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**STRENGTHENING U.S.-TAIWAN RELATIONS:
A NEW PARTNERSHIP FOR A NEW AGE**

AN ADDRESS BY SU TSENG-CHANG
CHAIRMAN, DEMOCRATIC PROGRESSIVE PARTY,
TAIWAN

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ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

PARTICIPANTS:

Introduction:

CHRISTOPHER JOHNSON

Senior Advisor and Freeman Chair in China Studies
Center for Strategic and International Studies

Moderator:

RICHARD BUSH

Senior Fellow and Director, Center for Northeast Asian Policy Studies
The Brookings Institution

Featured Speaker:

SU TSENG-CHANG

Chairman, Democratic Progressive Party (DPP), Taiwan

PROCEEDINGS

RICHARD BUSH: Ladies and gentlemen, it's a pleasure to welcome you here today. I'm Richard Bush, the director of Brookings Center for Northeast Asian Policy Studies. And on behalf of Brookings and the Freeman Chair in Chinese Studies at CSIS, it's my great pleasure, as I said, to welcome you to today's event, a talk by the chairman of Taiwan's Democratic Progressive Party, Mr. Su Tseng-Chang.

I've known and respected Chairman Su for a long, long time, so it's my particular personal privilege to welcome him to Washington on this occasion. I know we're all looking forward to his remarks on the topic "Strengthening U.S.-Taiwan Relations: A New Partnership for a New Age."

It's also great to welcome Joseph Wu and Liu Shih-chung back to Brookings and I'd like to express my appreciation to Mike Fonte for all his assistance.

At this point, I would like to invite my good friend, Chris Johnson, who is the Freeman Chair at CSIS, to come to the podium and introduce Chairman Su. Chris?

(Applause)

CHRISTOPHER JOHNSON: Hi. Good morning, everyone. It's great to see everyone here and thanks for coming. Let me just echo a few of Richard's comments and then give some brief introductory remarks.

When Richard contacted me to co-host this event, I was very excited to do so. We're very pleased to have Chairman Su here and we're very much looking forward to hearing what he has to say.

As Richard said, I'm Chris Johnson, and I'm the Freeman Chair in China Studies over at CSIS and we're very pleased, as I said, to be co-hosting the event today with Richard and the Center for Northeast Asia Policy Studies here at Brookings. And we're deeply grateful to Chairman Su for joining us to share kind of his insider perspective on the changes taking place within the DPP and his party's approach to U.S.-Taiwan relations.

And let me just start with a few words by way of introducing Chairman Su and his impressive career in Taiwanese politics.

Su's been on the frontlines of Taiwan's democratic development for almost three decades. A lawyer by trade, he spent ten years as a practicing

attorney before joining the democratization movement as a defense counsel during the Formosa Incident trials in the early 1980s.

He was one of 18 founding members of the DPP in 1986 and later served as a magistrate in Pingtung County and Taipei County.

From 2004 to 2005, he was Secretary General in the Office of President Chen Shui-bian and in 2006 was appointed Premier of the ROC. He was elected to the chairmanship of the DPP by a convincing margin after Madame Tsai Ing-wen left the post in 2012. And, in fact, this trip to Washington coincides with the one-year anniversary of his assuming that position.

And under Su's watch, the DPP has made significant efforts, both to clarify its own domestic policy and to extend its reach abroad. This past year, the DPP has been particularly active in crafting a new approach to relations across the Taiwan Strait and also across the Pacific here with the U.S.

And earlier this month, the DPP's China Affairs Committee held its inaugural meeting in Taipei and a DPP liaison office in DC will be opening its doors tomorrow, just a few blocks from here, so that's great.

Both of these initiatives are quite timely, of course, and illustrate a new direction for the DPP strategy that may have wide-reaching implications, not just for the party as it prepares for the local elections in 2014, but also the next presidential election in 2016, but also for the tenor of cross-strait interaction and hopefully for U.S.-Taiwan relations more broadly.

So, without further ado, please join me in welcoming Chairman Su to the podium. Thank you very much.

(Applause)

SU TSENG-CHANG: Thank you very much, Chris, for your kind introduction, and thank you very much, Richard, for inviting me to speak here.

Ladies and gentlemen, good morning! I'd like to thank both Brookings and the CSIS for hosting this event, and I am very grateful to have this chance to engage in a conversation with you.

As my flight was approaching Reagan National Airport two days ago, I saw the Washington monument covered for repair work. What came to my mind then was back in 1983, thanks to the late Ambassador Jim Lilley, the U.S. invited me to visit Washington. That was my first visit and I was moved by the history behind the monument and the memorials.

With more than 200 years history, U.S. democracy has survived the wars and other challenges. But just as the Washington Monument will stand tall and firm again, U.S. democracy grew stronger after each and every major event. Actually, this is how I look at Taiwan democracy too.

I come from Pingtung, the southern tip of Taiwan. I went to law school and passed the national bar exam to become a lawyer. I could have had a good life.

(Laughter)

However, in 1979, when the Kaohsiung Incident took place and the democracy advocates were imprisoned by the KMT regime, I decided to take another route, by serving as the defense lawyer for those political prisoners.

In 1986, with martial law still in effect, I and the 17 other members founded the first opposition party in Taiwan, the Democratic Progress Party, to push for Taiwan's democratization as the only path to end the political prosecution.

Over the last 26 years, the DPP fought hard against the KMT's one-party rule. We successfully pushed for general elections for the parliament and the president, and eventually we became the ruling party in 2000.

New in the process, I went local first and was elected mayor of Pingtung County. I next went north and was elected mayor of Taipei County, now called Xīnběi city.

I then went national to serve as premier. In the meantime I also went from being a founding member of the DPP to twice becoming the chairman. While our American friends are used to the democratic way of life, even take democracy for granted, many in Taiwan, including myself, risk our lives and a good life, to slowly open the door for democracy.

Thanks to the help of our American friends, democracy became a reality.

I consider myself fortunate and feel very proud, not only to witness, but also to play a role in that historical process. I value what we have in Taiwan now, and I will do whatever it takes to defend our democracy.

Today, I would like to explain to you how the DPP looks at some important issues including how to deepen Taiwan's democracy, how to proceed with managing cross-strait relations, and how to strengthen our relations with the U.S.

Here, I would like to refer to three 'Rs' as my core concepts -- responsibility, reconciliation, and rebalance.

Since I became the DPP chairman a year ago, I have tried hard to make the DPP more than just an opposition party, but rather a responsible force that proposes alternative policies and strives to outperform the governing party.

Last year, when Taiwan's economy was at a low point, the DPP proposed a policy package to stimulate Taiwan's economy. At the beginning of this year, the DPP was on the frontline again, leading the discussion of the reform of our near bankrupt pension systems. We also stood side-by-side with professors and students in the difficult campaign to prevent media monopoly and to preserve Taiwan's media freedom. And I'm happy to tell you that we have made it.

The DPP is now leading a national campaign to halt the construction of the Fourth Nuclear Power Plant. We have more policy proposals in the pipeline covering all aspects of public policy.

My objective in all of this is to lead the DPP to victory in the local elections at the end of next year and to pave the way for a DPP comeback in 2016. I'm sure the people of Taiwan and the international community will welcome a more capable and more responsible DPP.

I was on Capitol Hill yesterday meeting my friend Ed Royce, Chairman of House Foreign Affairs Committee. We recounted the unique experience of riding Taiwan's high-speed railway train with five other visiting Congressmen. Chairman Royce told me he would never forget the experience of a dialogue taking place at 185 miles per hour.

The construction of the high-speed railway system was started by the DPP administration and completed when I was serving as premier. We showed our ability to govern at the national level and our local leaders always achieve the highest marks throughout the country.

When the people of Taiwan compare us to alternatives, I'm sure they will see us as the best choice.

Friends here are anxious to learn how the DPP plans to manage Taiwan's relations with China. Past history has left its imprint and the DPP has worked hard to regain the confidence of our international friends.

As the DPP chairman, I cannot shy away from this responsibility. In this regard, I adhere to the principle of reconciliation to lead up to the normalization of cross-strait relations.

Not long ago, Richard sent me a copy of his recent book, *Uncharted Strait*. There is one argument in the book with which I cannot agree more, the U.S. should not abandon Taiwan, but needs to strike a balance in dealing with Taiwan and China. In addition, we in Taiwan also see, as Richard wrote in his book, that after five years, the momentum of cross-strait cooperation will begin to decelerate and most likely stall.

This will require both Taiwan and the U.S. to be more realistic in looking at cross-strait relations. What we have learned from the political transitions taking place last year in the Asia Pacific region is that Taiwan and the DPP need to take into consideration regional strategic dynamics. Taiwan should not confine its political focus to elections and domestic politics.

I have always been pragmatic and adhered to principles. My track record as premier speaks for itself. In 2006 to 2007, expanded charter flight and tourism were both negotiated in Macau. What was agreed upon in 2008 was actually based on those negotiations under the DPP government.

Last year, when I went for the chairmanship, I made a pledge to establish a China Affairs Committee. After five months of consultation and preparation, the first committee meeting took place on May 9th and Taiwan's China agenda was proposed.

We will design Taiwan's China policy with strategic steps. We will also build it comprehensively by dealing with political, security, social, and economic aspects.

In the past, our discussion and policies dealing with China have been often influenced by the pressure of highly competitive elections. The result was that many in and out of Taiwan do not really understand us.

Even though our policy principles are sound and in line with Taiwan's majority, there seems to be a gap in perception. I know this is what we need to overcome if the DPP is to make a comeback.

Here, I would like to highlight the DPP's core value on China policy. Taiwan is a sovereign country with its national title, the Republic of China. This is the status quo of the Taiwan Strait; any change to it must be approved by the people of Taiwan through the most democratic means such as referendum. This is what we call the principle of democratic procedure. This principle is engraved in our 1999 resolution regarding Taiwan's future. It is also what I called the Taiwan Consensus three years ago.

On the other hand, Taiwan should engage a rising China with self-

confidence. Taiwan should not only pursue interaction and dialogue with the Chinese government, but also the Chinese people. In fact, many DPP members have engaged in various forms of interaction with China for some time.

It also seems to me that China now is more interested in understanding Taiwan by interacting with the DPP. More interaction means more mutual understanding and less distrust. This is important so that Beijing does not misjudge and mismanage its relations with Taiwan, particularly when the DPP comes back to power.

This is the first step in our strategic design on China policy. Once our party reaches conclusion of our basic positions, strategies, and policies in the committee, we would like to go one step further by formulating Taiwan's domestic consensus. This will become the basis for normalizing relations with Beijing.

There is no such thing as a magic formula that can resolve all cross-strait differences. Now the differences between Taiwan and China are too wide in the areas of political development and military balance. Improvement of relations should come from a step-by-step hard effort that cannot be captured in a four-character formula. The process requires us to deliberate at the intra-party, domestic and cross-strait levels.

Taiwanese, and certainly the DPP, have always considered Taiwan's relations with the U.S. as the country's most important relationship. No matter what has happened in the past, my party needs to look and move forward. It is based on this belief that I decided to reestablish our mission in D.C. to strengthen relations with the U.S.

The U.S. is Taiwan's most important democratic partner and also our security and economic partner. I was on the Capitol Hill yesterday meeting with Senators and House leaders. I expressed the heartfelt appreciation by the DPP and all people in Taiwan, indeed, for the Taiwan Relations Act.

Democracy and security do not fall from heaven. They come with a cost. In the past few years, the cross-strait military imbalance has become more serious, but Taiwan's investment in defense is growing smaller. It is time for us to demonstrate that we are serious about our own defense. I would like to urge you to look at my track record again.

When I was serving as Taiwan's premier, despite all difficulties, the defense budget reached 2.7 percent of GDP in 2007 and 3 percent in 2008.

In this trip to the U.S., I brought with me the newest blue books on defense to show our American friends that even though we are in opposition now,

the DPP is serious, and I am serious, about Taiwan's defense. I guarantee you; the future DPP government will be fully committed to Taiwan's self-defense. For sure, we ask not what the U.S. can do for Taiwan, but ask what Taiwan can do to earn the U.S. support.

On trade policy, the DPP supports an open economy and free trade. The DPP worries about Taiwan's over-concentration on China and it supports government efforts to negotiate free trade deals with other countries.

The DPP also supports President Obama's pivot, for it is an important pillar to peace and prosperity in the Asia Pacific region.

For Taiwan's own strategic and economic interest, Taiwan should integrate itself in this rebalancing effort, pursuing a free trade agreement with the U.S., and actively seeking to join the Trans-Pacific Partnership. The FTAs and the DPP are paths for Taiwan to survive and prosper economically.

The DPP will continue to monitor the government to ensure that it engages in structural reform, bringing technology into industries and helps business network internationally. Most importantly, we will urge the government to appropriate the budget to help our industries in their needed transformation.

With that, I would like to call upon our American friends to rebalance relations with Taiwan while engaging China, and to help Taiwan in the areas of security enhancement and trade relations.

Ladies and gentlemen, the DPP was twice elected as the ruling party by the Taiwanese people. The DPP will work harder than ever to win the support from the public and the trust from the international community. Responsibility, reconciliation, and rebalance are my guiding principles.

The DPP has been and will be a responsible party offering clear policies for the people of Taiwan. The DPP is committed to domestic reconciliation and cross-strait normalization. The DPP is committed to being an integral partner in this effort, a responsible player offering Taiwan's rich talents to the goal of democratic, prosperous Asia.

Thank you very much.

(Applause)

DR. BUSH: Thank you. So, thank you very much, Chairman Su, for that very clear and substantive and comprehensive presentation. We appreciate your remarks very much. We now have the question period.

Let me say that copies of Chairman Su's speech in both English and Chinese will be available outside at the end of this event. Feel free to pick one up.

We're now going to move to the question and answer period of our program and I will call on people to ask questions. Chairman Su did a really good job giving his speech in English, but understandably he prefers to do his answers in Chinese and we'll depend on our good friend Shih-chung to translate into English.

For the first question, I would like to call on Alan Romberg.

QUESTION: Thank you very much. It's very good to see you, sir, and thank you for a very good talk. I think it was quite helpful to us to understand where you're trying to take the party.

My question has to do with cross-strait policy. As I understand it, in the last election, the DPP's position was essentially that the base is the 1999 resolution, and we're not going to talk about Taiwan independence, we're going to talk about normalization, practical relations across the strait.

It sounds to me very much as though you are endorsing, perhaps strengthening, that view. My question is, last time the PRC was not welcoming of that and felt it was not adequate for good relations had the DPP been elected. Do you think they will take a different attitude this time? If so, why? And if so, what do you think that attitude would be?

LIU SHIH-CHUNG: (*Speaking Chinese.*)

CHAIRMAN SU: It's been a long time since I met you, Mr. Romberg, and thank you for your question and your comments.

As I mentioned in my earlier speech, the DPP upholds the core values that is engraved in our 1999 resolution regarding Taiwan. We will not give up our sovereignty and that is also the majority view in Taiwan society that Taiwan is independent and sovereign country.

Having said that, we also uphold an open attitude toward cross-strait interactions. We have seen a lot of goodwill interactions and however if Chinese insist Taiwan to give up its sovereignty, that is totally unacceptable.

However, as I also mentioned in my previous statements, when I was serving as the premier, the Taiwan government, the DPP government successfully reached the special charter flights agreements with our Chinese counterparts. So, I do hope the Chinese leadership can recognize this fact and do

not force Taiwan to accept any kind of condition. That is totally unacceptable by the Taiwanese people because it will violate the rationality as well as the fact that Taiwan is a democratic and sovereign country.

And also, such behavior will change the status quo of the Taiwan Strait right now. Taiwan will not provoke the PRC. So PRC should not make any kind of an unnecessary demand toward Taiwan. We understand that China is getting stronger and stronger and Taiwan is getting more friendly, and people interaction across the Taiwan Straits have increased tremendously. We should cherish that.

A lot of people are doing business across the Taiwan Straits. We supported that. However, the sovereignty of Taiwan cannot be negotiated.

We look forward a goodwill China, a friendly China toward Taiwan. China is rising. It should shoulder more regional and international responsibilities and because it is conducive to the maintaining of regional peace and stability.

Taiwan will continue this kind of a friendly approach toward the PRC, but we also urge the PRC to not push Taiwan into a corner because that obviously violates the Taiwanese people's public opinions. We believe -- I believe that China can also think about this kind of a goodwill approach toward Taiwan so that cross-strait relations can move toward a better direction.

DR. BUSH: Thank you. Shirley Kan.

QUESTION: Hi. Chairman Su, it's good to see you and I also saw you in Congress yesterday, and I just wanted to ask you a question about the defense blue book that you put out. There has been increasing concern in the United States about whether Taiwan has been paying enough attention to its own self-defense. The DPP's defense blue book, therefore, is very timely and critical.

DR. BUSH: Shirley, could you put the mic close to your mouth?
Thanks.

QUESTION: The DPP's blue book is very timely and critical because there has been increasing concern about whether Taiwan has been paying enough attention to its own self-defense. So, the DPP's blue book on defense called for more attention to national defense to face China's threat against Taiwan, including calling for increasing defense spending to the goal of 3 percent of GDP, which is, of course, President Ma's own goal, which has not been achieved, and cooperating with all other democracies, which would include U.S. allies like Japan and the Philippines, and stressing the U.S.-Taiwan defense partnership, which would include, according to the DPP's paper, accelerating

arms acquisitions.

So, my question is, is it the DPP's policy that Taiwan's defense is directed against only China and that U.S. sold weapons systems, such as fighters or destroyers and frigates should be used for only deterrence and self-defense only against China? Thank you.

CHAIRMAN SU: Well, thank you so much, Ms. Kan. Taiwan definitely needs to reinforce its self-defense capability. Every country does so. The idea is to safeguard Taiwan's sovereignty and people's security and the rights for Taiwanese people to pursue for their happiness. So, those are the core values that we have to safeguard.

Maintaining defense budget is hard for any government. President Ma pledged before that his government will maintain 3 percent of an annual defense budget of the GDP. Right now it only reaches the goal of 2.1 percent.

I understand why, because there are a lot of challenges, but a number of DPP -- when DPP was in power, we were able to at least live up to that goal.

Taiwan needs to spend some budget on its self-defense. The goal, we are not aiming at China for doing so. However, if Chinese continues its military threat against Taiwan, Taiwan definitely needs to maintain a minimum of fundamental self-defense capability. Even if Taiwan cannot afford to win a war from China, at least we have to demonstrate the determination that if the Chinese wanted to take any kind of military actions on Taiwan, it would have to pay a huge price.

So, determination is the key to the maintaining of a minimum defense budget.

So, it's not like DPP advocate the increasing of a defense budget all because of China, but the idea is to make sure that Taiwan gets to survive by itself and also to make sure that peace and security stays in this region.

I would like to thank the U.S. government, based on the second clause -- second article of Taiwan relations act. For the past 30 years, the U.S. government has been providing Taiwan's necessary and defensive oriented weapons. We thank the U.S. government for doing so because it illustrated that both Taiwan and the United States share the common values of freedom and democracy.

I hope that based on the Taiwan Relations Act, the U.S. government will continue this kind of necessary military assistance to Taiwan.

This February, I had a chance to visit Tokyo. I engaged numerous conversations with both leaders from the ruling and opposition party as well as experts and think tank specialists.

The Japanese government has expressed huge worry about regional peace and stability. In the past, comparing with other areas in the world, at least Asia Pacific remain relatively stable. That is because countries like the United States, Taiwan, South Korea, and Japan were able to reinforce this kind of a democratic alliance and democratic partnership.

So, I hope that this kind of regional stability through collective work can continue. I also expect China, as a rising power with huge increasing influence, can also share political responsibility for the maintaining of peace and security in the region. So, there is no need for China to continue to deploy missile and targeting of Taiwan.

For Chinese to win the hearts and minds of Taiwanese people, it takes more good will and sincerity rather than missile. If there is no direct military threat or missile threat from China, then Taiwan can diversify its budget to other areas and help people get a better life. So, I expect that one day Taiwan can enjoy more freedom and enjoy -- and live happily in freedom without being threatened by any kind of a foreign military threat.

I fully believe that Taiwan's people are peace loving and I also heard a lot of Chinese tourists, including the magazine editors, expressing their views about Taiwan. Some of them said that the most beautiful scene in Taiwan is not Ah Li Shan or Sun Moon Lake, but instead the goodwill expressed -- goodwill and friendship expressed by Taiwan's people, and the kindness of Taiwanese.

So, the DPP will further demonstrate, as we did in our defense blue paper, determination and actions for their self-defense capability. Freedom is not free. We understand that perfectly. So, hopefully the Chinese will also understand that.

DR. BUSH: John Zang?

QUESTION: Thank you, Richard. Welcome, Mr. Chairman. John Zang with CTI TV. When your predecessor Dr. Tsai was here for a visit prior to the last elections, she was seen correctly or wrongly by some of her administration interlocutors as circumventing or evading rather than responding directly to some of the U.S. concerns about her ability to deal with the Chinese Mainland, and to continue to maintain the peace and stability across the Taiwan Strait.

Have you, on your current visit, been confronted with the same challenge? What have you done? What have you said to the Administration about your ability so that you can alleviate in a more effective way their concerns? Thank you very much, sir.

LIU SHIH-CHUNG: (*Speaking Chinese.*) In fact, Chairman Su's English is better than everybody's.

MR. SU: Well, last time, during the last presidential election our DPP's candidate, Madam Tsai Ing-Wen, when visiting Washington, DC, it's regretful to see what happened to her as Mr. Jiang mentioned earlier.

But my understanding is that she is a very good candidate. She has a very good experience in handling cross-strait affairs before, and -- (I can't even recognize my handwriting) -- so I would personally hope that things like that won't happen again next time.

The DPP's greatest hope is to -- the way that DPP handle cross-relations has been consistent because it meets the greatest expectation of Taiwanese people. Even President Ma, during the last presidential elections, moved toward DPP's position when it comes to an issue like Taiwan's status quo. He also pledged, during the election, that Taiwan's future should be decided by 23 million of Taiwanese people.

However, we regretfully saw that after the election, when he sent some of his KMT representatives to Beijing, they came up with this new notion of one Republic of China with two areas. If he says something like that during the election, probably he won't win the reelection.

As I said, DPP's attitude toward China has been consistent. During this trip when I have conversations with our friends from the Administration, we had a very candid dialogue. I feel that some sincerities and goodwill from our friends here because in the past, especially in the past one year under my chairmanship, I have made tremendous efforts to try to convince our American friends and also the international community, that DPP is capable and would be willing to handle cross-strait relations.

I have established -- I have resumed, first, DPP's China Affairs Department, and then I convened and establish the China Affairs Committee. In the future we will also introduce and invite opinion leaders from Taiwan society to join this discussion and this kind of a consensus building process. We will deal with not only the Chinese authorities, but also the society -- Chinese society. So, those were very comprehensive approaches.

In fact, in the past few months, the DPP has been engaging with

the Chinese. A lot of Chinese scholars, including Chinese officials, have visited DPP headquarters and think-tanks. We had a very in depth discussion. In sum up the conference held in Taipei, DPP officials also exchanged views with the Chinese officials.

I believe that more interaction, more dialogue, less misunderstanding.

And both sides should take a more positive approach toward this end. Confrontation does no good to deepening of cross-strait understanding and it will violate the people's -- violate the benefits of people from across the Taiwan Strait.

As I admit in my speech, in the past, there's a gap of perception on the way that DPP handles cross relations, but as I say, I've made several efforts in the past one year, and I firmly believe that DPP stands firmer when it comes to maintaining the mainstream views in Taiwan. So, there is a need for DPP to further engage the international society to let our foreign friends understand DPP's change and adjustment, so in the future they will have more confidence in the DPP.

DR. BUSH: Okay. All right, David Brown?

QUESTION: Thank you, Chairman Su. I'm David Brown from SAIS. I thank you for your remarks and I am particularly pleased to say that I am quite impressed with your English and commend you for taking the risk of speaking in English here at Brookings.

In your remarks you said some things about the general principles that DPP will pursue in developing a new approach for cross-strait relations, principles of reconciliation and pragmatism. These give me some hope that the process that you've put underway within the DPP will lead to some new innovative approaches, which will contribute to narrowing the gap that exists. And I'm happy to wait for that process to play out.

What I'd like to ask you is about the Chen Shui-bian era. You said policy of the DPP is always consistent. Well, I think in the Chen period, when there were some positive things done in cross-strait relations, but there were also certain initiatives he took that raised tensions. Some of these were proposals he made domestically within Taiwan, and others were steps that he took externally with the international community.

My question to you is, what lessons do you personally draw from the way cross-strait relations were handled in the Chen Shui-bian administration? And are there certain things that he did that you can reassure us will not be

repeated by future DPP administration? Thank you.

LIU SHIH-CHUNG: (*Speaking Chinese.*)

CHAIRMAN SU: Well, thank you, Mr. Brown, for your kind encouragement. I admit that in the past some policies made by the former DPP government do need some kind of reexamination. In fact, we have done some soul searching in the past. It's time to move on.

I mentioned in my speech earlier that when it comes to DPP's policy toward cross-strait relations, we shall not focus entirely on domestic politics or be driven by electoral politics. I've said that consistently in the internal meetings at the DPP as well as public speech, and I say that here too.

DPP cannot isolate itself. DPP needs to reach out to the international society to reassure our good friends we should not make any kind of a surprise move. We should also take into account the changes in the regional dynamics as well as the bigger environment, bigger strategic environments.

I think DPP needs to surpass what happened in the past and make sure -- and reassure our friends that the future DPP will be more responsible. However, having said that, I think DPP still needs to maintain its core values and its core interests. We don't need to repeat that again and again, but we need to show that with strong action.

And also, by doing so, we were reassured to the neighboring countries and also good friends that DPP will be responsible because that is the constructive elements toward regional peace, and also Taiwan's stability.

I mentioned, again, in my speech, that I'm a man of principle and I'm also a very pragmatic person. For the past 30 years of my political career, I've never given up such a principle. And so my words and deeds will not cause any kind of worries for my friends, so there's no need to create a surprise, especially to our foreign friends.

It takes both sides of Taiwan Strait through dialogues and interactions, to find a win-win solution. So, on the one hand, DPP will not give up its basic principle, but on the other hand, we will show the world its goodwill toward better cross-strait relations.

DR. BUSH: Nadia Tsao. Right here.

QUESTION: Hi. Welcome, Chairman Su. My name is Nadia Tsao with *The Liberty Times*. My question for you is that while you are here making a speech, you know, President Ma's special envoys, Mr. Wu Po-Hsiung is

also in China having dialogue with President Xi Jinping. It seems like the Chinese try to lock in whatever they have achieved right now within the one China framework. I wonder though, does anything seem worrisome for DPP the current trend? And if DPP becomes, you know, in power, how would you deal with the pressure from China for political dialogue? China seems to try to make this trend irreversible.

So, DPP has any strategy or policy? Thank you.

LIU SHIH-CHUNG: (*Speaking Chinese.*)

CHAIRMAN SU: Thank you so much. The DPP adheres to the principle of democratic decisions when it comes to the future of cross-strait relations because it's based entirely on Taiwan's democratic system and democratic procedure, and let the people decide their future.

And to understand and also to push forward cross-strait interactions, I think there are several elements needed to be -- for the safeguard that is freedom, and also parity. And it should be on a government-to-government basis.

Party to party negotiation represents only their own party interest. So, when it comes to the meeting between Mr. Wu Po-Hsiung and Mr. Xi Jinping it was based entirely on party's interest without going through legislative checks and balances. It's not a normal dialogue and it's not helpful for official cross-strait relations.

The Chinese have never given up its goal to lock in Taiwan into the so-called One China framework. DPP, as I said firmly earlier, will not -- will try everything -- will take whatever it takes to prevent Taiwan being locked up into this One China framework, and Taiwan is not a part of the People's Republic of China.

Even President Ma has expressed clearly that during his -- remainder of his presidency, he will not engage in negotiations with his Chinese counterpart on any kind of political agreements. The more China pressures Taiwan, it's like a seagull on the beach, the more you try to catch it, it will fly away. And Taiwanese people cherish the democratic achievement that it has made in the past decades.

For China to really win the hearts and minds of Taiwanese people is to move toward the democratic opening and embrace democracy. And it will be unhelpful for Chinese to resort to military threat like missile attacks or political pressure to force Taiwan to give in. It will not be attractive to the Taiwanese people.

So, DPP will adhere to these core principles while at the same time try very hard to engage in China.

DR. BUSH: For the last question I'd like to call on Douglas Paul, former director of the Taipei Office of the American Institute in Taiwan.

QUESTION: Chairman Su, it's great to see you again and to see you as lively as ever. I want to congratulate you on attempting to address in your remarks today, comprehensively, the issues between the United States and China. But I'd like to push you a little bit on the economic side.

You talked about hoping to implement free trade agreements and to give some support to Taiwan industries, but I'm wondering if you can talk a little more about where you see the source of growth for Taiwan's people in the economy, how to tap the entrepreneurship on the island to beat the record of everybody else who's struggling to maintain growth today. Thank you.

LIU SHIH-CHUNG: (Speaking Chinese.)

CHAIRMAN SU: Thank you, Mr. Paul. It's been a while since we last met. When you talk about the industrial and economic questions due to the limitation of my speech, I only touched upon a little bit, but I thank you for giving me this opportunity to further elaborate.

I think for DPP to become more responsible and accountable to the Taiwan societies, we should come up with the best and better alternative policy proposals. We do not want to see KMT continue to make mistakes because we wanted to outperform them. So, if DPP comes back again, I don't want to see that simply because KMT fails to introduce good governance or govern efficiency.

In fact, for Taiwan's own good, the DPP hopes that President Ma and his administration can do a lot better for Taiwan in terms of approaching Taiwan's economic growth. As an opposition, as I say earlier in my speech, we want to become more than just an opposition. So, for example, on the economic issues, a couple months ago, the DPP has introduced its own so-called compassionate economic package, and during that package, we also proposed 13 economic reforms. We submit that to the Ma administration. Regretfully they refused to take our advice.

So, in the future, if DPP comes back to the ruling power -- well, in fact, in the past, when DPP was in power, we have done better in terms of GDP growth and also maintained the unemployment rate to a certain low degree. So, as I say, Taiwan needs to open up its market to the world and in doing so, Taiwan needs to engage in serious structural reform.

And also, we should promote more efficiency in government procurement process in order to attract more foreign investments.

Before I depart the U.S., the American Chamber of Commerce in Taipei just released their annual white paper. It mentioned specifically the lack of government efficiencies. It also reminded President Ma and his government that if President Ma cannot introduce a serious reform within one year, he will be literally a lame duck in the remainder of his presidencies.

The DPP concurs with what AmCham's white paper has suggested because that is something that DPP has also proposed previously.

So, DPP has done relatively well when we were in power. In the future, when DPP comes back, we will -- based on those track records, we will try everything possible to bring Taiwan's economy back on the right track. Right now, since President Ma still has three years left, as opposition we will, on the one hand, push forward the government for further reform, but on the other hand, we will put our best hope on President Ma and his administration.

DR. BUSH: We've come to the end of our time and I think we've had a very good session. Thank you very much. I have three requests for the audience. First of all, join me in thanking Liu Shih-chung for bearing the burden of interpreting.

(Applause)

Second, please remain in your seats for a few minutes so Chairman Su can get out the door in the next half an hour to his next appointment.

Finally, please join me in sincerely thanking Chairman Su Tseng-chang for an outstanding presentation. Thank you.

(Applause)

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