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**SEEKING A CROSS-STRAIT DIPLOMATIC  
TRUCE: THEORY AND PRACTICE**

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## PROCEEDINGS

RICHARD BUSH: Ladies and gentlemen, why don't we go ahead and get started? Thank you all for coming. My name is Richard Bush. I'm director of the Center for Northeast Asian Policy Studies here at Brookings. It's my pleasure to welcome you here today.

One of the hot topics now in cross-strait relations is whether there should be a diplomatic truce between China and Taiwan. This is an idea that's been around for a decade but right now is the first time that there has been even the modest amount of political will to move forward on the idea and so it's a good time to explore it. To explore it we have somebody who's been on the front lines of Taiwan's diplomatic struggles: Mr. Liu Shih-chung, who is our Visiting Fellow this year from Taiwan. He worked in Taiwan's Ministry of Foreign Affairs for a couple of years. Before that he worked in the Office of the President in the Chen Shui-bian administration. And we're happy to give him time to rest and reflect here at Brookings, but he is an outstanding younger talent and I'm sure that we will all learn a lot from his presentation today.

LIU SHIH-CHUNG: Thank you, Richard, for those kind words, and thank you all for coming this morning, especially in the run-up to the U.S. presidential elections.

Just because questions related to China and Taiwan have not become key campaign issues in this election does not necessarily mean that they're not important. It does not necessarily mean it's moving toward a very good direction. My presentation today will try to show you some of the downsides, some of the uncertainties, attached to this notion of seeking a cross-strait diplomatic truce. Of course I will also offer some sort of policy recommendations if this kind of concept or this kind of approach were to be successful because as Richard just mentioned earlier, I think both the DPP and the KMT have tried very hard to work out this scenario but there have been some sorts of ups and downs. So hopefully I can elaborate a little bit in the next 20 to 30 minutes.

I'm sure you all have this handout, this 2 page paper, detailing those very intensive competitions on the numbers of Taiwan's diplomatic allies in the past two decades. Let me just start by giving you a very brief introduction of these diplomatic competition numbers. I'm sure all of you know that immediately after Taiwan was withdrawn from the United Nations the number of diplomatic allies decreased and especially after Taiwan cut its official ties with the United States the situation got even worse. But looking back on how first the KMT government and later the DPP government dealt with the numbers of allies shows there are three stages. The first stage is between what I define as 1988 to 2000 before the first ever multinational political parties. The best situation there was diplomatic competition on numbers between the so-called two Chinas, the Republic of China versus the People's Republic of China. In terms of numbers of diplomatic allies, yes, of course, numbers do matter, they matter very, very much.

So if you take a look at this handout, during these 12 years the KMT government gained 17 new allies but also lost 10 including three major countries at that time, South Korea, South Africa, and Saudi Arabia.

Then the DPP came to power in 2000. I recall that back in 1999 when the then-presidential candidate Chen Shui-bian presented his foreign policy white paper, it clearly stipulated that if Chen Shui-bian won the election, his government would seriously reexamine this so-called numbers game. He didn't specifically mention that he would abolish it, but some sort of idea did come up at that time. But unfortunately and regretfully no serious or concrete actions were made in the 8 years of the Chen administration. But still in this second stage of diplomatic competition, it's between Taiwan and the PRC, it's between two countries on either side of the Taiwan Strait as former President Chen defined it later in his first term. So numbers still matter despite the fact that there is some discussion on whether we should abolish the numbers game. But the international context has changed a little bit with China's rise and China has more resources, more money than Taiwan, so along the past 8 years the DPP government gained three new allies but lost nine.

In the third stage which is still evolving, under the second KMT government led by President Ma Ying-jeou, I question the idea that numbers do not matter, even though new Foreign Minister Francisco Ou said that numbers do not matter and should not matter, as former President Chen did. During the campaign, presidential candidate Ma popped out this idea of terminating the so-called "money diplomacy" or "check-book diplomacy". Soon after he took the oath he also tried very hard to maintain the existing 23 allies without gaining one. So the concept is still evolving and we haven't seen any kind of a new change to that basic line. I'll elaborate on that a little bit later. So let's go back to why the DPP wouldn't abolish the numbers game.

Back in March 2000, the time of the first ever alternation of political parties, the DPP had no experience in terms of how to engage with Taiwan's allies. Plus most allies at that time still have this very deep feeling that a new DPP president might cut or ignore the importance of continually maintaining diplomatic ties with those allies and of course some worry about whether the new President of Taiwan was going to implement those promises and those foreign aid programs that his predecessor had promised. At that time the DPP got very strong bureaucratic recommendations from the Ministry of Foreign Affairs and also from other security agencies who handle foreign affairs that the new President of Taiwan must immediately pledge a continuation in foreign policy, in terms of security in foreign aid to Taiwan's diplomatic allies. So the next day when President Chen was inaugurated, he met with and immediately pledged to the heads of those allies that, number one, those programs are going to be continued, and some of them have been going on for like 2 or 3 years. Usually the programs last 5 years and 4 years. Number two, the DPP would finally come with some sort of a new blueprint for its diplomatic strategy. It's more like a two-handed strategy. On the one hand, to try to maintain but also to try very hard to add to the number of its allies. But on the other hand to try to explore alternative diplomatic scenarios, try to broaden Taiwan's international participation, try to highlight

autonomous new democracies especially following the first ever multinational parties. So it's a two-handed strategy but it has produced mixed results.

For example, on the notion of maintaining and also adding to and increasing the number of its allies as I pointed out earlier, the international context is different, and especially during President Chen's second term, it was getting harder and harder for Taiwan to compete with its Chinese counterpart in terms of securing allies and in terms of adding up new allies. So that explains why during the past 8 years the DPP only gained three new allies but lost nine.

But also there are some reasons that it's more like the most inconvenient truth to Taiwan's diplomatic situation, that in some cases especially no matter whether it's the DPP or the KMT, they simply cannot afford the blackmail from some allies. A lot of the allies have been trying to take advantage of this diplomatic competition across the Taiwan Strait and trying to get their personal interests. So that's the fact. It's an open secret. Nobody can deny that. But still in the first 2 years of former President Chen's administration, he did try to offer some sort of olive branch to the other side in terms of forging closer cross-strait dialogue, but unfortunately in the second half of 2002, Beijing bought out one of Taiwan's tiny island countries in the Pacific region on the eve of President Chen taking over the DPP's chairmanship. So this initial goodwill posed toward the other side of the Taiwan Strait turned into other different story. That's also the origin of this concept of having two equal countries on each side that President Chen claimed in late 2002. So there is a security dilemma. In the beginning the DPP tried to express some goodwill but hasn't been able to get good responses from the Chinese, so both sides feel that the other might take advantage of its goodwill. So there was no progress in terms of cross-strait rapprochement.

There is also a controversy associated with the DPP's diplomatic practices. There is the so-called confrontational diplomacy, or as the media and politicians in Taiwan characterized it, the "fire-setting diplomacy." I personally think that it's a much misguided characterization of the DPP's diplomatic practices. In some of the internal meetings I used to hear some of the leading DPP strategic leaders say something like, yes, we need to come up with a more offensive diplomatic strategy, we need to set fires everywhere and to keep the Chinese busy extinguishing those fires. This kind of idea is not a policy, but it did come up in some of the internal meetings on Taiwan's foreign policy, especially on policy toward maintaining and also expanding Taiwan's official ties.

But still I tend to believe that this characterization of fire-setting diplomacy, the notion of a confrontational diplomacy or competition over numbers of allies was not a new thing. The first KMT government initiated it and you can look at the number of changes in the 1990s. The DPP could have and should have introduced more reforms to that the policy, but because of those constraints that I mentioned earlier, it just followed the path that the former KMT government had taken. So it was a kind of a dilemma to the DPP leaders that on one hand we want a more offensive diplomatic policy, but on the other hand we just simply cannot tolerate the loss of any allies. And on one hand again, because

of the DPP's attempt to emphasize sovereignty and also Taiwan's democratic evolution, they introduced a lot of alternative approaches to Taiwan's foreign policy practices. For example, they poured more resources into NGO diplomacy, and on the other types of diplomacy, including the leaders transfer so-called transit diplomacy and also leaders diplomacy. The leaders of Taiwan at that time, former presidents, strongly advocated this type of diplomacy because we had a lot of data that showed that the number of high-ranking officials of the PRC traveling around the world kept increasing. So there was a consensus from within the DPP foreign policy decision-making circles that we needed to encourage not only the president, but also the vice president and also other heavyweights of the government to travel abroad to increase Taiwan's international exposure. I think a similar sort of consensus had been reached during the first KMT government, that we need a stronger offensive diplomacy to compete with our Chinese counterparts.

But there is still some sort of thinking that dual recognition as a means to end this diplomatic competition should be seriously examined. And I remember that Chen, in some of his overseas state visits to Taiwan's allies in Central and South America, openly popped out this idea that in some ways we might be able to establish dual recognition. But this was still just some sort of rhetoric and it hasn't become a policy yet.

In the third stage, during the campaign of the second KMT government, the then KMT presidential candidate Mr. Ma Ying-jeou already popped out this idea of introducing a so-called *modus vivendi*. He also strongly suggested that we should end the so-called money diplomacy, and that he would try very hard to see a cross-strait diplomatic truce if he was elected. After he was inaugurated he did try very hard to do that, to move toward that direction.

What are the rationales, the ideas, and the assumptions behind this new concept? The basic assumption is that after the past two decades of competition over the numbers of allies, Taiwan cannot simply afford to do that anymore because of the rise of China, and because of his intention to forge more a stabilized and closer relationship with China. So President Ma put cross-strait policies far above foreign policy and believed that the origin of cross-strait diplomatic competition comes largely from whether or not cross-strait relations can be improved. So the idea is to place cross-strait policies high above foreign policy and the rationale is to seek cross-strait rapprochement based on the principle of the 1992 consensus of one China with individual interpretations, and hopefully that can translate into more international room for Taiwan and Taiwan's better foreign relations.

The strategy, as I said earlier, is to terminate the so-called money diplomacy and to refrain from engaging in competition of numbers of allies with China. Also there is an ultimate goal, through those defensive diplomatic efforts, hopefully the ultimate goal is to urge Beijing to give Taiwan more room for international participation based on such a truce. I wouldn't rule out electoral considerations behind this new diplomatic strategy, and that is to say because the diplomatic setbacks in the past couple of years especially during the DPP's governance has in some way disappointed the domestic audience in Taiwan - not because they didn't make enough efforts to do that but because some of the media

interpretation and some of the opposition's accusations that the DPP government has done nothing but reengaging in money diplomacy. So most people in Taiwan, I would assume most of them do not understand Taiwan's very complicated history of diplomacy. So comparatively speaking, under the Ma administration, Taiwan's foreign relations are not so important, the domestic economy is a lot more important. So I think that explains to a great extent, especially during the last presidential campaign, why Mr. Ma offered this idea of economic driven, economic oriented policies.

He understands that if his government continues to adopt the same approach that the first KMT government or the DPP government had, in terms of maintaining or increasing the numbers of allies, it might cause even more trouble and they might also sabotage and undermine his attempt to forge a closer and stabilized relationship with China. So the electoral consideration is to prevent further diplomatic setbacks from jeopardizing cross-strait relations and President Ma's economic-driven policies for winning reelection. But the irony is this is all according to what President Ma said after he was inaugurated. He still insists on no so-called dual recognition and no two Chinas and no special status relationship across the strait; that's what he's said in various media interviews.

When it comes to cross-strait political negotiations, it kind of leaves President Ma and his administration with only two options. One is to move toward more unification scenarios. The other one is to accept the so-called one China principle or one China image because he has already ruled out several other options when it comes to cross-strait political negotiations. From the left to the right *de jure* independence, *de facto* independence, two equal countries on the two sides of the strait: those are the ideas discussed by the DPP government when it comes to possible cross-strait political negotiations.

But not only that, President Ma also ruled out the possibility of dual recognition, PRC versus ROC, and also a special status relationship and redefined the current relationship between Taiwan and China as region to region. So simply from the perspective of political negotiations and considering what kind of bargaining chips he has, my personal interpretation is that he leaves himself only with two options. One is, the impression that he's moving toward or he will be coerced by the Chinese toward unification. The other one is to create a special international image that Taiwan and China both belong to one China.

If you take a careful examination of this approach that I have just explained to you, I personally found it very interesting that it coincides with some of the principles raised by one of the ancient Chinese military strategists, Sun Tzu. In his classical masterpiece "The Art of War," Sun Tzu argues that, number one, the supreme act of war is to subdue the enemy without fighting. The ancients also said that a clever fighter is the one who not only wins but excels in winning with ease. I think that also constitutes part of the strategic thinking of President Ma and his foreign policy advisers. The third is that skillful fighter puts himself into a position which makes defeat impossible and does not miss the moment for defeating the enemy.

I tried to dissect the strategy behind this diplomatic truce and I happened to find out that perhaps some of President Ma's advisers have learned some lessons from Sun Tzu's "The Art of War." The question is whether it is feasible, whether it is applicable, whether it is achievable, but I'll come to that later. Some evidence I should give you is that soon after this concept had been popped out, how have Taiwan and its allies and the Chinese dealt with this possible truce? Ma's administration, in seeking a cross-strait diplomatic truce, contains five principles. Number one, no increase of new allies. The Taiwan government was to announce the establishment of new ties in May because the then DPP government tried very hard to try to increase the numbers of allies and the conditions were right about that time. The minister of foreign affairs was about to announce some new allies soon after the presidential election but because President Ma emphasized the important of seeking a cross-strait diplomatic truce, this still is buried by the new foreign minister of Taiwan in line with President Ma's idea of seeking a cross-strait diplomatic truce; so there is no increase of new allies.

Number two, there will be no increase of the confidential diplomatic budget. When it comes to Taiwan's foreign policy or Taiwan's foreign ministry's budget, there is also this so-called confidential and secret diplomatic budget. Everybody knows that. The main function of this confidential budget is to, A) increase new allies; B) to engage with more high-ranking leaders on overseas trips; C) to increase more Taiwan efforts to participate in crucial international organizations; and D) to hopefully deal with more demands from the existing allies including more foreign aid. So this portion of the confidential budget is very important in terms of maintaining Taiwan's I would say noninstitutional diplomatic practices. But soon after President Ma was inaugurated, the minister of foreign affairs announced that they are going to cut one-third of this so-called confidential diplomatic budget in next year's budget. The number has decreased from \$18 million in 2008, that's the budget initiated by the DPP, to about \$12 million next year in 2009 as to way to show their Chinese counterparts that they're doing this seriously, not only they don't want to increase any new allies, but they have reduced that budget for trying to aid more allies.

The third principle is no initiative to establish new ties. Despite the fact that President Ma has said that there's no need to increase new allies, that the main duty is to maintain the current 23 allies, still I heard Minister Ou say that there are still possibilities for Taiwan to establish new ties, but I'm not sure whether it will have a prior consultation with their Chinese counterparts and I paid very special attention to this hint given by Minister Ou.

The fourth principle is no emphasis on Taiwan or the Republic of China to avoid provoking Beijing. I think I don't have to elaborate on this.

The fifth is of course vis-à-vis the DPP government's more offensive diplomatic practices, the Ma administration has adopted more defensive practices. These five elements within President Ma's strategy of seeking a truce and I characterize this

attempt as active passivism. President Ma understands the realities, he understands the domestic constraints, so he'd rather put aside those possible diplomatic negative impacts on his reelection so he tries to use this passivism to deal with Taiwan's diplomatic relations.

How has China responded to this? Number one, it has temporarily refused the approach for new diplomatic ties by the new President Paraguay, Taiwan's only ally in South America, Fernando Lugo. Fernando Lugo said clearly during his presidential campaign that he is in favor of establishing new official ties with the PRC, and soon after he won the election and before his inauguration he contacted his Chinese counterparts very intensively, but the Chinese reaction to that is - hold on a minute because we are in the middle of doing some other business with the Taiwanese government so there is no answer, there is no yes to that yet.

The second response is to agree that Mr. Chen Yunlin, the head of Association for Relations Across the Taiwan Strait, should visit Taipei in early November despite some domestic opposition in Taiwan. The third response is accepting the former Vice President of Taiwan, Lien Chan, and also the current Honorary Chairman of the KMT, to attend this year's APEC meeting. The fourth response is to have scholars float a trial balloon - this is a very traditional way of the Chinese to manipulate their response to maybe to do work on any issue related cross-strait relations - spin out the possibility of a diplomatic truce, what are the conditions, what are the pros and cons, and to invite some strategic thinkers from Taiwan to do a little bit of brainstorming. The fifth response, this is my understanding, I had a conversation with friends from China and also here in Washington, D.C., that there is indeed a very intensive internal debate among the Chinese decision-making circles that we have to seriously think about President Ma's new ideas. Can we afford to wait another 3 years if there's a possibility that the DPP might come back? So there is an internal debate. The question is how long will the decision come out from this very long and intensive debate?

But on the other hand, despite the seemingly goodwill responses, there is also the continuance of these hawkish strategies to deal with Taiwan's bid for international organizations. The Chinese continue to block the Ma administration's bid for meaningful participation in United Nations-related specialized agencies. On the issues of Chinese tainted milk powder, when Taiwan submitted some reports to the World Health Assembly, the response that Taiwan got in its address to the so-called "Taiwan, China" for further information, again this is a sabotage of the current Taiwan government's sovereignty.

How have Taiwan's allies responded to that? During the campaign when the then President-elect Ma popped out these ideas, it caused a lot of - wouldn't say trouble, but a lot of suspicion, a lot of questions from the heads of Taiwan's allies. It's like a nightmare coming again back in 2000 when they have no idea whether the new president of the DPP government was going to change Taiwan's overall foreign policy or not. At that time the DPP government's minister of foreign affairs engaged in very extensive dialogue and explanations with their allies with the help from President-elect Ma's camp and also arranged a lot of face to face meetings for President-elect Ma before his inauguration to



explain his new foreign policy thinking toward the representatives from Taiwan's allies in Taipei. So my understanding is that President-elect Ma at that time pledged that all the existing foreign aid programs would be continued and that Taiwan will try very hard and make tremendous efforts to maintain the current diplomatic ties with those countries, exactly the description that former President Chen did back in March 2000.

So I think the idea is again for the new government, despite this very bold initiative, to take into consideration how to maintain the relationship with their allies. And also in terms of Taiwan's annual bid for the UN, 16 out of 20 allies supported Taiwan's annual bid and some allies of course - especially during President Ma's August state visit to Central America and South America - proposed a new foreign aid program to Taiwan's allies. President Ma promised most of them including \$71 million new aid to Paraguay to Fernando Lugo, and Lugo took the money but still he did not support Taiwan's U.N. bid. So I think for some allies of Taiwan, they have been watching very closely on how this concept, this notion of a diplomatic truce, will be forged, will progress, and I think they have come up with a lot of alternative scenarios to try to maximize their political interests, but I wouldn't say all of them. At least some of them.

What are the downsides of the strategy of seeking a diplomatic truce? I will lay out some of them. Again according to Sun Tzu, there is also another principle that hasn't been mentioned or adopted by the Ma administration and that is, you have to know your enemy and then know yourself and then you can win a hundred battles. The fact is that China's reaction to this so-called seeking a cross-strait diplomatic truce remains unclear and unknown, and even President Ma in the MOFA, the Ministry of Foreign Affairs, probably acknowledged that and admitted that. But of course despite the claim that a truce is paying off, even President Ma and the minister of foreign affairs admit that they have no idea about China's possible reaction in the foreseeable future. And also they have not ruled out the possibility of reengaging of cross-strait diplomatic crossfire if there is no positive response from their Chinese counterparts. So assuming of this strategy fails, it might create a severe danger to Taiwan's relationship with its existing allies. Also it is a huge debate from diplomatic circles in Taiwan's MOFA, the morale of Taiwan's diplomats might be undermined for lack of clear guidance on how to engage with allies.

For example, during the old days especially a Taiwan diplomat working in the embassy, always is monitoring every move of the leaders of our allies when they travel abroad and also they urge the key persons of our allies to avoid contact with the Chinese people when the Chinese try to approach them. But under this new concept of seeking a cross-strait truce, how would a frontline diplomat react to that? I don't know. Maybe some of my former colleagues from MOFA in the audience can help me out with this. So far at least my understanding is that there has not been any clear guidance released from Taipei in terms of how Taiwan's frontline diplomats deal with this, deal with the new demands from our allies, deal with China's possible different strategies to seduce or to invite Taiwan's allies.

Also this attempt does not necessarily erase the image of the so-called spendthrift diplomacy or suitcase diplomacy of Taiwan vis-à-vis these allies. Take Taiwan's diplomatic allies in the Pacific for example. The Australian government and the New Zealand government have been complaining a lot about this diplomatic competition between China and Taiwan in this region and it has contributed a lot to the poor governance and corruption in some of Taiwan's allies. Of course, the minister of foreign affairs has tried to defend it a little bit, but my understanding is that even if we leave aside the cross-strait diplomatic competition, still it will not erase the concerns from the Australian government or even the New Zealand government because some of the foreign aid that is provided by Taiwan to certain leaders of those Pacific Island countries has been inappropriately used. That's the fact.

So I think that's also one of the key issues that cause huge concerns from the government in Australia and also in New Zealand. It's not just about the competition, it's more of how the money that Taiwan provided to its allies has been properly used.

Also there is a risk of no hedging strategy or contingency plan for the possible failure of a cross-strait diplomatic truce. Maybe there is. Maybe people from the National Security Council or from MOFA are in the middle of coming up with it, but I haven't seen that yet, and judging by what President Ma and also his key foreign policy advisers said, there seem to be no clear contingency plans or hedging plans yet. So a chain reaction or a domino effect might happen if this policy fails. So therefore also another downside is that even the success of this truce in competition for allies may not necessarily translate into Taiwan's easier international participation as those stronger blocks of Chinese over Taiwan government's bid for UN specialized agencies and also World Health Organization. Also it will help Beijing to continue to internationally propagandize its concept of one China like both sides are in the middle of coming up with something and it's moved toward a more not necessarily unified China, but it's more toward a concept of one China.

What are the future possible scenarios? Because I personally am a huge fan of the famous Taiwan movie director Ang Lee, I kind of use four of his movies to describe future scenarios, from the best scenario to the worst scenario of course. The first one is "Pushing Hands." It's about immigration of Taiwanese, actually one from the mainland, Tai Chi masters to the United States and it causes a lot of culture shock, but in the end he uses Tai Chi to alleviate those cultural shocks. So the idea is for both sides. I personally agree that this should be the right direction but we need to take more serious consideration of those downsides and the risks. It cannot just simply be an intellectual calculation or just some policy that we don't want and just simply want to put it aside and we don't want any trouble associated with that strategy because in the end Taiwan or the Republic of China is an independent sovereign country and it needs to engage in international and diplomatic relations with the international society. So in this scenario of "Pushing Hands" hopefully the leaders from both sides can use its existing channels of communication to incrementally work out a scenario and also concrete measures to execute this notion of a diplomatic truce.

The second one is the famous movie called "Crouching Tiger, Hidden Dragon." Exactly like what I said, we need to take seriously those downsides, those risks, associated with this new strategies and it's like there are still a lot of political hurdles that we need to remove and I truly hope the current administration, the Ma administration, can take this seriously and to come up with ore concrete ideas.

The third scenario is what I call "Lust, Caution." It's like both sides, especially the Taiwan side, engage in a strong relationship with its counterpart but still it knows that it's not an easy job to do that, and prepares for the worst. So the Taiwanese are more cautious and prudent in terms of forging this relationship. So I think that's exactly what the current Ma administration has been doing. They haven't ruled out the worst-case scenario, but I hope they have already prepared for the worst-case scenario.

And of course the worst-case scenario is the movie made by Ang Lee called "Hulk." I'm sure you're all aware of that. It's where it creates a cycle of frustration like what they did back in 2001 and 2002 that turned President Chen from a more moderate leader who wanted to engage with China toward a more hawkish one who embraced Taiwan's independent sovereignty. I don't know, but there is still a possibility because even President Ma hasn't ruled out the possibility of both sides in reengaging in the world.

Policy recommendations. I would suggest to not push it too hard and President Ma and his administration should not make too many concessions before understanding your enemy's thinking. That's what I emphasized earlier, Sun Tzu's very important principle of getting to know your enemy well and getting to know yourself well, what kinds of resources you have, what kinds of hedging plan you should have, then you can win the hundred battles.

The second recommendation is do not proceed on a policy under time pressure. I think that is one of the key problems for the current Ma administration, and that is in some ways it's natural for a democratically elected president to forge concrete policies because there are always these reelection pressures coming up and not to mention that Taiwan's economy is in bad shape and President Ma's approval rating is constantly dropping. So he needs to continue to embrace his China card and hopefully the other side can react to him in positive way and boost his domestic support and to boost the momentum for his reelection bid starting next year. But just because President Ma and his administration want to achieve something does not mean that he necessarily has to lay out all his bargaining chips. As I mentioned, these possible options have been reduced as the Taiwan government tried to forge a closer and quicker rapprochement with its Chinese counterpart.

The third recommendation is I think the Taiwan needs to prepare for negotiations with Beijing on a diplomatic truce through existing CCP and KMT channels, but of course I understand that the strategy for the Ma administration right now is to focus on those Chinese visits and hopefully can sign up those four agreements in terms of increasing more direct links and also functional issues and hopefully can use that, and also

plus the Chinese agreement for Lien Chan to attend APEC. Hopefully they can use that as a base of consensus to translate it into more international leverage for Taiwan, but that's the idea. But again I would strongly advise the Ma administration to come up with a backup plan.

The minister of foreign affairs I would suggest must come up with both clear rules of engagement and a code of conduct if this notion of a diplomatic truce were to be implemented if cross-strait relations are moving toward the right track. I think the MOFA needs to come up with a more clear code of conduct. For example, how are we going to deal with allies demanding that they are going to allow the Chinese to establish their trade or economic offices there? How are they going to open space for the Chinese to approach the leaders of our allies? My understanding is that MOFA at this moment still issues an alert to our frontline diplomats, especially Taiwan's diplomats in the embassy that do not take it for granted that this notion is going to be successful. So you have to stay on alert and prevent any worst-case scenario from happening, but still if this policy is getting mature and successful, MOFA needs to come up with a more concrete code of conduct and rules of engagement.

Finally, I think also again from the worst-case scenario perspective, we need to prepare for allies' negative repercussions. It's a reality. It's been going on for decades. Some of the heads of our allies do have this kind of - I wouldn't say greedy, but they place their personal interests above bilateral ties. For example, President Lugo, on the one hand he took Taiwan's money, but on the other hand he's still tried very hard to forge this relationship with the PRC and so far the PRC has refused that, but we don't know what will happen later if something is wrong with the cross-strait relations. So I think the MOFA needs to prepare for the worst-case scenario in case if the evolution of the cross-strait relations does not go in the right direction. Then we need to prepare for the worst-case scenario. So I think I'll stop here and welcome your comments and questions. Thank you.

DR. BUSH: Thank you, Shih-chung, for a really interesting presentation. I'm sure it's provoked a lot of questions on the part of the audience. I know I have some questions but I'm going to restrain myself. If you have a question, wait for the mike and then introduce yourself so Shih-chung will know who he's talking to. I'm going to give the first question to Mike McDevitt.

QUESTION: I'm Mike McDevitt from CNA. Your use of Ang Lee's very fine portfolio of motion pictures made me -- it reminded me I guess in thinking about the entirety of your presentation that there's a high degree of fantasy, to be blunt, associated with what we're talking about here and I guess the most imaginary thing is this notion of the 23 countries that recognize Taiwan calling them allies. They're not your allies. In many cases they're not even your friends. In most cases they're cynical opportunists. And finally, none of them really matter in the world, so to refer to them as allies just misconstrues what they are.

On the other hand, Taiwan has many friends including the United States who is not an ally by your definition and there are a lot of countries that are friends of Taiwan that don't recognize it diplomatically. So this fantasy that these allies and the anxiety about whether the number -- I think President Ma has it absolutely right: it doesn't make any difference. It doesn't make any difference. And so to obsess about it I think is missing the big point.

MR. LIU: I kind of agree with you. I said earlier that if this approach is for real and even for the existing 23 allies maybe assuming some of them, 10 of them, are gone, the question is whether the current government can accept that and whether the minister of foreign affairs can accept that.

The fact that during President Ma's recent trip to Central and South America still, the foreign policy budget is confidential and is only one portion of that. MOFA has another portion of the budget to maintain the existing ties with these 23 allies and to provide them continuing foreign aid. I wouldn't say all of them are greedy or cynical opportunists, but some of them are. But that's why I said that these kinds of ideas have been floating around even right before the DPP came to power, but the political reality shows that there is some value in terms of maintaining these twentysome allies.

QUESTION: Harvey Feldman, former foreign service officer. Extending on what Mike has said, I was struck when you spoke about Australia and New Zealand being irked by the use of money diplomacy in the South Pacific and so I wanted to ask you, and this relates to what Mike was saying, is it not more important after all to have good if nondiplomatic relations with Australia than to have diplomatic relations with the Solomon Islands? The Solomon Islands is hardly a country. I can tell you, having been ambassador there.

And then we come to the broader question. The basic idea behind this we have to preserve these 23 countries is because that gives us international personality, the idea that somehow Taiwan will vanish as an international person if the Solomon Islands or Saint Vincent and the Grenadines or Granada cease to recognize them, Taiwan will disappear somehow. I think this is ridiculous.

MR. LIU: It's not like without this allies that Taiwan will disappear from the international community. I will stick to the different perception from the first KMT government and the DPP government because the second KMT government, their strategic thinking is still evolving. I hope President Ma is doing this for real. He really doesn't care about the numbers. Even 10 or even five is okay with him. But I don't really forget that because there's always this bureaucratic - I wouldn't say resistance because that's the experience that I gather from the DPP especially in the early years. In the first year the DPP came to power I was the one who finally drafted Chen Shui-bian's foreign policy blueprint back in 1999 and I strongly argued this point that we should get rid of this concern of numbers of maintaining diplomatic allies. But when we get to the government

there is lot of I wouldn't say pressure, it's more of bureaucratic resistance. So that's why I mentioned earlier in the very beginning –

QUESTION: So the MOFA simply suggested the new government should let them work on those tiny allies?

MR. LIU: That's exactly the thinking and the recommendation submitted by the bureaucrats. That's true.

QUESTION: (inaudible)

MR. LIU: Yes, but I would say that there is indeed some debate going on and some people did raise the question that you raised, but it's all up to the leaders to decide whether or not he has this determination to get rid of the numbers but it appears that even President Chen needs the numbers. And for those foreign ministers who have worked under the DPP government, they tried real hard to aid one and to prevent anyone from being bought out by the Chinese. So I think sometimes it's hard. If President Ma is serious about this, and I truly hope he is and he needs to come up with -- so that's why I say that if there is the worst-case scenario coming up and then assuming Taiwan's bid for WHA got blocked again and that negatively affects the cross-strait rapprochement and in terms of falling relations Taiwan needs to get tough and I think unless some of the allies are going to backlash a little bit and going to raise more money for Taiwan to rapprochement.

QUESTION: Just one follow-up and then I'll keep quiet. In the case of the WHA, one of the countries that supported Taiwan's bid is Japan, with which you do not have diplomatic relations. Another is the United States, with which you do not have diplomatic relations. So is it important to have relations with small countries in order to get into the WHA or is it better to have good relations with the United States and Japan?

MR. LIU: I think we're doing this both ways, the DPP government or the current KMT government, I think we're doing this both ways. We can't afford to adopt only one approach. I was in charge of foreign policy a couple of years ago, we deeply appreciated the help from the U.S. and Japan and some countries from the European Union. We agree with that and we like that, but like I said, it's more of an internal debate and the facts show that even the democratic leader of Taiwan cannot simply adopt this kind of a bold initiative. So that's what I initially said in the beginning, this topic has been going on for over a decade but now that President Ma has popped out this idea and if he is for real, then he could just simply take the pressures if 10 of 23 allies are gone. And that might create a real modus vivendi for Taiwan. I don't know. Let's see.

QUESTION: Eric McVadon from the Institute for Foreign Policy Analysis. Trying to think about Beijing's reaction and following on to Ambassador Feldman's comment about having a place to send foreign service officers, I wonder if there has been any discussion you know about in Beijing or maybe -- have already made the proposal of

under the one China policy having some provision where Taiwan would have a special place in important embassies around the world and carving out a niche for people who would somehow come from Taiwan. By the way, I'm not trying to advocate reunification here, but thinking about what Beijing's reaction might be and just what they might say. Has there been any discussion of that?

MR. LIU: I haven't heard this kind of an argument.

QUESTION: (inaudible)

MR. LIU: Yes, he has proposed it, but at this moment Taiwan maintains over 120 embassies or representative offices or consul in the world, and when the DPP was in power some of us have tried to come up with institutional reform in terms of downsizing the numbers of our overseas offices and cut the personnel. But again, there were a lot of internal pressures not just from the bureaucrats but also from the legislative yuan because whenever an overseas office is -- because my responsibility at that time was to evaluate the function and operation of certain representative office and if they are not functioning well, if they do not serve their purpose well then we might seriously consider cutting or maybe close it. But there are always these pressures from other agencies that we need to maintain that. It's very hard to reopen it if we close it right now and the Chinese are going to take over it. So I think this is an idea that we've got a lot of bureaucratic resistance to and again I wish the DPP government could have done that, but regretfully we didn't.

But in terms of the Chinese thinking, yes, I pointed out earlier that there are indeed some sort of discussions internally in Chinese think tanks. I have some dialogue with them. But again they are different kind of models, but whether or not, maybe it's an attempt to test the waters and see if Taiwan can accept some of them. But in some ways it's good to have this kind of exchanges and ideas popping out, but when it comes to political decisions, usually it's very hard and it takes some time for the minister of foreign affairs and also the leaders in Taiwan to actually come up with a feasible plan. The Ma administration has been carefully establishing a moderate relationship with Chinese counterparts and they don't want any other elements to jeopardize this approach. So for them the top priority is to make sure this current cross-strait interaction and dialogue and also some sorts of open measures can continue to go on and hopefully that can pave the way for further Chinese concessions on Taiwan's international participation. I would hope this kind of strategy can work but still, again, we need to prepare some worst-case scenarios.

QUESTION: I'm from the Center for International Trade and Security. Thanks a lot for your presentation. It was very interesting. I cannot help but notice that you refer to Mainland China as an enemy - your first slide, the previous slide, the one that was here before, policy recommendations - saying that you should understand your enemy's thinking. I just wonder whether you would agree that a large number of Taiwanese might not share this perception of China as an enemy especially those who have close friends and relatives living in China. And second, how likely do you think and what

will it take from both sides to stop thinking for example for those like yourself of China as an enemy?

MR. LIU: It depends on our definition of what portion of Chinese we're referring to. The leadership, they're still -- the people-to-people contacts have been increasing, no doubt about it, and a lot of Taiwanese people travel to China and some Chinese tourists come to Taiwan. I don't believe the culture -- I don't believe there is a culture barrier to those kinds of perceptions of whether you're an enemy or not. But I haven't seen any large-scale public poll conducted in Taiwan to say something about how do you perceive the Chinese. No authoritative public poll has ever been conducted under that kind of thinking.

The biggest obstacle for cross-strait relations in the past couple of years and also maybe in the likely near future is how the leaders proceed with each other. And I have a lot of discussions with a lot of colleagues here in D.C. that we truly don't want and I personally don't want a repeat of this cycle of frustration. I'm not trying to defend the DPP. Taiwan is a democracy and any democratic leader always has pressures of reelection. He needs to use either external elements or internal elements to boost his reelection bid unless of course he is in his second term. Chen did that back in 2000 and 2001, tried to engage in discussions with China on the future one China and also this concept of political integration starting from culture, economic, trade, and then geopolitical hopefully, but he failed. To a large extent it's because the Chinese don't want to buy it.

But now President Ma stands a better chance than his predecessors in terms of, like you say, bringing down this perception of each other to the rank and file. I think that's what he's been doing now because the deputy of ARATS visits Taiwan and wearing an academic hat but he got beat up by some of the so-called green supporters, but still Chen Yunlin decided to come. And the Ma administration has established a lot of security protection for Chen.

What I'm trying to say is that there is always a single event or single incident that might jeopardize any attempt for cross-strait rapprochement and for the current Ma administration, he has got a better chance because there are already these channels of communication, there is already the resumption of dialogue. So I think he is doing this very carefully, but still he also needs to weigh in a lot of the domestic opposition, especially the opposition from the green camp, the DPP and also TSU. There was this huge march a couple of days ago. So I think in some ways just because he's the elected leader of Taiwan, he needs to face both domestic and international pressures and yet he needs to do this incrementally and slowly without being hijacked. That's exactly what I pointed out in my second point, do not proceed with any kind of rapprochement with his Chinese counterparts under pressure or at a time of pressure because the traditional Chinese negotiation suggests that there are always Chinese who want to put a deadline or some kind of time pressure for your opponent. So I would strongly suggest President Ma to take that into serious consideration.



QUESTION: Thanks very much, Shih-chung, for your presentation. I think the answer to the last question might well have been when a thousand missiles get pulled back from the shore of pointing at Taiwan that might be a chance to change that line about enemies.

I guess the other point I would make, and maybe you could give some insight. I think Fred Bergsten just suggested there be a G-2 meeting between China and the United States to try to help deal with the financial difficulties. And you can imagine how most Americans would think of what do we have to do -- a condominium with Chinese about dealing with our problems. It seems to me the question of allies, whose allies and numbers, becomes a political problem internally and I think that you felt that from the press in Taiwan. As soon as a country flipped over to the Chinese side, you knew you were going to get beat up by the press for your confrontational policy as the factor and it seems to me that's what Ma faces in the reverse. You were too tough, Chen Shui-bian was too tough; Ma's being too soft, and if it slips, and that's why it seems to me the ball is in the court for the Chinese to respond to his initiatives and the WHA may be one possibility. But maybe you could give us a little flavor of how it played internally when a country slipped away and what the president was feeling.

MR. LIU: When the DPP was in power, this first stage of competition over the numbers of allies. Back in the 1990s, actually I don't believe most people in Taiwan understood those countries, those kinds of countries from the Pacific or those countries from Africa, because never before has a president traveled so frequently to those allies. Plus foreign policy was kind of a Pandora's Box at that time and people had no idea how the budget has been distributed and how the money had been spent at that time. But when the DPP was in power as the Taiwanese democracy unfolded further, a lot of transparency was needed so at least some people, some public, got access to what's going on in terms of Taiwan's efforts to maintain those diplomatic ties and there were some ways that the DPP has adapted. For example, to use a state visit to our allies in Africa and in the Pacific, and also we brought the local media with us. So that the domestic audience understood those efforts, especially those efforts that we provided to agricultural assistance, medical assistance, malaria prevention, disease prevention, in Africa, those good jobs that Taiwan's MOFA, ministry of foreign affairs, has done in the past decades because those parts had been overshadowed by simply how much money Taiwan has provided to certain allies.

The DPP has done that or tried to do that and I'm sure that the current Ma administration will do that because President Ma also said that not only do we need to cut those secret and confidential budgets, we need to broaden, we need to reach out to other parts of the world in terms of providing humanitarian aid. I think both parties, both camps have come to a common ground in terms of while maintaining the numbers is difficult, it's also unfeasible, so we need to come up with other alternative scenarios. But the question is usually when we have done almost 80 percent of a good job, but when it comes to one key issue, for example, Taiwan tried to use some sorts of brokers to reach out to other countries for building diplomatic ties, it will be overshadowed and most of the domestic audience will feel that diplomacy is a dirty job.

I think it's all about how the government should listen to the people and let people have some sort of access to our foreign policy difficulties and challenges that we are facing. Otherwise it will be easily politicized by a single issue but I'm sure that most people in Taiwan have become politically aware of how difficult the Taiwanese diplomatic situation is and they appreciate those efforts made by almost the entire Taiwanese diplomatic corps. So I hope that if this notion proposed by President Ma can work, it could also serve as another model in terms of educating the Taiwanese in exactly what kind of approach maybe we should trust or maybe utilize more support from our nonallies as the ambassador suggested, the United States and Japan, we should put more resources on that instead of just cutting the budget for simply maintaining diplomatic ties.

I think I haven't seen this kind of a bold initiative happen in the current administration but the DPP tried to introduce some, but still because of a lot of reasons we failed. That's a fact. We failed and we admit that. But I really hope that for Taiwan to actually have this kind of a modus vivendi, it is all about the reallocation of resources. Taiwan is a small country. We have a lot of talented diplomats. We need to do a little bit of redistribution and reallocation of our manpower and resources and hopefully we could be like a country like Singapore in terms of their diplomatic relations and we are able to strengthen more nonofficial ties with other countries around the world.

QUESTION: I'm Peggy Chang with Voice of America. I was wondering, in the first policy recommendations you have, don't push it too hard or make too much concession, I was wondering because making concession is always a very delicate dance - what is too much? For example Chen Yunlin is going to go to Taipei, and is he going to call President Ma or Mr. Ma? That's just one of the examples. Do you think that there should be preconditions set when talking about a diplomatic truce with China on President Ma's side? Is there a red line that you think President Ma should hold onto that that kind of concession cannot be made? Thank you.

MR. LIU: Thanks. That's a good question. I think Taiwan is a democracy and we have already seen a lot of opposition -- check and balance in the current administration when it comes to Chen Yunlin's visit. The opposition mobilized a huge march last weekend and so far in terms how Chen Yunlin will address President Ma, because even President Ma has not revealed that. But he emphasized that he will meet with Chen Yunlin in the capacity of the President of the Republic of China. I hope he can stick to that. It will be a very sensitive encounter between President Ma and Mr. Chen. I think again the idea for this strategy of playing the China card is I think as I said earlier, Ma has faced a lot of domestic difficulties. It's tough for him. His domestic support continues to drop. But he needs not only to distract media attention from the poor governance, but he also needs to use his opening door to China as a way to create some sort of a legacy for cross-strait rapprochement that the DPP happened to not be able to reach.

So I think he will stick to that. I have seen his statement strongly insisting on meeting with Chen Yunlin and I'm sure that with this kind of check and balance and

also opposition forces in Taiwan, I wouldn't believe that he's going to sell out Taiwan just simply in this upcoming visit of Chen Yunlin. And I don't believe that they are going to talk a little bit about a diplomatic truce at this time because the main purpose of Chen Yunlin's visit is to pave the way for more goodwill interactions in the future.

So I think for the Ma administration, his strategy is to use this very quick -- to use this sort of moderate approach to dialogue with his Chinese counterpart to use that as a base for the next WHA bid. Because Ma has pledged that his bottom line is to get observer status I'm sure because the WHA will be held in mid-May but a lot of negotiations was started in early February, maybe January. That's according to how MOFA proceeded in this kind of international participation strategy. So I believe that the Ma administration is using this goodwill created in recent meetings as the base to pave the way for more goodwill and healthy negotiation on Taiwan's strategy to get observer status in the WHA, but I don't know whether that's going to work because the Chinese are still very strongly insisting that there is no way for Taiwan to get the observer status because that's a symbol of sovereignty. So we'll be watching very carefully on what kind of scenarios that both sides are going to submit in terms of their negotiations.

DR. BUSH: Shih-chung, you've presented a very detailed and sophisticated picture of the dynamics within the Taiwan government and between it and the public, the psychology of the leader, the relationship between the leader and the key line agency, the Ministry of Foreign Affairs, the institutional interests of the Ministry of Foreign Affairs, the role of this issue in public opinion and democratic politics and so on. I wonder if one can do the same thing for the PRC side. You mentioned debate among the leadership, but that doesn't take you very far. So I wonder if you can speculate in the same vein about the broader dynamics. Thanks.

MR. LIU: As I said earlier, there is an ongoing and very intensive debate within the Chinese decision-making circles. My understanding, I'm not sure whether it's correct or not, is that during the DPP's government there are already some debates going on in terms of, of course, how to prevent the DPP from moving toward de-sinicization but there is also another moderate line emphasizing perhaps there's a need to deal with and talk to some DPP person but not in the context of official talks but for instance through personal channels. I can tell you that there were some efforts being made by the DPP government to try to engage in this kind of dialogue through some private channels, but it didn't work. But still even during the DPP government there were already some sorts of voices within the PRC's decision-making circles.

And then President Ma, the window of opportunity unfolded and as I said he stands a better chance than President Chen and even former President Lee and there is already the KMT/CCP forum as a second track as defined by President Ma and I'm sure there are even more intensive debates going on right now on the question of giving Ma a chance because the KMT looks like it's going to stay a little bit longer so maybe the Chinese should start negotiating with the KMT.

And also to come up with a framework to constrain the next DPP government or next government from working out of this framework of one China or framework of unification. So that's one line of thought, to introduce constraints on the Ma administration and hopefully even if the DPP comes back and the DPP will try even harder to work out of this cage.

Also there is another line of thought arguing that we shouldn't make any further concession to the Ma administration because they have been watching very carefully on domestic politics and they know Ma is in trouble now in some way especially in the economy in his efforts at economic rejuvenation so maybe the DPP might come back. I've heard that some people suggest the Chinese should not react too moderately or too constructively to Ma's call for either a peaceful agreement or a cross-strait diplomatic truce because there is a danger that the DPP might come back in 2012. What if the DPP comes back and overthrows those consensus and agreements by the PRC and the Ma administration? So there are different kinds of thoughts, political wrestling and wrestling with each other, and I'm not sure which line of thought can be adopted ultimately by the top.

But I think this is a very traditional Chinese way of coming out with decisions because there's always these elements of political wrestling from different agencies, like during the DPP's years, China's ministry of foreign affairs and PLA had stronger voices in terms of overall Chinese policy toward Taiwan, but now the KMT is coming back and Ma has release a lot of goodwill, the Taiwan Affairs Office might have a stronger say in terms of buying out Taiwan's allies, let's have our people in the Taiwan Affairs Office to work with the KMT government to see if they will make further concessions. So I wouldn't say there is a power struggle, but there is political wrestling within the decision-making circles.

But my view is that even though the Taiwan Affairs Office people have become more influential, at this stage still they have been very careful in terms of watching every word and deed that Ma Ying-jeou said because President Ma still says something that's not very good from the perception of the Chinese audience, the Chinese leadership. So I would say it will take some time for the Chinese to come up with a final decision. Maybe they will not. Maybe they will continue to sabotage Taiwan's bid -- Ma Ying-jeou government's bid for the WHA and to see if Ma is going to make even more concessions.

So going back to the question the lady asked – in my previous presentation, there were a lot of options when it comes to cross-strait political negotiations, but President Ma has ruled out most of them so he kind of grounded himself and I think that's a pity, and also there is a risk associated with that kind of bargaining strategy.

QUESTION: Yesterday a spokeswoman of the Ministry of Defense of your country said to the Associated Press that there might be some military contact with China. What's your thought about that? Would that be a step too far do you think?

MR. LIU: A lady from the Taiwan government?

QUESTION: Yes. Her name was Lisa Chi. She's a spokeswoman for your Ministry of Defense.

MR. LIU: Some military contacts?

QUESTION: Yes.

MR. LIU: I haven't followed that news, I have no idea what kind of contacts she is referring to. She did not specify?

QUESTION: Not very specific.

MR. LIU: I'm sorry.

QUESTION: I was just thinking whether you would say that would be a step too far to have some military cooperation.

MR. LIU: President Ma has said that a precondition for both sides to sign a peace agreement, is that China must remove those over one-thousand missiles targeted on Taiwan, but I think that's the later part of these overall negotiations. First they need to make sure that a dialogue is going on and some functional issues have been dealt with, and hopefully the further opening of direct lines can bring some economic benefits to Taiwan to sort of stimulate Taiwan's fragile economy.

Then the secondary stage will move to the part of whether there is some sort of formula that can be mutually acceptable in terms of Taiwan's bid for the next WHA. Then if everything goes well, then they may enter into the third stage because Ma said that we hoped that during his term he can sign a peace agreement with his Chinese counterpart. So maybe the military talks will be on the third stage, fourth stage, as long as everything goes well on the first and second stages.

QUESTION: May I say something about the WHA?

MR. LIU: Yes, please, Ambassador Feldman.

QUESTION: This just education. The World Health Assembly is what I suppose you could call an assembly of the whole, that is, all members of the United Nations are members of the World Health Assembly. So at any meeting in Geneva it's as many members of the U.N. as turn up. I was there a couple of years ago trying to help Kao Ying-mao on this and we had something like 170 members turn up at the WHA. It operates on a majority vote. So to get into the WHA, Taiwan has to get a majority of those who vote. Abstentions don't count as a vote. The year I was there with Ying-mao I think

we got 28 votes, maybe 30 votes, something like that. That was considered pretty good. You can keep going down that road but it doesn't get you very far because you have to get 85 votes in order to get in. So how do you get 85 votes? There is no way, it seems to me, that 85 countries can be persuaded to vote for Taiwan if they think the PRC is going to object. So you have to get the PRC to say we don't care, vote however you will. Until that happens, you can go down that road as many times as you want and nothing will happen.

MR. LIU: Then it will leave President Ma to legitimize that kind of consequence if it will happen. And also he has to weigh in the backlash from Taiwan's domestic popular opinion.

QUESTION: There are other organizations. It doesn't take that many votes, but that's a different story.

DR. BUSH: We're coming up on the twentieth anniversary of the paper that you did for the Ministry of Foreign Affairs to tell them how to really do it. But Brookings is a very busy place and some other part of the institution wants this room very badly for some activity that they're having at lunchtime, so we have to get out of here.

But before we go, I want you to thank Shih-chung very much for a very stimulating presentation. And thank you for your excellent questions. Have a great day.

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