be provocative and present a different aspect of that; that is, how China affects Taiwan's democracy. To some extent, democracy could become a liability in Taiwan's dealing with the PRC.

You know, I agree with what you said about Taiwan's democracy being very good in serving as a demonstration or example of success -- democracy in Taiwan and in Asia. But from the experiences we've had in the past few years, it seems to me that China's using Taiwan's democracy in changing Taiwan's policies towards the PRC.

First of all, I would argue that Taiwan's democracy makes Taiwan more vulnerable to China's united front strategy. Like it or not, that's a fact, you know.

Apparently in the past few years, China has become more public in getting involved in Taiwan's domestic politics. As we see from the experiences we had last year, when China passed the anti-secession law, right after that China invited Chairman Lien and Chairman Soong to come to China and to try to defuse the pressures from the international community by sending signals to other countries in the world that the relations between the two sides are getting better, to some extent.

As we know, Taiwan has been very divided over the years, and China's united front strategy is making Taiwan's society even more divided -- and that is something that I'm very worried about. I'm not saying that I am supporting Taiwan to become an authoritarian government. I'm just saying the facts: that China is using Taiwan's democracy in its favor. That is something we should pay more attention to.

Secondly, I would argue that Taiwan's democracy cannot be a true democracy if China continues to be an undemocratic country, because not many countries in the world have experiences living next to a big, giant country that is not democratic. Cuba is a different case, because Cuba is living next to a big democratic country, but Taiwan is a democratic country living next to a big undemocratic country. So in many cases, Taiwan's choices or democratic choices are limited by China. We can say that Taiwan independence is a stupid choice for Taiwan, but I think in a democracy there should be a choice or option available to the people. So we should advise people not to choose that choice; China deprive the people of the right to make that choice. But you know, many circumstances have argued that people in Taiwan have been deprived of many choices because China is not a democratic country. That is not healthy for Taiwan's democracy.

Apparently even the KMT gradually comes to terms with the fact that Taiwan is a democratic society. That's the reason why Chairman Ma put an ad in *The Liberty Times*, saying that yes, there are some people in Taiwan who are in favor of Taiwan independence, so maybe people should be given the right to make that choice, although the KMT is opposed to Taiwan independence. I think that's the value of democracy. In other words, people should have the right to make their own choices and bear all the responsibility and risks of making their choices. But unfortunately, living next door to China, I will argue that some of the choices are limited by the Chinese mainland.

Thirdly, we've been talking about media. As we know, most people from Taiwan would agree that the media in Taiwan are very notorious. *Commonwealth* magazine did a survey about two years ago, asking people about the trustworthiness of different sectors in Taiwan. You know what? The media ranked lower than the fortune teller. (Laughter) People trust the fortune teller more than the media. So it gives you an idea of the kind of trust or credibility or trustworthiness of the media in Taiwan.

I'm not trying to talk about the performance of media in Taiwan; I'm talking about how China shifts the popular opinion in Taiwan through the media. That is something that some scholars in Taiwan begin to talk about that; that is, there are some self-censorships on the part of some media in Taiwan when they cover stories about the Chinese mainland. We call it "Hong Kong-ization" of Taiwanese media. I think that

thing happens not only to the media, but also to the politicians, businesspeople, and academics.

If the media are very critical of the Chinese mainland, then they will never get a permit or even a visa to go to mainland. The businesspeople have been forced to take a stance, to take sides on some of the issues when it comes to the cross-Strait political ideologies. Chang Yung-fa is a very good case in point.

So China is changing Taiwan's public opinion through the media. I don't want to use the term they're biased; they are conditioned by the Chinese mainland.

I was giving a talk last week at the Association of Taiwanese Journalists, and some of them complained to me that their boss -- you know, "their boss" -- did give some instructions to them not to do very negative or critical commentaries or stories about the Chinese mainland because they are looking for the Chinese market in the future. So these are things that are affecting the media circus or media politics in Taiwan.

Fourthly, we always talk about an economic basis for Taiwan's democracy, but it's very difficult to separate economics from the politics, and it's very difficult to separate Taiwanese economics from the cross-Strait issues. Apparently, China has been trying to marginalize Taiwan -- as said by many people here -- in this integration process in the Asia-Pacific region. The purpose of this is to create further dependency of Taiwan on the mainland market. On that I've argued that the FTA between Taiwan and the U.S. is very important strategically in preventing Taiwan from over-dependency on the Chinese market, because the over-dependency of the Chinese market by Taiwan will create a lot of political, social, and all kinds of strategic implications. That is very important for Taiwan and also for the States.

Finally, I would argue that Taiwan is still a young democracy; you know, we're being too harsh on such a young democracy. There are all kinds of problems, yes, but given the fact that Taiwan began its first direct election of presidency in the year 1996, it's a young democracy. There are all kinds of problems we are facing right now, but given time, I would argue that the democracy (inaudible). Apparently, everybody is looking forward to 2008. 2008 is what? -- Presidential election. It's a democracy. So apparently everybody agrees that democracy is the way to solve the differences in Taiwan, but I just want to point out some of the possible challenges that a young democracy like Taiwan may face.

Finally, let me talk about the role of the United States. Apparently the so-called status-quo policy doesn't hold, you know, because everybody has different views about status quo. So maybe we should define the status-quo policy in a more precise way. To me, status-quo policy means democracy, peace, and stability in the Taiwan Straits. If you just want to maintain a so-called stability in the Taiwan Straits without mentioning Taiwan's democratization process, without mentioning the military modernization, it's kind of misleading. So, apparently, if you want to use Taiwan as a strategic asset in

changing China's future, apparently we have to take into account the problems or the solutions of Taiwan's democracy.

I want to echo what Dr. Lai I-Chung said this afternoon; that is, we should see Taiwan as a solution to the problems in the Taiwan Strait rather than see Taiwan as a problem to answering all the problems in the Taiwan Strait. Apparently, democracies make noise, and sometimes they make trouble, as well. So how can we live with a democratic Taiwan? That's something we should pay attention to. The things I just talked about are the fact that China is also changing Taiwan's democracy. So I agree that we should make Taiwan's democracy safe for China and for the world, but we should also make China safer for Taiwan's democracy.

Thank you.

MR. STEINBERG: Thank you, Dr. Lo, for that very provocative intervention. We heard on the earlier panel about the strengthening capacity and role of think tanks in Taiwan, and I think this is a very good evidence of that indeed.

I come away from these presentations with the interesting conclusion that Mike has argued that Taiwan's democracy is a strategic asset for the United States, Dr. Lo has argued that Taiwan's democracy is a strategic asset for the PRC, so we clearly have a common interest in Taiwan's democracy, which is a very good result.

Mike, any reactions to this?

MR. GREEN: You kind of floored me with the last one. (Laughs) (Laughter) I have just two things, first on your question, and then on Bonnie's observation about how realistic this is with politics in Taipei right now. It's not what pan-Green struggled for all this time to make the national identity of Taiwan. The national identity they have in mind, of course, is something a little bit different. I'm reminded of what Teddy Roosevelt said, a quote Rich Armitage always uses. When Roosevelt was asked by a reporter, "How do you keep the pulse of the American people?" he said, "I don't. I decide where we need to go, and then I sell it." So where popular mood is today or where the presidential policy is today is not necessarily where it has to be in a few days -- or a few years. I don't know where I came up with "a few days." (Laughter) A few years -- it doesn't change that fast.

I think part of the answer to your question is the agenda that Randy laid out very articulately, and this can be good politics. Or put the other way, the theme of independence can end up being very bad politics because there are consequences in terms of relations in Washington and Tokyo, internal polarization. It can end up being very bad politics. You can turn a strategy of democracy into good politics. Or, if you can get support for an FTA with the U.S., if you can get higher-level meetings with the U.S.

I go back to Randy's very frank and, I think, very accurate point about Taiwan's altitude in Washington. Taiwan is losing altitude in Washington in terms of political

influence. The status quo in terms of the themes that are coming out of Taipei are not going to change that. Probably, depending on the 2008 elections, they could make it much worse and could accelerate this declining altitude in Washington. So an FTA, which I think many of us here support, or more open and explicit high-level visits, all those things are going to be off the table. So a smart political thinker will figure out how to package an approach that brings a lot of benefits politically for Taiwan.

Here is my last observation on that. I think the process of democratization in Taiwan is not unlike what Korea went through or even what Japan went through when Japan's 1955 system collapsed in the early '90s, which is to say you're going from a conservative, authoritarian, single-party rule to a more pluralistic system where the left, which was frozen out, comes into government and has to decide when and how to govern, and there's a transition period as these progressive governments come in and decide whether or not they want to rule.

I think the trend, generally, of security policy is for these parties to come into power and to move towards the middle because they want to stay in power and they want to sustain their rule. That, I think, is what's happening in Korea. It's what's happening in Japan.

I look at Taiwan, and I don't know. On the one hand, there are questions about whether pan-Green or whether President Chen really wants to have a sustainable majority from the middle or whether they want to stick to their guns, stick to the principles that brought them there and stay as a minority party, but with a certain agenda. I don't know the answer. There are other people here who can judge that better. Yet at the same time, you look at the next generation of presidential candidates in both pan-Blue and pan-Green, and I certainly get the sense that there's sort of a move away from polarization, at least in terms of this national security agenda. So where we are today, in other words, is not where we may be in a year or two or three.

Very briefly on this question of whether democracy's an asset -- you know, democracy, if it were just about people choosing, would not be an asset. You'd end up with an illiberal democracy. Institutions matter, and that's why I mentioned all of the things I mentioned about civil society and rule of law. It's why, when we were at the White House, we were -- the administration and Randy at State -- all of us were very careful during the election to wait until Taiwan's own rule of law had determined the winner before the U.S. would say anything, because that's the way it should be. And when the electoral commission decided President Chen won, that was the right answer. So rule of law and institutions, they matter a lot.

Thanks.

MR. STEINBERG: That's great. I think we've got about 20 minutes left, and I want open the floor to the audience because I'm sure there's a lot of interest here.

Eric.

DEREK MITCHELL: Just one thought, and this is more of a sort of an agenda for thinking.

Given that mainland China is increasingly becoming involved in domestic Taiwanese politics, I'm wondering if, instead of just automatically assuming that this a bad thing, to restructure the dialogue to figure out, okay, given that this is occurring, how do we make this a good thing in that by being involved in domestic Taiwan politics, it moderates the behavior of the PRC?

Also, you mentioned how the PRC is changing Taiwan. I'm wondering if we could just somehow move the discussion. In talking about increasing interaction at the political level, how Taiwan can change the PRC?

MR. STEINBERG: Mr. Lo, do you want to --

DR. LO: I'm very pleased to respond to that.

Actually, I agree with what Dr. Green's talking about; that is, we should use Taiwan's democracy proactively. For instance, China agreed that there would be 100 students from Taiwan who can draw a lottery and get a ticket to the opening ceremony of the year 2008 Olympic Games. And all the students in Taiwan are very crazy about it and tried to join the lottery. I was sitting at the advisory committee of the --Mainland Affairs Council, and I recommended to them that we should give the same treatment to our students -- to the students in the mainland; to give them, for example, 100 tickets to come to Taiwan to observe Taiwan's elections; to give tickets to willing such students on the mainland.

In other words, by getting students from the mainland to know about Taiwan's democracy, that is something we can do something about. Also, this kind of university-to-university cooperation on electoral studies, polling studies, and things like that could be helpful in changing China's democratic development.

So I agree that we should be more active and proactive in presenting Taiwan's democracy to the mainland, and that was the reason why I was disappointed when Chairman Lien and Chairman Soong were in the mainland. They talk very little about democracy in China. If these were the things that he could have talked about more, then, you know, it gives this kind of image of Taiwanese democracy to the mainlanders, and that could be helpful in stabilizing and in helping changing China's democracy development.

Thank you.

MR. STEINBERG: It's interesting, in a way -- and I heard Dr. Lo's observation about the united front strategy -- but the truth is, most countries try to provide incentives to the domestic politics of other countries to adopt policies that are favorable. There is a

difference between that kind of strategy and one in which there is intimidation, coercion and that sort of thing, and it may be important to make a distinction there.

Eric McVadon?

Q: (Off mike) -- I think my question is largely a follow-up to what has just been raised.

I was intrigued by Mike's comments as to what sort of specific goals that we establish for ourselves in our talks with Chinese leaders with respect to Taiwan. Of course, I'm not talking about negotiating with Beijing over how we feel about Taiwan, but we don't, it seems to me, directly push the democracy issue. You mentioned shape, and even though that sort of smacks of a bit of arrogance to me -- maybe it doesn't with everybody -- in shaping the decisions of Beijing, but rather leading them to a realization of their interest, and I guess that we somehow try to get across that their interests are not centered on intimidating Taiwan.

You mentioned the example of seeing democracy bursting out all around them. I wonder, though, if there is something to stay for the argument that what we're really trying to accomplish is having Beijing see the value of its improving its image among the democratic people of Taiwan. Can it distill to something, a goal for us in our discussions that is straightforward?

DR. GREEN: If it makes you feel better, China's trying to shape our choices, too. (Laughter) We're all shaping each other. You know, the president said publicly on more than one occasion and so have other senior officials that, restating our policy: the three communiques, one-China policy, Taiwan Relations Act -- the whole bit. I guess Randy will remember exactly, but about a year or two ago we began talking to the Chinese about the need for dialogue -- pushing the dialogue theme, and then you had the meeting with Lien Chan and the pan-Blue. Then the message from Washington was: That's good. It's important to have meetings with Taiwan's duly-elected government.

So there are ways to convey, I think, the themes in a way that China sees that we value Taiwan's democracy. I think that's important.

MR. STEINBERG: Maybe Randy had a comment on it.

MR. SCHRIVER: Mike's exactly right. It is interesting. We started to engage more with the Taiwan Affairs Office during the Bush administration than I think the previous administration. There was always sort of a hands-off approach to those guys. You didn't want to be in the dirty business of dealing with the guys who were looking to be the oppressors of the 23 million people on Taiwan, but we started to deal with these guys a little bit, and interestingly, in late 2003, before the election in Taiwan, we said, you know, here's the problem in the cross-Strait environment. It's not anything we do. I mean, what we do has far less consequential impact on Taiwan and on the environment in the Taiwan Straits and things you do.

Thus far, the face of the mainland to Taiwan and the people of Taiwan is missiles, threat, intimidation, coercion, and there's no positive agenda. Interestingly, at that point they said, you know, we're starting to develop some ideas in the event there's a pan-Blue victory in 2004. We said, well, that's great. You might think about what you might do in the event of a pan-Green victory, but clearly, they had started to think about this on their own. I mean, let's not forget they've had their own learning curve. They went from missile exercises a month before Taiwan's first presidential election, which resulted in Lee Teng-hui going over the 50 percent mark, to Zhu Rongji's finger wagging, which helped get Chen Shui-bian across the finish line -- to pretty much a quiet, hands-off approach in the last election.

So they've done some learning on their own, but they've also gotten very sophisticated at having a different face of PRC cross-Strait policy, not just missiles. Now it's the business community, it's the political opposition. They're going into the heart of the DPP. They're courting the agricultural sector in the south --

QUESTION: (Inaudible)

MR. SCHRIEVER: So, be careful what you ask for. But I think they're doing it. They came upon it on their own, but also this was partly at our urging, given our belief that this was in the best interest of peace and stability.

MR. STEINBERG: Mike, I fully understand the reasons for the valuable nature of the alliance. The only difficulty, which I support, is selling it. I give you three examples that you already know.

Democracy is a function of cold, calculating U.S. strategic objectives. Russia: sovereignty building; extreme centralization. You need them on terror -- Iran, Iraq, North Korea. So again, a very low-key approach.

Japan: re-issuance of sovereignty, renormalization, selective utilization by not criticizing on issues like Yasukuni Shrine, right?

Then you look at North and South Korea. It's re-nationalization. You already see the kind of nationalism already as a prelude what could be reassertion of sovereignty on the peninsula. In fact, democracy's working too well; thus, the alliance is extremely rough and tension ridden.

Unless you're using precisely for a power-political reasons (inaudible) Japan, alliance reasons, you're telling the Chinese and the Taiwanese that you should precisely move away from 19th century political balance of power reason for not using democracy. So this is very oxymoronic.

A person out in the street could understand that democracy using strategic weapons is really for U.S. strategic interests, and so again, to sell it is just extremely difficult; although I support it fully.

DR. GREEN: I would argue that Taiwan or Japan or any democracy in Asia should find its own way to sell its value. Mongolia, which is a very smart strategic player – with 2 million people and an army of about 18,000, I think – what are they doing? They are doing peacekeeping, they are emphasizing their democracy; they are making themselves so valuable to the democracies of the world that if Russia or China lifts a finger we are going to care a lot.

Each country will do it its own way. If you look – I'm doing a little – I think I'm doing a book on this. I haven't decided if it's a book or an article. But if you look at how India and Japan are articulating their foreign policy over the past few years at the level of the prime minister or foreign minister, deputy foreign minister, there is more and more of a democracy, or rule of law component of how they articulate their role in the world.

A lot of it has to do with where they are in their own domestic institutional evolution; a lot of it has to do with realism and how they are reacting to the rise of Chinese power and defining their role in the world. So the idealism, realism – it's time to marry them and my argument is that Taiwan should be playing this game, too, because based on the current path, I think President Chen's concerns about Taiwan identity is a real concern that Taiwan is going to have a problem in the region and cross straits and Washington and needs to find a way to play up its real value to the international community. It's only one of its great values to the international community.

MR. STEINBERG: Let me just push a little, Mike, because I think the question rang a little bit more to the question of whether other strategic interests trump or at least complicate advocacy in support of democracy. I mean, there is the point about Russia being – and I think there has been an evolution in the administration's position, but you need them on counter-terrorism, how tough can you be on Putin, or you need them on Iran. So the question becomes how do you – and it's not just a Taiwan issue obviously; it's a deep issue of the democracy strategy – try to work through that set of issues about when you push it; how much democracy can you tolerate when they disagree with you, and how much authoritarianism can you live with if they are going to help you.

DR. GREEN: It's a tension for every administration. It is not just a problem for this one; it was a problem for your administration, too. It's perennial in American foreign policy; it is how to marry idealism and realism and how to do this. I think the equilibrium that the Bush administration reached was well reflected in the president's inaugural speech for the second term when he said countries that move down this path will find that the United States stands with them. In spite of all of the colored revolutions, if you read the National Security Strategy, it is an evolutionary strategy, not a revolutionary strategy.

In an era of changing power dynamics and of terrorism, this idealistic notion is really quite fundamental to America's realist interests that we can't afford to have failed states and we can't afford to have rising powers that are not playing by the rules in effect on some of these key issues. It is not just about elections or not elections; it's about what Bob Zoellick called being a stakeholder.

So the way you square it, Asia — I'm not in charge of Russia; that is not my fault. (Laughter) But the way you square it in Asia is, in Beijing, you don't sacrifice the long-term interests in building this kind of stakeholder concept for short-term interests. You separate them. You talk about the six-party talks; you have a separate lane on trade and economic issues, and you keep pressing on the issues having to do with human rights and civil society. And Secretary Powell, now Secretary Rice, the president with the Chinese counterparts pushed down all cylinders and in all lanes, and that the Chinese come back was often to try to link them because the Chinese understandably thought they could use their mercantile power and other things to get us to back off.

I think in State and NSC, there was a discipline to not do that, to keep pushing on all of these fronts. That is the answer; it is not clean, but you have to maintain that discipline. I don't know if that —

MR. STEINBERG: Well, I would remind you that Russia is in APEC and in the six-party talks, so at least Russians think of themselves as part of an Asia cause.

QUESTION: I think many of us, Mike, have been talking to our Taiwanese friends for a long time about being at the table in a variety of international settings to that instead of trying to bang on the door of the U.N. and all of the other things that have been the high-visibility, into the face kind of situations.

So I guess maybe to ask you and whoever else has more ideas on this because I think it is very important because it comes to the question of confidence in their own democracy, right? I mean, you are selling democracy and I believe entirely in that, that it is good for Taiwan, it's good for the Taiwanese people, but then they say, look, we did all of the things right, and what happened? We are not here, we were not there.

So I guess any other suggestions, venues where you think they could be entering the discussion — I mean, Central America is one thing that I have looked at for a long time. Taiwan has had a relatively bad role in some ways. From my perspective, in the bad old days, military right wings helping to train them, et cetera — there was a lot of stuff that went on that is history, but what about now? What can they do now in Central America, in Latin America, in other areas where they can be effective as democratic agents using their prosperity and their democracy? Those are the questions.

DR. GREEN: Randy and I and others had a lot of discussions about just that point internally when we were in government with our friends in Taipei. It's a fair question; it's a good question. Randy and I have scars all over our body — he probably has more — from fighting with our Chinese friends to keep Taiwan actively involved in

APEC and other things like the World Health Organization and IRF and all of the rest of it because it was important that Beijing not rewrite the rules of international organizations.

One of the things about the rules of the road is you don't rewrite the rules to fit your own particular domestic ideologically on issues like Taiwan if you were Beijing. So Taiwan's presence in these institution like APEC – not only staying there but be more active was good for us, we thought, and we had a lot of support at the highest levels, including the president, to keep Taiwan in these things and active based on the rule – the values we share, and because we don't want Beijing to think it can rewrite international organizations based on mercantile power.

I think Randy's list was an excellent one. You could probably add a few more. Latin America – we were both nodding because you're right. Taiwan has good representation in Central America, and especially knows what is going on; knows what is happening there.

We should be doing a lot more coordination and examination of that. We should probably do more with the Australians and the Kiwis on the South Pacific. Africa was mentioned. Taiwan is a player in all of these places in a lot of ways and we ought to be coordinating what we can do to help spread stability and values that we share and not let other states that are having a large impact there move those countries in the wrong direction. It's not a zero-sum thing; it's just about keeping them on the road towards good government and open societies and stable economies.

MR. SCHRIVER: Sure. One of the things we often hear from our Taiwan friends is these 24 or 25 – how many is it today – official relations in our bid for the U.N. It is critical to us because we don't want Taiwan to be ignored; we exist; we don't want Taiwan to be ignored. I always felt, well, that is actually a really easy way to ignore you. A much harder way is to make the kind of commitments in terms regional citizenship or global citizenship that you absolutely cannot ignore.

Let's just say, for example, what if Taiwan – I know it's not this easy – redirected some of its resources that are going to foreign aid to sustain some of these relationships? What if Taiwan said we are going to be the number one contributor in the world to AIDS research? Guess what, you cannot ignore Taiwan in that case. What if we said we are going to develop world-class humanitarian response kind of capability? Guess what, people don't check what flags are on the cargo ships and what helmets people are wearing when they are really in need, and there is a whole bunch of things Taiwan can do that really then you cannot be ignored. But the sustaining of these official relations – the campaign for the U.N., all of these things, is quite easy to ignore, honestly.

MS. GLASER: One of the problems is that the U.S. can do more, should do more, but we can't do it alone, and we really need to get other countries to be working with us as well. I just sort of offer this up as a perspective that I gained last week when I was in the U.K., where I talked to a senior official from the foreign office who agreed

with me that isolation of Taiwan in the international community was a bad thing for a whole lot of reasons – didn't serve anybody's interests; made Taiwan more insecure, less able to deal effectively with other countries, and less willing to engage in the international community to do the kinds of things that we want like, which Mike laid out such as promote good governance, rule of law, or indeed to donate more money to worthy causes.

But the argument that this individual put forward was that if it were just more meaningful participation, we would really be out there supporting Taiwan. We think – and this is, you know, their perception, or at least that individual's – that Taiwan is going beyond the goal of seeking meaningful participation but looking for some political objective. If Taiwan were around the world to seek, whether it's WHO or other organizations – and the WHO is one that he cited as an example because he perceived "observership," which, even though we have supported observership for Taiwan, was in the category of political objectives rather than meaningful participation.

We can go back to, for example, when Taiwan and China first joined the WTO and there were some opportunities for Taiwan to engage in FTO negotiations with some countries in the region if it had considered using the title under which it is a member of the WTO. But the perception, again, was that because Taiwan was seeking political objectives, namely that if other countries did not engage in those negotiations with Taiwan under the name of Taiwan, that was not going to take place.

Part of the answer to your question is that Taiwan really has to press for consistently meaningful participation so that the United States and other countries – because we just can't do this alone – can help Taiwan engage in international organizations in a more effective way.

DR. LO: Well, I would agree with what you just said, but the thing is that even if Taiwan becomes the biggest AIDS research donor, so what? The thing is that we are blocked from the WHO because of the pressure from the PRC. Yes, we are looking for meaningful participation, but I think in many cases that meaningful participation is still blocked by the PRC.

I agree with the fact that Taiwan has not done enough in contributing our resources to this kind of international aid, but on the other hand I would argue that we are looking for something that can give us some recognition about contribution as well, and nothing about political objectives.

In many cases I think no countries in the world can really understand how we felt over the years being isolated in the international community. That is something I want to share with you because, for instance, in the 1980s when the Reagan administration failed, we contributed a lot to UNESCO, but in many cases the countries were not very friendly to the U.S. as well, so we decided to make a choice that maybe we cut our donation to them. So there are also other objectives as well, not just for humanitarian reasons.

Finally I want to, I don't want you to leave this room with the impression that I am the only one in this room who is against democracy in Taiwan. (Laughter) That is not true. I am a true believer in democracy in Taiwan. I just want to give you the facts that I believe, yes, we are hoping that Taiwan's democracy can help China become a democratic country. However, when we talk about how we can change China, I think it is some sort of over-confidence. Look at the case of Google and Yahoo. By engaging China, are we changing China, or is China changing the world? We don't know yet.

MR. STEINBERG: I think that is a terrific note to end on. This has been an excellent panel so we want to thank Mike and Randy, presenters for terrific comments, and turn it back over Derek. (Applause)

MR. MITCHELL: Well, I join you all in thanking them and the final panel. It's been a great day, to wrap it all up. It's been a long day for most of us, for many of us who were here since the early morning.

Just some final thoughts: The issue of democracy. I started on the issue of democracy when I had begun my career, and it's an ideal; it's a value; it's a public good, but as we discussed here it has a lot to do with interest, national interest. People question why I went from democracy building to the Pentagon, and I always saw that as one stream, that the idea that this is an idealist thing is a squishy thing. It has some realist notion, this issue of democracy building. I know Mike talked about it in some depth.

People talked about a lot of the challenges today in Taiwan democracy. I think, bottom line, many said that overall that Taiwan democracy is strong; it has roots, but they are going through a transition. It is rather messy and it's creating challenges. The concern is that this process, this messy process has output implications.

If the institutions falter, if there is poor information to the media and poor decisions are made, if the people are apathetic, cynical, or divided, if there is little oversight, and if they don't know where politics stop and public interests begin, that is a problem for Taiwan in its own internal stability and its international position, and it can lead again to poor decisions not only in Taiwan but also in the PRC.

I think when people focus on the Taiwan issue, as Mike said, he probably wasn't concerned about China attacking Taiwan – the issue of miscalculation and things that occur for other reasons beyond sort of strict thinking of national interests concerns us all.

So when we talk about this issue of democracy and democracy building, we do it in the spirit, as suggested, of people that are interested in Taiwan for Taiwan's sake, but also in the interest of the United States and of overall stability in East Asia.

So with that, I thank you all and I look forward to seeing you back here at CSIS. Tomorrow morning. Ma Ying-jeou is at Brookings. We once again will be co-hosting but it will be over there tomorrow morning. I hope to see you there. Thank you all.

RICHARD BUSH: On behalf of Brookings, I would like to thank CSIS and INPR, our two co-host organizations. I would particularly like again to thank Savina Rupani, who is never in the room when I thank her. I would like again to thank CCK Foundation for your support. We couldn't have done it without you. I would like to thank all of the presenters, especially those who came from Taiwan, and the audience.

Let me close with three observations. First of all, I am reminded that Taiwan has really outstanding political scientists, and I think they represent a resource for political consolidation whenever it gets started.

Two, I think it is easy for us as scholars to talk about the necessity of democratic consolidation on Taiwan. We can point out all of the problems in what has to be done but it is really hard to do. Ultimately it's the political leaders and politicians who have to forge a consensus that it really has to be done. We have to work out the strategy to do it, but it's really hard.

Three, we must remember what's at stake, and it's really the people of Taiwan who need this because they face some really profound choices -- challenges across a wider array of issues, all sort of hooked up sooner or later with the 800-pound gorilla 90 miles away, and they need a really good political system to help them make those choices. If the political system is defective, those choices are not going to be good ones.

Thank you very much.

(Applause)

(END)