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A CONVERSATION ABOUT  
CHINA'S SHARP POWER AND TAIWAN

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P R O C E E D I N G S

MR. BUSH: Since there are so many of you here on time, why don't we go ahead and get started. I apologize for the cramped quarters, but we couldn't get the big, comfortable room today.

My name is Richard Bush. I'm a Senior Fellow here in the Center for East Asia Policy Studies, and I'm the holder of the Chen-Fu and Cecilia Yen Koo Chair in Taiwan Studies.

And I'm really pleased that we are having this program today, I think it's going to be a good one, mainly because of our speaker, J. Michael Cole, who has come all the way to Taiwan for this program, and another one tomorrow. But it's great to have you here, Michael.

MR. COLE: Thank you.

MR. BUSH: Michael is the Editor-in-Chief of Taiwan Sentinel, which is a Taiwan-based online journal, which I think has become a must-read source for information about what's going on in Taiwan now. Michael contributes articles, but he has other people, and it's really well done, and it has a lot of pictures, too.

Michael is also a Nonresident Senior Fellow in the China Policy Institute, and Taiwan Studies Programme at the University of Nottingham in the U.K., and an Associate Researcher at the French Centre for Research on Contemporary China.

To frame our discussion today on China's sharp power towards Taiwan, I would note at the outset that people who follow Taiwan, including this audience, understand that for Taiwan, how to cope with the challenge of China is the key issue facing government leaders, politicians, and the public at large, and it has been for decades.

Beijing has goals concerning Taiwan that are very clear. It seems to be getting a little impatient about achieving those goals; its power is growing across the board, economically, militarily, diplomatically and other ways. And for better or for worse, China will always be 90 miles away from Taiwan.

We also understand that China has tried to influence Taiwan's political system for some time. It has preferences about who holds power on the island, and it has tried to find ways to align with political forces that share those preferences. Now, however, something new seems to be going on. And that is that it appears that elements of the PRC regime have gone beyond trying to exert influence, and more and more are interfering in Taiwan's political system, which brings us to the issue of sharp power.

Michael, I'd like to start with a definition. I found it in a recent essay in *Foreign Affairs* magazine, and the authors define China's sharp power as it's: "Trying to shape public opinion and perceptions around the world through people-to-people exchanges, wide-ranging cultural activities, the development of media enterprises with global reach, and educational programs." Is that what we are seeing in Taiwan?

MR. COLE: Well, that's part of what we are seeing in Taiwan. I mean, for many -- in many ways Taiwan has for many years, been a testing ground for all kinds of techniques that the Chinese have seen -- whether it works or not, they have refined those techniques, and then tried to apply those overseas and in other societies. Obviously, for cultural and linguistic reasons, there are a few things that China can accomplish in Taiwan that probably would not work in other societies, at least not societies with large Chinese residents.

I've always tried to stay away from, you know, the rigid definitions of the kind of activities that China engages in in Taiwan because I think in many ways they all tend to be self-reinforcing, they overlap. And they all are aimed at the same result, and that certainly is to shape perceptions in Taiwan, and also to erode the belief in the democratic institutions that very much make Taiwan what it is today, with the understanding that democracy gives Taiwan a firewall, a form of resilience, that has made the accomplishment of Beijing's objectives when it comes to Taiwan all the more difficult.

What I've observed in recent years, is even pure intelligence work, for example, also has informational influence elements that do not meet the definition of intelligence work. But you see individuals, organizations, units that do pure intelligence, and also are facilitating or engaging in things that would fit under the sharp power definition. I think it would be a mistake if we limited ourselves to that which falls under the "sharp power" definition, and look at it as a -- the term that I use is influence

operations or political warfare. When I submit articles and I use it for political warfare, oftentimes the editors will recoil because of the term warfare, and everything that that connotes; but that being said, I think this is what we are experiencing in Taiwan, and I try to stay away from definitions, per se.

MR. BUSH: Okay. Reading the media, and Taiwan Sentinel, there are different examples of the way -- to use your term -- that China is conducting political warfare. One is funneling money to particular organizations, another is cyber activity, another social media, psychological operations, and so on.

I wonder if you could sort of walk us through each of these and tell us a little bit about what's going on, on the ground, and the way that these work out in real life?

MR. COLE: If I had to list every single one of them we'd probably be here until 8:00 tonight, but I will . . . (Laughter)

MR. BUSH: Okay.

MR. COLE: . . . narrow it down to the essentials, well one of the big things that we've seen in recent years is disinformation, which is a more academic term for fake news, that's a term that's caught on in recent years.

We are seeing a marked increase in computational propaganda, disinformation operations using social media. As we know, Taiwan has the highest penetration of Facebook users on the face of the planet, so Facebook has been a very important playground for disinformation in Taiwan. A lot of which is generated domestically, but also there is increased component coming from China, which sometimes or oftentimes is also reinforced by likeminded individuals and groups in Taiwan as well. So we cannot claim that all the disinformation being aimed at Taiwan is coming out of China.

That being said, there are a number of studies are being conducted in Taiwan by tech-savvy young Taiwanese, and what they are trying to do now is not only to identify the type of disinformation where it is being shared, and the subjects that they are working on, but also doing the investigation to trace it back to its origin. One of the preliminary reports demonstrates that on a daily basis, Taiwan is targeted on Facebook -- is targeted by 2,400 individual disinformation attacks, if I can use that term, 2,400 every day. All of which originate somewhere in China, and the reason why with a certain amount of certainty we can argue that it comes out of China is that during Golden Week the number attacks tend to drop dramatically. That's a bit of a telltale sign. And most of these attacks are aimed at discrediting democracy in Taiwan, its institutions. Certainly, trying to undermine the image and reputation of President Tsai Ing-wen and her administration as well as the DPP. But also encouraging bits of inevitability, resisting their forces of history as futile, therefore the Taiwanese should blah-blah-blah. And augmenting any signaling and messaging coming from Beijing, anything that President Xi, or Leader Xi Jinping says as well pertaining to Taiwan.

They are getting better at it. Earlier Taiwanese consumers of disinformation could tell that it probably was disinformation because the Chinese terms that were being used were quite different sometimes, even though the two sides use the same language, but they use different terminology and what not. So, now what they are doing is they seem to be hiring people in Taiwan, content farms and disinformation units in China, hiring young Taiwanese to generate false news content, aimed at a Taiwanese audience, so now it sounds legitimate, it sounds Taiwanese because it is produced by Taiwanese.

China has been studying Russian activities for quite a number of years and learning from its experiences. They are getting better than the Russians in many ways. Russians still rely very much on bots, so its computers, and zombie computers that are propagating disinformation, whereas the Chinese still seem to be using human beings, which means that the content can react more quickly to situations. All of that is probably also augmented by cyborgs, so basically the original information is generated by human beings, and then it is spread by computer systems, and all that, so to saturate the environment, but one thing is sure, is that China has a lot more people that can produce disinformation content than Russia does.

So that's one element that is getting quite a lot of attention. LINE as well, which is a very popular social media in Taiwan, has been used to replicate and spread disinformation, oftentimes targeting older segments of society as well, people whose pensions will be cut under President Tsai's pension reform. And we've seen a lot of disinformation as well, which seem to be aimed at energizing

social movements in Taiwan that have been protesting the Tsai government. Oftentimes those organizations are very deep blue, purple or red, with connections to the Chinese Communist Party, and also have a long tradition of using physical violence. So, in the past year or so, we've seen several instances of government officials, legislators being attacked by protestors, and that includes members of the China Unification Promotion Party, to which I will return later on, that draws most of its members from the Bamboo Union, which is one of the main Chinese triads operating in Taiwan.

We've seen, this has been going on for years, academic engagements, academics from Taiwan being sent on all-expenses-paid trips to China, where they will receive the usual indoctrination in meetings with CCP officials, oftentimes not knowing exactly who they're dealing with, or which organization is bringing them to Taiwan [sic], or whether those organizations have tied to (inaudible) departments, or Political Warfare departments under the PLA. Whether that actually works is quite debatable. I've had several interviews with the Taiwanese academics who went on these trips to China, they come back and they tell me: we had great food, the hotel was nice, we used to have to share rooms, now we have individual rooms. But did they succeed in brainwashing me or convincing me that I'm something that I'm not? Absolutely not. And they laugh, normally laugh it off saying that the Chinese are spending a lot of money on these activities, and that the actual dividends are quite minimal. So, to me that spells a certain level of awareness among Taiwanese as to the reasons why the Chinese are trying to bring them to China.

We are seeing targeting of younger Taiwanese as well, high school students, summer programs being sent to China. Similar indoctrination, similar presentations by CCP officials. I'm not quite convinced that this is working either, but that remains to be seen. But the young Taiwanese are wise as well, and they're self-aware, and their only experience is living in a liberal democracy, so they are quite aware of the differences between the two societies as well, and it allows them to see things that probably they would not want for themselves back home as well.

We've seen uses of entertainment industry, cooptation, but also increasingly trying to deny access to Taiwanese singers and actors who want to operate in China, and make money or a career in China. Anyone who is seen or is perceived to have supported independence for Taiwan, who have supported the Sunflower Movement in Taiwan, supported the Umbrella Movement in Hong Kong, now faces the threat of being denied access to China, being barred from participating in movie productions, or touring in China, record deals and what not. So this is a form of denial more than persuasion on the part of the Chinese, that has compelled a number of artists in Taiwan to come out and state publicly that they are proud Chinese, and that Taiwan and China are part of the same country.

Taiwanese read this kind of Facebook post, and they shrug it off, they say, okay we know that that person is saying this because he or she has to say this, to maintain access to the market in China. Does he or she actually believe it? Probably not, so there's a certain level of maturity among the Taiwanese as well, they know, they know that certain things that need to be said just to appease the Chinese, but in no way does that admission compromise or change the existence of Taiwan as a sovereign -- their home as a sovereign country.

Now the big issue, overarching term "united front" or "political warfare" things like CAIFC, QCEF, CAPP, CIOC, a bunch of cultural organizations that organize salons, conferences, cross-strait exchanges, cultural events, oftentimes mixing with Buddhism, with religion, but also the art industries, so painting, tea, all kinds of activities where it seems very benign when you look at the programs. But you look at the organizers behind the events, and surprise, surprise, those individuals who overlap with the intelligence agencies, or United Front Work Department of the CCP; or who work for "cultural" organizations that themselves, sort of as front to Chinese intelligence and United Front Work.

MR. BUSH: For those in our audience, who don't know the full names of those organizations, could you?

MR. COLE: Oh, well, yes, I have the alphabet soup here. I mean the big one is CAIFC is Chinese Association for International Friendly Contact, that's one of the big ones that has offices in Shanghai but also in Beijing, and they have representation in pretty much any large expatriate Chinese community overseas. Sometimes they use slightly different names as well, so the acronym changes a little bit, or they have some different Chinese characters in their name, but ultimately they all answer to the same organization back in China.

These are mostly front organizations, or what they are is what I call dual use. These are

organizations or businesses that have a perfectly legitimate component to their activities, but they also, behind the scenes, do other things, like cooptation, and recruitment, and all that.

So, going back to the activities that they have been organizing; the event itself is not political warfare or anything, but what they do is they use the occasion to try to capture certain individuals on the Taiwan side, or to approach them and try to recruit them. So basically those are opportunities for contact, and when they organize Chinese singing competitions, or concerts at National Taiwan University, it's not the songs that they're singing that are a threat to Taiwanese society, it's the individuals who are organizing the event, some of whom have connections to some of the organizations I've been talking about, physically coming to Taiwan and using their time off to interact with other individuals and hopefully recruit some Taiwanese, or co-opt them.

And it's very difficult to -- it requires a lot of work and link analysis to see who works with whom, and which organization answers to which organization. It's a challenging job that's keeping, hopefully, intelligence agencies very busy. A few of us worldwide have started to look into these things in recent years in trying to establish links. What we've encountered as well is when we -- I like to think when we get close to the truth, we are increasingly being threatened with legal action, which to me indicates that we are probably on to something.

MR. BUSH: Yes.

MR. COLE: So, I will turn to this later on, but this has become a problem on a global level, as well. It has occurred here in the United States, and it's happening in Taiwan, it's happening in Australia, in Canada, in Central Europe as well.

We also have a very bizarre phenomenon; some of the registered political parties in Taiwan are themselves also engaging in political warfare. Chief among them the New Party and the China Unification Promotion Party that is headed by Bai Lang or Chang An-lo. These two parties have an ideology that promotes unification, they also maintain that 'One Country, Two Systems' is the best formula for resolving the Taiwan issue. It's very obvious for people who live in Taiwan that 'One Country, Two Systems' is not viable; this is not something that they want for themselves. Even less after developments in Hong Kong in recent years, where it's become very, very evident for most Taiwanese that this is not the way of life that they would want for themselves. And basically it indicates to them that whatever piece of paper results from negotiations with the Chinese side will simply not be observed.

If we actually read the original text of the Road to Retrocession in 1997, the CCP actually never even hid the fact that that they wanted full control of Hong Kong society, so everything else was embellishment for consumption back in London, and in Hong Kong as well for those who still hope that they could maintain their way of life and social system.

So, the New Party, CUPP are actively doing the kind of grassroots work in Taiwan, that in my view is probably the single-most threatening aspects of Chinese political warfare nowadays. What they are doing is recruiting agricultural associations, recruiting young individuals, students, fishermen organizations, cultural organizations, temples—Buddhist temples—and they are establishing -- two associations that they've established recently is a cross-Strait Guangdong Exchange Association and the Tainan Cross-Strait Exchange Promotion Association.

And it's very ironic that they would set up one of these organizations in the heartland of DPP support in Tainan. And also very interesting that when White Wolf, or Chang An-lo, came back to Taiwan after more than a decade in exile in China, in June 2013, one of the first campaign offices that he opened was also in Tainan, when William Lai, who is currently premier, was still mayor. What these organizations and parties are doing is basically bypassing central government organizations altogether, and facilitating connectivity between grassroots local organizations in Taiwan, and dealing directly with their counterparts back in China. Much of this stems from the realization in Beijing that the CCP simply cannot hope to accomplish what it wants by working with the DPP. But more and more you will hear voices in the CCP who also claim that the KMT is no longer the counterpart that they were banking on for unification with Taiwan.

There was an admission a few months ago, they said the KMT officials that we are bringing to Beijing: they are drinking our wine, they're eating our food, they're visiting our sites but they're not doing anything towards reunification. And that's something that actually happening under Ma Ying-jeou, when more and more Taiwan Affairs Office and Association for Relations across the Taiwan Strait officials would come to Taiwan and would basically veer off their schedule and meet sometimes privately

with local officials whom they believe they would be able to co-opt. So, now under the DPP we are simply seeing intensification, acceleration of these kinds of activities.

The New Party, CUPP, have also -- well, they've gotten in a bit of trouble in Taiwan recently, they are being investigated for allegedly raising illegal funds that is receiving money from China, which they would then inject in the Taiwanese electoral politics ahead of the municipal elections that will be held in November this year, and possibly in the lead up to the 2020 General Elections in Taiwan as well. The Republic of China laws make it illegal for any political party to be receiving money from the CCP, what CUPP and New Party, are doing now, or they seem to be doing now according to Taiwanese investigators, is that they have -- they are working with businesses that are pro-Beijing, and they are helping funnel that money to political parties in Taiwan so that it does not seem to be coming directly from the CCP.

China Unification Promotion Party Head, White Wolf, and his son also have sports apparel businesses back in China. Taiwanese suspect that the CCP may be giving money to those sports companies, and then that money is again sent back to Taiwan for political activities, and for cooptation at the grassroots level. Indication that the New Party and CUPP are working with United Front Work agencies, there was a large gathering in, I believe it was in December, early December last year in New York City, where members of the youth branch of the New Party as well as the chairman of the China Unification Promotion Party, and others, were in attendance and those two big events in New York were organized by association of friendly contact under a different name as well. So they are certainly meeting these individuals and possibly receiving funding from those organizations as well. So, all of this is being investigated as we speak.

Yeah, I'm going to come back to the notion of lawfare. We've seen this with the Four Corners Report in Australia, and one of the individuals who was behind that investigation has been taken to court in Australia. In my case as well, I have looked at one particular organization called the China Energy Fund Committee, which has a presence in Taiwan. They have an office in Taipei 101. I built upon work that had been done by other researchers, primarily from Project 2049 Institute here in Washington, D.C., but started looking at activities of CEFC and other cultural organizations affiliated with it, and trying to determine what they were engaging in, who they were dealing with in Taiwan. Again, it was the same conferences, cultural, tea and what not. And we were able, using hard evidence provided most of the time on the websites of the Chinese companies involved, we were able to demonstrate that the chairperson of CEFC had himself served as a Deputy Secretary General of CAIFC Shanghai for a number of years.

Realizing that a number of researchers were onto their activities, CEFC threatened at least six people that we know of worldwide with legal action, oftentimes hiring top law firms in the countries involved. So that happened in the Czech Republic, in Slovakia, in the United States, in Australia and in Taiwan. And the case in Taiwan involves the person who is speaking here today, and they hired the largest law firm in Taiwan, very prominent. What I've learned from all of this is anyone in the room who is a journalist or an academic who investigates these kinds of things, if you find information on a website, please, please, save it, print it, crop it, grab it, save it somewhere, because oftentimes when they realize that we identified something they will go on that website and change the information. And then threaten to take you to court for basically writing something that was on their website. The aim with this is not to win. Their case against me was unwinnable, it was frivolous, but what they want to do is to impose a cost. If you look into more activities again, we will drag you to court again. We are a Fortune 500 company; you're a journalist in Taiwan, probably not making a lot of money every year. So, that reinforces tendencies of self-censorship and avoidance as well, in academia, in journalism, at a time when these kinds of activities are becoming more common, not just in Taiwan but worldwide. I mean CEFC had operations, still has I guess, operations here in Washington, D.C., as well. They would organize conferences, they would invite academic delegations to go to China, where they would also meet certain individuals and all that, and there's possibilities for cooptation again, and all that, disinformation. So everything that I've talked about earlier, these are the kinds of activities that these fronts are engaging in as well.

The lack of awareness up until recently also made these kinds of activities a lot easier for the Chinese because oftentimes people would assume that they're only dealing with an academic counterpart. The business card says that he's an academic in Shanghai. However, if you do your homework, you will realize that he also has -- and it's all he, there's never a she -- they also have interesting background in intelligence or United Front Work activities. So now that they're being exposed they're threatening legal action, and it gets costly. I have won my case in courts in Taiwan, it went all the

way to the High Court. But in a way they win because to this day I'm reluctant to write about them, even though CEFC is no longer the company that it was because the Secretary General of their think tank in Hong Kong was arrested in New York City in late November of last year, for trying to bribe the Secretary General of the U.N. General Assembly over attempts to acquire oil fields in Chad, or surprise, surprise, controlled by CPC, CPC Taiwan. So, Patrick Ho was arrested for basically doing the kinds of activities that I was describing in my article for which they sued me. The Chairman of CEFC Shanghai, the energy company, is missing in action in China, probably has been arrested upon orders of Xi Jinping, and could perhaps face extradition to the United States for the same case as well.

So, this is one of the more prominent examples of the corruption that the Chinese front organizations can be using to influence decisions all the way up to United Nations, but also in various foreign governments. Most of the time targeting heads of government, or senior government officials who are about six months prior to retirement, with the promise of lucrative deals upon retiring. So, that also influences the kind of policies that they would be promoting while they are still in government, and right now our legal systems are simply not suited to deal with these challenges, which is not illegal but certainly unethical. And for law enforcement, for intelligence agencies that's very challenging to tackle those issues. That's it.

MR. BUSH: Okay. That's great. It's ironic to me that the Bamboo Union should be involved in these efforts to disrupt democracy in Taiwan because it was their actions, their assassination in 1984 of a Chinese journalist in California that kind of broke the log jam on democratization in the first place.

MR. COLE: Henry Liu

MR. BUSH: Yeah. You talked about the sort of legal system being sort of ill-equipped to deal with this situation. More generally, what do you think Taiwan should be doing about this? I mean this is a big challenge added to all the other challenges, but it's very insidious.

MR. COLE: Mm-hmm. Well, I mean one of the -- I was actually -- I started looking at Chang An-lo's activities in Taiwan from the day that he came back to Taiwan in June 2013. I'd written about him before, because back in China he had also orchestrated protests against the Dalai Lama when he visited Taiwan after Typhoon Morakot, and a few other interesting activities. He came back, he was immediately arrested because he had been on the most-wanted list for many years, had fled Taiwan in the early 1990s over bid rigging issues. Had spent 10 years in federal prison in the United States for drug trafficking, for heroin trafficking in the United States, during which period he also acquired two Master's degrees, so he's certainly not stupid.

He's educated, oftentimes is -- I think he's been very good at presenting a façade of clownishness. They have held a number of protests in Taiwan in recent years, including one where all his -- well they said they would attract 5,000 followers, they probably had 50, mostly elderly men who dressed up as Japanese Imperial Soldiers, and tried to sing Japanese songs, and it was an exercise in -- it was quite embarrassing. Even law enforcement officers at the site were laughing. So much so that, in general, the perception is that he's not dangerous, that he's clownish, he's not efficient. I think it would be a grave danger to underestimate his group's abilities, it's not so much the things that made the news that is worthy of attention, but what's going on behind the scenes.

So, basically he was arrested for -- detained for two or three hours and then set free, and was able to open campaign offices all over Taiwan, working with other organizations as well that had long-standing ties to the CCP. One of which is the Concentric Association that's the group that would physically assault Falun Gong practitioners outside Taipei 101, so that made the news. One of their members, Ms. (inaudible) is now herself running for elections in Wanhua in Taipei, in November. We are not sure yet if she's actually registered, that would be a problem if she didn't. And a few of those members are also making the use by Japanese military of Comfort Women during World War II, they are making that one of the main platforms of their election campaign. These groups, on a weekly basis, will also protest outside the Japanese Exchange Association in Taipei, with a view to intimidating Japanese government officials in Taiwan, but also trying to break that special relationship that exists between Japanese -- Japan and Taiwanese society, and the perception that the DPP is particularly close to the Japanese, which is not entirely wrong.

So, legally speaking a lot of that was contingent on will power. I was actually puzzled that Taiwanese authorities would not early on pay close attention to the activities of China Unification Promotion Party, especially when they resorted to physical assault and violence and threats against members of society. A lot of the activists in the lead up to the Sunflower Movement and after, were themselves physically assaulted by members of either the Bamboo Union or the Four Seas Gang, which is another triad operating in Taiwan, also pro-Beijing, but in recent years, had become very much like the Hong Kong Triads that is focused on money making, and making good business, so much so that the head of the Four Seas Gang did not even have a criminal record for a while.

There was an incident early last year when pro-democracy activists from Hong Kong came to Taiwan, they were bid farewell at the airport in Hong Kong by protestors who tried to assault them. And upon arriving at Taiwan Taoyuan International Airport, were attacked by the same -- the Taiwan-based organizations, including the son of Chang An-lo who was briefly detained and faced charges of assault.

Now, we are seeing a shift, not so much on the illegal activities of the Bamboo Union -- and we need to be careful as well, China Unification Promotion Party is not the Bamboo Union. They will hire individuals from the Bamboo Union to amplify their protests and to provide muscle when necessary. But that itself makes it very difficult, because if you target the Bamboo Union, whose profit generation may or may not also help to fund the China Unification Promotion Party, but those can also be purely criminal activities, so that's a matter for law enforcement. If you're starting to look at political interference in Taiwan in electoral politics, then it's a matter for intelligence agencies. And myself being a former intelligence officer, I know for a fact that intelligence agencies and law enforcement do not always communicate very efficiently. So, there are these jurisdictional issues as well, that creates a gray zones in which those organizations can operate, so that's certainly challenging. But now, as I said, they are targeting the financing of the China Unification Promotion Party, and the New Party, and trying to determine if indeed, there is illegal money coming from China. If that is the case my assumption is that those parties should be -- should no longer be able to run in elections in Taiwan.

That being said, I think it's also a sign of maturity and resilience that a country like Taiwan that faces an existential threat like this, would countenance the existence of political parties that actually call for unification. And they also have a number of communist parties that also support unification, but Taiwanese deciding that they would be a democracy, they said, well, these people also have a right to run in elections, as long as their activities are legitimate, I don't think there should be any problem with those parties running in elections. If there is an illegitimate or corroding element to their activities, then law enforcement should step in, and the political leadership should have enough vision to address those problems as well.

One last point on the lawfare issue, the problem with Taiwan is that the threshold for filing libel lawsuit is extraordinarily low, and there is absolutely no cost if at some point a judge rules that the attempt was frivolous, so they do not have to reimburse the legal fees for the defense. So, basically it's cost free. If you are a large Fortune 500 company, it's pocket change. So I think revisions to those thresholds should certainly be considered in Taiwan, but that is not only an issue for Taiwan, there are several other countries worldwide, where it's very easy to take people to court.

The reason why CEFC did not take me to court in the United States is that it's a lot more difficult for a court to hear this kind of case against, especially against journalists, where, in the West we tend -- at least in the United States we tend to be a little more protective of the right of journalists and academics to say certain things especially when they are conducting investigations. But there are several countries worldwide where organizations like CEFC and others what they -- they basically shop around for jurisdictions where it's easy to threaten people, which is also the reason why one of the individuals based in the United States who was looking into those issues, was actually threatened by a law firm back in Prague, in the Czech Republic. A law firm that is very close to the Czech president, whose economic advisor was the chairman of the same CEFC I've been talking about. Prague is certainly an example of Chinese influence operations in Europe targeting 16 Plus 1 and Belt and Road Initiative as a way of entering into Europe.

Probably the Patrick Ho affair and Ye Jianming disappearance in China created bad publicity for Belt and Road Initiative. That may also be another reason why Xi Jinping decided to get rid of Ye, and he was investigated for corrupt practices and using -- relying on shadow banking in China to fund his unsustainable expansionist operations.



MR. BUSH: What is Taiwan doing? What can Taiwan do to deal with the disinformation that you were talking about before?

MR. COLE: That is a big one. I've actually had -- well, one thing that Taiwan is doing now is reaching out to partners who are also facing their own challenges with disinformation, and holding all sorts of workshops where they at least tried to come up with some framework or means to identify the principal issues.

Taiwan is starting to invest, as I said earlier, in supporting, funding groups of researchers who are identifying and tracking the sources of disinformation. That is something that needs to be done, not just in Taiwan. It's a global problem as well. It's certainly an issue here in the United States. But beyond that -- I worked for the Taipei Times for seven-years-and-a-half or so. Taipei Times belongs to the Liberty Times Group, which is the largest news organization in Taiwan. I have seen the practices, editorial practices in newspapers in Taiwan. There is a very poor tradition of fact checking, or double-checking, or corroborating information. It makes Taiwan ripe for the injection of disinformation in its bloodstream. Using content farms, using disinformation on Facebook, now PTT Board, which is a very popular BBS style website where young Taiwanese are discussing politics and what not, also appears to have been penetrated by the Chinese.

The problem in Taiwan is that oftentimes the beat reporters tend to be young women in their 20s, their editor is a middle-aged man, and the pressure is such that the young beat reporters are asked to produce maybe—there might be Taiwanese journalists in the room, I have to be careful, but anyway—from my own experience, four to six articles every day. Sometimes they can't be at two places at the same time, they will pick up the phone, call their friend who works for another news organization, and say, okay, what is the minister saying in parliament, and then writes it down without attributing. So it's second hand, it's third hand. And they're so overworked that they simply do not have time to fact check, so that becomes news. Another tendency in Taiwanese media is that if one organization publishes a bit of news, every single other organization has to publish that bit of news, and also will not attribute the information to the original source.

So, I don't need to say more to convince you that this is an environment where it's very easy for someone with bad intentions to inject that kind of propaganda or disinformation into the Taiwanese media environment. And then by appearing in traditional media it becomes more legitimate, and then it gets shared, and the problem is that if then it is determined that the information was wrong to begin with, then either they will change the information in the article, they will delete the article, or simply change their headline. But hell, who reads corrections? Who goes back to read a piece of news that you read two days ago? So, it becomes part of your narrative, and it creates an environment where you don't know anymore what is true, and what isn't true, and we've seen a number of examples over the years, and now we are seeing more and more and more of this.

And it even happens within the home state news agency in Taiwan that should be providing information that is somewhat favorable to the current government, but we've seen that kind of disinformation as well. A beat reporter for CNA replicating information that was published in the Global Times about the recent events in Japan over the earthquake in Hokkaido. The Global Times. If you're a journalist in Taiwan and you're going to use the Global Times as a source, double check, ask someone else. Right?

MR. BUSH: Mm-hmm.

MR. COLE: But they are not doing that and oftentimes it's not that the journalists have bad intentions, it's simply that they're overworked, they don't have enough time. They will be berated if they do not produce the four, six, seven, eight articles every day that they are required to do from their editors.

So to try to answer your question, I think we really need -- I've been in Taiwan long enough that I say "we" -- the Taiwanese really need to re-educate themselves about which sources of information are credible. We need responsible journalists, we need responsible editors, whose expectations of their beat reporter will a bit more in touch with reality. But then we also want to be very careful we do not want to reach a point where the government steps in and decides what is credible and what isn't, because then that is a slippery slope that also has its own sets of dangers and challenges.

So, I think a more educated public that is equipped with applications and software that

can help corroborate information, perhaps a flagging system that encourages good journalism. Hopefully those market forces would then compel people to turn to certain trusted news sources because right now people don't know where to turn. And in Taiwan, society being so delighted they will oftentimes turn to media that reinforce their own views to be begin with. So, if you're critical of the DPP you will read the China Times. Well, the China Times itself has a tradition of fabricating certain information, so you also need to address that divide as well, that exists in Taiwanese society.

MR. BUSH: I'm sure glad we don't have that echo chamber problem here. (Laughter)  
Thank you very much, both fascinating and disturbing.

I think we should open it up to the audience for a while. And, okay, I see some hands, and I'll start calling on people, we have mics I'm sure. Once I recognize you, please wait for the mic, and identify yourself and your affiliation, and we'll go from there. So, the gentleman in the second row here. Here is the mic coming.

QUESTION: Thank you. Michael, I'm convinced you're not a Chinese spy. I have a question; I hope I'm not diverting you. I'm in academia and think tank, I have my badge on here, I don't want to show it publicly. I'd like to ask a question, and it will actually have a question mark.

Can you speak to us about Chinese physical power in Taiwan? There's a lot of rumor and innuendo that China is building a large amphibious force that could cross the Taiwan Straits and actually occupy the islands by the hundreds of thousands in the next decade, decade-and-a-half. Can you speak to that at all? Or are you comfortable speaking to that?

MR. COLE: Well, if I'm permitted to address a question that is more of a hard power than sharp power.

MR. BUSH: Sure. Go for it.

MR. COLE: Yeah, definitely they have been investing in large amphibious vessels that will allow them to cross the Taiwan Strait. Before they can do that, they would need to accomplish air superiority in the Taiwan Strait as well.

There is very limited number of suitable beaches in Taiwan as well, for this kind of landing. These are parts of Taiwan that the Taiwanese military have been scrutinizing and studying for decades. So, it certainly would not be a -- a walk in the park, but walk in the strait, if you will, but that's certainly part of what China has been working on. It has several uses as well. I mean that could also apply to Senkaku/Diaoyutai. It's not simply for a Taiwan contingency, or other islands in the South China Sea.

That being said, and maybe this is something I should have touched upon earlier, the military option remains an option for the CCP, but it's the last thing that they want to do. And the reason why we are seeing so much effort and investment in political warfare and sharp power in recent years is that the Chinese would much prefer somehow annexing Taiwan, or gaining control of Taiwan without having to rely on the PLA to do so.

And that is because any military adventure in the Taiwan Strait, but anywhere in the world has so many unknowns and so many uncertainties. The Chinese do not know how the United States would react. The Chinese do not know how Japan would react. If you launch an all out amphibious assault against Taiwan and you need to accomplish air superiority, that very likely means attacking U.S. bases in Okinawa. At which point, if you ask Japanese officials, that means that the Japanese enter into that particular conflict as well.

For a Chinese leader who faces so many challenges at home, and for whom I'm convinced notwithstanding all the rhetoric, Taiwan is not the top priority on his mind. I do not believe that presently Xi Jinping wants to embark on that kind of adventure against Taiwan. In many ways, the variables are somewhat favorable to China in terms of the economy, in terms of geography and what not, as long as Taiwan does not embark on something that would completely sever its ties with China. Xi Jinping does not feel the need to engage in that kind of activity.

The problem with the CCP is that they've also painted themselves into a corner, because their own rhetoric for so many years has been, you know, annexation, unification, reunification is the only acceptable outcome. They've repeated that with Taiwan Affairs Office, and their Ministry of Foreign

Affairs, and President Xi himself, they've said that so many times for domestic consumption that any admission that this is failing would seriously undermine their own reputation. So, that makes de-escalation very difficult. And I fear that at some point, if there were instability in China, then the leadership might feel the need to externalize their problems by creating -- manufacturing, if you will, an external crisis. Taiwan could be one of the scenarios, but as I said, it's a very difficult environment for the Chinese, so I would think that the Senkaku/Diaoyutai or some islands in the South China Sea or some of Taiwan's outlying islands would be more likely scenarios or targets. But an all-out amphibious assault against Taiwan is a major endeavor, probably even more difficult than D-Day during World War II in terms of geography and what not, plus the possibility of U.S. intervention.

So, yes, they have been -- to answer your question -- they have been investing in that particular capability, but I do not think that that signals a priority on the part of the CCP leadership.

QUESTION: So the prime objective would be the South China Sea?

MR. COLE: Currently, that seems to be, absolutely, yeah, and if they wanted to seize Itu Aba or one of the islands that they --

QUESTIONER: But they're developing allies.

MR. BUSH: Let's take some more questions.

MR. COLE: To be continued.

MR. BUSH: I see sort of four questions right in there, Hiro Matsumura is on the aisle; and then there are three others. Let's take all of those together, and Michael can address what he wants, please keep your questions brief. You can tell Michael is very smart, you don't need to talk in paragraphs to get --

MR. COLE: But I might need a pen though.

MR. BUSH: I've got a pen, here.

QUESTION: Okay. My name is Hiro Matsumura, I'm a professor at St. Andrews University in Osaka, Japan. I'm also a former visiting fellow here at Brookings. I have a definitional question, and an analytical question. I'm intrigued with your term "sharp power" but political scientists are very much familiar with political warfare and United Front. So, my first definitional question is why do you specifically assign this sharp power to this -- the kind of phenomenon we already know? You briefly referred to the Soviet and Chinese cases. The Chinese cases are different from Soviet cases in nature or -- what do you think?

The second question is, Kuomintang, I mean the Nationalist Party also used to be very good at political warfare, and then the United Front, particularly before they can -- they fled to Taiwan because they were a totalitarian regime, right?

MR. COLE: Mm-hmm.

QUESTION: And then they still have some legacy at least within the military organization. Current DPP government is not to take advantage of this legacy? Or, they know that these techniques, so they are doing much better than we generally expect? Or they are so much intimidated so they are paralyzed? So what do you think of that?

MR. BUSH: Okay. Other questions in that area? Keep it brief, please.

QUESTION: All right. My name is Avery James, and I'm an undergraduate at American University. My question was with regard to your experience as an editor. When you're concerned with information and domestic policy disagreements, do you think that it's important to look at, for example, like in Okinawa, the U.S.'s military base, it's both simultaneously true that protesters are sometimes paid by Chinese interests to protest there and there are real abuses and concerns that happen with military

bases and installations. How do you, as an editor, tear apart the obvious implications of both real domestic policy concerns and the reality that there are exterior, you know, political forces like the CCP trying to push a certain angle on them?

QUESTION: Thanks. Alex Bowe, I'm an analyst at the U.S.-China Commission. So two things. On those workshops you mentioned about countering disinformation, what is the framework on which they are occurring? Is it like GCTF or something else? And second, about a year ago in Sentinel you argued that one potential goal of this political warfare was to create the sort of destabilizing conditions to them, like swooping, like (inaudible), like Russia did with Crimea, for example. Could you explain that analysis? Thank you.

MR. BUSH: And then there is one, Jeff Williams.

QUESTION: Jeff Williams, I'm a fellow at the Harvard Kennedy School. You talked about sharp power relative to influencing hearts and minds in Taiwan, but also the same techniques are used for the real allies, the United States, Japan, Australia. I notice in the mainstream media here, there are formulations that all editors seem to use to create the impression that reunification is kind of a foregone conclusion.

The one that really bothers me is Taiwan, which PRC views as a renegade province. And the word is very interesting because I only heard renegade when I watched the Lone Ranger as a kid. (Laughter) So, the first question is do you think that's been inserted by the sharp power efforts to try to get this sort of vocabulary used by editors around the United States? And then two, what does or can Taiwan do to offset that?

MR. BUSH: Let me do Hiro's definitional question. We use "sharp power" because that's just a term that is in vogue right now. It's not an effort at any kind of conceptual brilliance.

MR. COLE: Okay. Well, I use it -- actually I don't like using the term "sharp power," as Richard said, it's become one of the catch phrases to try to describe something that has become very much part of our lives. But I think it limits the actual scope of the challenges that we are facing, and certainly that Taiwan is facing; hence my preference for political warfare or influence operations.

Yes. Well, there's some elements, some similarities with how the Soviet Union was using disinformation, for example, but also the Nazis were quite adept at using that -- using their own mass media at the time. The problem now is that all of that is compounded and exacerbated by the presence of social media and the Internet and what not.

And the way that we consume news as well, another thing that I've noticed is that how we consume news has become very passive. It's a passive engagement in that Facebook, using bizarre algorithms, decides for some reason, that certain articles, let's say, with Twitter, will show up on your live feed. Whereas, in the past we would have to go purchase a newspaper or a magazine, and we did so consciously because we tended to trust that particular source of information. So, that makes the problem all the more difficult.

But ultimately the aims, techniques, and objectives have not changed since -- for decades, if not centuries, because we are still dealing with human beings, and we are still dealing with individuals and agencies that are trying to transform how we engage with reality. So, the principles, in my opinion, have not change one bit, it's just the mechanisms and instruments that certainly have changed over time.

Yes, KMT was certainly adept at political warfare. The unit still exist in the military apparatus in Taiwan. There's always been a bit of tension between the DPP and military intelligence apparatus in Taiwan, so that may make dialogue between central government and those agencies a little bit difficult at times. There are still issues of trust and what not. I like to think that this is disappearing with the passing of time. As younger Taiwanese take over these agencies, and all that, they also tend to have a worldview that's a bit more similar than that -- that prevailed among old generals who probably were born in China and fled across the Taiwanese Strait in 1949.

I mean, we want to be careful as well. I mean the current administration is not purely DPP. If you look at government agencies, and you look at government-sponsored agencies, you still have a lot of people who were appointed by the KMT, and they are also serving their country, and they bring

their knowledge to bear as well in these activities. So, I'm cautiously optimistic as to the levels of cooperation that are possible, or will be possible, in countering these issues.

Could Taiwan invest more? Absolutely! I think they should, they should invest more in intelligence. They should invest more in non-government, but government-sponsored activities, you know, Track 2, and what not, given the severity of the challenge that they are facing.

As an editor, yeah, well, there's no doubt there's a legitimate component to the protest in Okinawa, for example. There's a legitimate anti-militarization movement in Japan that exist that is quite vocal nowadays under Abe Shinzō, who has been trying to revise the Constitution.

We also have evidence of Chinese meddling in Okinawa, and even some pro-Beijing individuals in Taiwan, who have been involved in these activities. A few academics, whose names I forget, but I have written about them, who are also very much actively trying to compel the United States to leave Okinawa, for example, their military.

The son of Chang An-lo, the son of White Wolf, was himself on a visit to Okinawa a few months ago. Our Japanese friends were alerted to this, and I'm sure they were making sure that they were not involved in anything political. But that being said, these people also have legitimate businesses, and these people may or may not also be gangsters, so it's possible that they were going to Okinawa for purely criminal reasons rather than political.

But given the efforts that we've seen by political warfare agencies of China targeting Taiwanese -- Japanese in Taiwan, using the Comfort Woman issue, but also targeting audiences in places like here in Washington, D.C., trying to convince the Americans that Japan actually is re-militarizing because they want to get even with the United States over Hiroshima and Nagasaki, and that they would want to launch a second Pearl Harbor. I don't know if anyone in this town believes that kind of propoganda, but there's certainly efforts. The notion that Japan never really apologize for the crimes it committed during World War II. They have organized entire conferences on those issues, including one a couple of years ago, here in Washington, D.C., by the CEFC that threatened me. So, certainly they are trying to do this as well.

Alex's question on the disinformation and framework; yes, the GCTF is one of the platforms that is being used as we speak. They will have an event, I believe in October. They recently had one on law enforcement, now they will do one on -- they are not calling it disinformation, they're calling it media literacy. That's a more polite way of talking about disinformation. But we are really happy to see the investment on the part of the U.S. government, and there's a few other governments as well, Western democracies that are reaching out to Taiwanese to work with them. And hopefully they will also convince the Taiwanese Government to invest more in its own people.

The problem that I'm seeing right now is that there's a bunch of young Taiwanese who want to do the right thing. They have the -- they're savvy, they are hackers, they are interested, but the problem is that they do not have a job. And all they ask for is for sufficient money to pay rent and put food on the table, but oftentimes they will find nobody in Taiwan who is willing to finance them.

So, changing the way that the Taiwanese government sponsors nongovernment actors in these initiatives, I think, will be extremely useful. And I think it's essential that Taiwan start doing that, but I've yet to see -- I've yet to see signs that the Taiwanese government gets it yet. So, maybe the corporate sector will have to step in as well, but there's a lot of work to be done there. But no doubt the talent and the will exist in Taiwan to do more on that issue. If they see signs of willingness and engagement from outside, that should certainly focus their minds as well.

Legitimate versus CCP --

MR. BUSH: Renegade problems.

MR. COLE: The renegade, yeah, the renegade, just skipping here. I've made a lot of friends over the years who worked for wire agencies. I don't think that they need political warfare from the Chinese to sometimes make rather interesting formulations about the status of Taiwan, a lot of these are editorial guidelines.

Yes, absolutely, there's a few wire agencies and media organizations that have business interests in China, so there's a possibility that they are using terminology that they think would be more well received by the leadership in Beijing. But I would say most of the time, it's really a lack of awareness of the intricacies and complexities, of the situation in Taiwan.

I mean, Taiwan is not a big place, it still has a population the size of Australia, so it's

certainly not small, but still it's hugely complex. You have to be there, you have to engage in society, and move outside just government circles, but travel and meet all kinds of people and organization to really start to understand what the place is all about. It's a very, very, very difficult environment, if you're not there physically. Unfortunately, over the years, wire agencies and bureaus have closed their operations in Taipei, and then they move to Beijing, they move to Shanghai, they move to Tokyo. And some of them, I mean, are good friends of mine, they are top journalists. They've been in places in Chechnya, they've been in places like Pakistan and Afghanistan and what not. But they're based in Beijing, so it's impossible to report accurately on what's actually going on in Taiwan and what the Taiwanese are thinking if you're not there physically in Taiwan, at least for a certain period of time. So that's one problem.

The second one, as well, is even for wire agency reporters who are based in Taiwan, then they need to file the article and then send it to the regional bureau or to the head office where the editors will bring their scissors and they will bring their glue, and they will insert things that they always need to insert. Things like Taiwan and China are separated after 1949, and I know AP has been writing that for years. The poor AP journalist in Taiwan who became a good friend of mine, who writes for Taiwan Sentinel said: I never wrote that God damn line. He said but it is always added at the office because they have to add it at the office. So these journalists, sometimes they get a bad rap as well, but it's not their fault, but they cannot call the office and say, stop putting that line in the article, because for some reason, some editor somewhere decided that that line needs to appear.

So, I think it's a bit of both. Certainly people who do not understand Taiwan well enough, would also be more receptive to the guidelines or disinformation that the Chinese are spreading about Taiwan. I mean terms like reunification, for someone like me that's unacceptable, because you cannot reunite something that's never been united to begin with; the same with users of separatism. I think it's more a question of annexationism—if that's a term—than separatism. But, yeah, that's challenging in itself, so it's a bit of both.

And we had a last question -- I'm good at a few things, but handwriting isn't one of them. What was the last question again; my apologies?

MR. BUSH: That's okay. Let's go. Let's take some more questions. Go to this side now, I saw Muthiah, and then we'll go back a few rows, and then come up here.

QUESTION: Thank you. I'm Muthiah, a scholar in residence at the American University. My question is related to what Richard was saying just now, about what should Taiwan do? It seems to me that Taiwan is pretty resilient, and it comes across from your talk as well.

Earlier on you talked about political maturity and where -- how in fact the Chinese efforts were not being very successful. So, it seems to me that really the -- you know, it's very difficult to counter these kinds of things, it's really the maturity that's very important, and whether or not Taiwan's resilience is really the critical thing here. Thank you.

MR. BUSH: Then back where the hand is.

QUESTION: Thank you. My name is Kitch, Project 2049. Hi, Michael. So, this is a two-part question. The first one is: so most of the activities you've attributed, so far, could be attributed to the United Front Networks that, you know, a lot of the reports through the UFWD.

So, I was wondering, you know, if there's any indication of activities from, for example, base 311, or directed by the MSS, and how these agencies are actually cooperating with each other, or how do they de-conflict with each other? That's the critical question here. And also, who has the central authority to actually authorize for, say, the United Front campaigns, operations against Taiwan?

Now, it's a two-part question. The second part, of course, you know, on the Taiwanese side, the intelligence community-wise, you know, we've talked about (inaudible), we talked about NSB, and also of course MJIB, but I was wondering, you know, who is actually really in charge of, say, you know, if it comes from 301 base, if it's more than UFWD, who is actually in charge of this? And how do they -- again, how do they delineate who does what? Thank you.

MR. BUSH: And the up here in the second row, one more.

QUESTION: Hi. I'm Min Ting, I come from Taiwan. I just want to ask a question. You

mentioned China use many new policy to Taiwan, and we know the new policy is -- one is about to give Taiwanese China ID. And in a situation, the Taiwanese people become Chinese you can't come back to Taiwan anymore because Taiwanese government will delete your Taiwan ID. But in the future if the Chinese government use those people to force Taiwan government negotiation for anything, it would be a nightmare. So, what do you think about Taiwan government should do any stable way to do something for that?

MR. COLE: Okay. We'll do these three because my memory is shot, I didn't sleep much. I've been in Taiwan 13 years; with every year that passes I become more convinced that Taiwan is a lot more resilient than people think. To me it's very clear with a small minority, that they know they are, that they know what they want, and that if push came to shove, they would be willing to do what is necessary to maintain that way of life.

And there was an opinion poll released earlier this year, by the Taiwan Foundation for Democracy, commissioned to the NCCU Election Study Center that shows that approximately 70 percent of Taiwanese would be willing to take action to defend that way of life.

There is an acknowledgment that there are serious issues with democracy in general, and democracy in Taiwan. It's highly imperfect, but it is still, as someone famously said: it's still the least bad form of government. And that's something that's very much part of the self-identity of the Taiwanese. And I maintain that that firewall is what keeps Taiwan together.

I'm always shocked as well, maybe because I'm a bit of an external player in all of this, notwithstanding the deep divide that exists between DPP and KMT, or the blue camp and the green camp. I'm always fascinated by how much they actually have in common. I've been on panels with, you know, supposedly blue academics, and I have been warned against ever sitting next to them, and I was fascinated at the conclusion of our event. I said, oh, my god, we agreed on absolutely everything.

Even people who are deep-blue, who are deeply committed to the KMT, who wanted Hung Hsiu-chu to be the presidential candidate back in 2016, who protested outside KMT when the KMT got rid of her, because she was unelectable because of her views. When I asked them, why are you protesting? They said, well, we believe she's the best candidate to maintain our way of life against them. So, I asked them, I said, who is "them"? And they said, oh, the people in China. So when the deep-blues also agree that the basic rules in Taiwan are democracy, I think it's a sign that society is actually agreeing on that one fundamental. And there are several other instances as well, where it's very clear that people are pretty much on the same page, you simply can't say it, for some reason. They can't say it.

So, all of this unconsciously contributes to the resilience of Taiwanese society as well. And if the external threats were such at some point that it really threatened their way of life, I'd like to think that you would see the kind of coming together, and dare I use the term "united front," that would materialize in Taiwan as well to counter that threat.

The problem right now is that the threat remains, becoming less so, but it still remains abstract, especially if you look at it from a purely military perspective. The last time China fired missiles in anger is '95, '96. For a lot of young Taiwanese, when I asked them what they were doing during the missile crisis, they said: I wasn't born. But if China were careless enough to resort to force again, I think you would suddenly see a rallying around the flag phenomenon in Taiwan, which you see in any other society that faces that kind of a threat as well.

So, I completely agree with you, it's more resilient than it gets credit for. That being said, that doesn't mean that they want to sit on their laurels and not take the external threats seriously, because it is serious. I don't think right now China makes Taiwan its top priority, despite the rhetoric and all that, but they want to prepare for the day when China decides that it is their number one priority.

Kitch, I didn't know you were here, but hi. Yeah, pretty much all I'm describing is United Front Work activities. On 311 Base, it's also known as 61716 Unit in Fuzhou and Fujian Province. Since the 1950s that unit has been in charge of electronic warfare against Taiwan, propaganda work. They had the voice of the Strait Radio Station, to which they've added websites and other activities, and they also sponsor activities. Interestingly enough, the 311 Base had office space that was rented by the very CEFC that sued me as well. In their first legal letter to me, they said that, yes, we rent an office on the base, we have no idea what the base does. I find that a little difficult to believe, but anyway that was their justification.

Well, that used to answer to the General Political Department, and so GPDLD of the PLA. Now, since 2016 reorganization that's all been centralized, so who is actually in charge right now, I'm not

certain, but that certainly points to centralization under the CMC. I'm hearing that that answers directly to the Central Military Commission, which itself is, you know, Xi Jinping now.

On the ID, identification cards. That raises the issue of another aspect of political warfare, that's the 31 incentives that China's Taiwan Affairs Office unveiled earlier this year to encourage young Taiwanese to go study and work and build lives in China, rather than stay in Taiwan. This has actually been accompanied by an upsurge in political -- or disinformation as well. You even had a Facebook group now that's called Ghost Island. And the whole notion of Ghost Island is that Taiwan has no future, it's filled with ghosts basically, so might as well go work in China, that's where your future lies.

So there's a push and pull phenomenon to that particular issue. The ID is simply an add-on to those incentives. They want to make it easier for young Taiwanese to immediately start working and then investing and having businesses in China. Again, I mean that's not -- the 31 incentives have received a lot of publicity and attention since they were unveiled. It's certainly not the first time that China has tried to use economic determinism to affect the Taiwanese.

I'm certainly not convinced that this particular initiative will work any better. All of this is contingent on conditions in Taiwan's economy, and the government's ability to reinvent Taiwan's economy so that it can attract and retain talent. Right now, there's still a lot of work that needs to be done. President Tsai has said that she's working hard to attract foreign talent as well to come to Taiwan. I'm seeing mixed results in that initiative. I'd certainly, for self-interested reasons, I'd like her to do a lot more on that particular issue, but that remains to be seen.

But, yeah, if China tried to present *fait accompli*, and were able to attract sufficient numbers of Taiwanese to go to China, whereby they would obtain those IDs. If they came back to Taiwan, what do you do? Do you cancel their ROC citizenship? If that were large enough a number of people that could certainly create all kinds of trouble, and perhaps compel the Taiwanese government to negotiate with the Chinese, and as a result you erode some of your sovereignty as well. So that's certainly a wise move on the part of the Chinese. Would it succeed in convincing the Taiwanese that they're Chinese? I don't think so. Economic determinism has failed miserably in places like Tibet. It's probably going to fail in Hong Kong. It's certainly failing in Xinjiang. I don't see why that would work any better with the Taiwanese.

That being said, the Taiwanese are pragmatic. If the jobs do not exist in Taiwan, if career progression does not exist in Taiwan, they are going to go somewhere else. And they are not all going to go to China, some of them are going to Singapore, some of them are coming to North America, some of them are going to Europe, some of them will go to China as well. So then the ID card just becomes an additional political element to that issue.

MR. BUSH: Okay. The woman here in the second row, and then going back, please --

QUESTION: Okay. Kitty Wang with NTDTV. Thank you for your presentation. The first question is, a few months ago we have seen that there's a bill introduced in the U.S. House and Senate to counter CCP's influence in the United States. They ask for doing cross-agency report to analyze China's -- CCP's influence here. So, do you think that Taiwan also needs that kind of cross-agency, or whole government evaluation about China's political influence?

And also, recently we have seen Trump administration has been pushing back on Beijing's action, bullying Taiwan. For example, last Friday they announced -- State Department announced to call back the three ambassadors from the Latin America countries who cut off the relation with Taiwan. So, can you give some comments on that? Thank you.

MR. BUSH: Okay. Three rows back, the woman on --

QUESTION: Hi. My name is Christine Mertens. I'm an intern at the Embassy of the Netherlands. So, recently the U.S. has pulled back representatives from Latin American countries, we've changed the recognition from Taiwan to China. And I was wondering to what extent that's also a consequence of Chinese political warfare or sharp power? And what can Taiwan do in that sense to keep its allies close? Thank you.

MR. BUSH: And then there was a gentleman sort of five rows further back, who had his hand up. We'll take that one.



QUESTION: Hi. I'm Anthony Esguerra from the Philippines. I'm a fellow right now at the National Endowment for Democracy. Now, I know that you have a -- Taiwan has a Southbound Policy, but my question is, what can Taiwan do more to counter Chinese sharp and hard power in Southeast Asia?

MR. COLE: Okay. Well, a bill to counter Chinese, the CCP influence. I know DPP Legislator Wang Ding-yu on National Affairs and Foreign -- National Defense Foreign Affairs Committee has been talking about having some sort of a bill that certainly punishes individuals who knowingly involve themselves in these kinds of activities. Whether they would succeed in having the consensus that's needed in Parliament to have an actual bill remains to be seen.

Again, that speaks to the difficulty in bringing everybody together in Taiwanese politics. Even on issues that ultimately pertain to or affect everybody, that bipartisanship is very difficult to come by in Taiwan, and you'll witness this, every time there's a national catastrophe in Taiwan. Rather than come together and say the right things, they will use whatever catastrophe occurred to point fingers at the administration, and what not.

So, I have not much faith that you would actually see a bill, per se, but there's definitely momentum in working harder on those issues. And as I said earlier I would like to see more investment in the actual agencies, and nongovernment agencies that can play a role in that issue.

Calling back the ambassadors from the three Latin America countries that switched diplomatic relations from Taiwan to PRC. Yeah, there's probably going to be more, especially with small countries that need the kind of infrastructure investment that the Taiwanese simply cannot afford to promise. I'm not exactly certain that all those promises from China will actually materialize. And it's also -- there's very clear evidence that it's turning into a debt trap as well, where those countries are unable to pay back that debt, and then in exchange to write off the debt, China will acquire an airport facility, or what not. So this is a form of neo-colonialism that Malaysia is now warning against, rather bluntly telling that to the face of Chinese officials.

There are indications that China, over the next three months, might intensify its campaign against Taiwan. Whether that would lead to the loss of other official diplomatic allies remains to be seen. That being said, my personal view on this is that Taiwan can afford to lose more official diplomatic allies, because in the grand scheme of things, it's not those small allies that are contributing to Taiwan's ability to continue existing as a sovereign state, but it's the unofficial relationships that Taiwan has with large economies, and large democracies, and the intensification of exchanges between Taiwan and those countries that are becoming more and more amenable to doing more with Taiwan—oftentimes behind the scenes. I think that in the end is a lot more important to Taiwan than the small allies.

Now, the U.S. government recalling its ambassadors; it's a signal. The United States can afford to do this because it's a super power, but there's a limit to the effectiveness of doing so. My sense is that China will eventually recognize what I just said, is that ultimately what matters for Taiwan is the solid links with unofficial allies. If China starts targeting that, then that's going to be a very serious problem for Taiwan. If any of the major Western democracies were to give in to such demands or pressure by China, then do you think Washington, D.C., will lecture those countries or recall its ambassador from Ottawa or London? That would be a little bit more problematic. There's limits to the kind of involvement by the U.S. government and the sovereign -- you know, decisions made by sovereign states. It was relatively cost free to do that with states in Latin America. I think that also gets mixed into the growing presence of China in American backyard. There may have been in the past year or -- in the past two years or so, a bit of inattention, if you will, in that particular part of the world.

I think Panama really made Washington, D.C., pay attention, because there is geo-political, geo-strategic implications to increase Chinese presence in that part of the world. I think that is probably the reason why Washington is doing what it's doing right now, more than simply wanting to punish those countries for switching relations from Taiwan.

I think subsequent to that, the other question is that political warfare of -- there might be a political warfare element to Beijing's approach to those countries, but primarily it's: money speaks. Those countries want infrastructure investment to develop, you know, port facilities and airports, and what not, and in so doing gain access to the Chinese market as well.

But as we are seeing with Palau, even small countries in the Pacific now are also starting to push back a bit as well. China was able to get away with doing that as long as people were not paying

attention. Now we are seeing a bit of an awakening. I think Australia played a big role in focusing minds worldwide followed by New Zealand, and now we are starting to see other countries pay more attention to these as well.

But the kind of leadership that probably only the United States can show, or perhaps countries like Germany or the U.K. in Europe, they need to step up as well and become more vocal in addressing, you know, the values and principles that define us. That's why the whole airline issue was so disappointing is that in many cases the governments would not involve themselves, claiming that this was purely a private company matter, when in reality it was an authoritarian regime trying to dictate what we in our companies can say in our own countries. So, this is certainly larger than just a private sector issue. But as long as we do not see that kind of leadership coming out of major capitals, it's going to be very, very difficult to push back on that.

New Southbound Policy. I remember we did meet in Taipei last year, didn't we at -- yeah, we've seen -- we've actually seen a few incidents in the past year involving Taiwan in the countries that are targeted by New Southbound Policy. Chief among them was Cambodia where Chinese presence, and influence, and investment has gotten quite extraordinary.

Last year there was a fake news report that came up initially on a Facebook page that is associated with the Hun Sen government in Phnom Penh that accused the DPP of training militias from the opposition to try to unseat him. And they had photographic evidence of members of the said opposition party who were being trained in Taiwan. What was not said is that that delegation had come to Taiwan during the election to observe the elections, and that they had been brought as members of the Council for Asian Liberal Democrats, CALD. And as part of their trip they visited the DPP offices, because hey, the DPP is also a member of CALD.

Anyway, that's the beauty of disinformation; you go from visiting a rather boring party headquarters in Taipei to being trained for militia activities. Then that disinformation was circulated in Cambodia Daily, and that eventually was used to discredit the opposition, the party was shut down, and Taiwan was -- NDI was also kicked out of Cambodia at the same time. And then, surprise, surprise, media in Hong Kong, and pro-Beijing media in Taiwan were holding -- publishing articles and having talk show programs with photos accusing TFD, under the DPP, of trying to foment disorder in that part of the world. Ironically, when those activities were said to have taken place, the KMT was in power in Taiwan, and TFD was under someone who had been appointed by President Ma Ying-jeou, but with disinformation the truth doesn't matter anyway. But the then-president of TFD, Dr. Hsu Szu-chien, who is now Deputy Foreign Minister, had his photo featured prominently in those articles and talk shows, and that was, again, coming out of Hong Kong, pro-Beijing media. And they were trying to discredit TFD whom they also accused of trying to sponsor dissidents in Hong Kong.

So, Taiwan gets dragged in those controversies, if you will, in areas where China is trying to increase its influence as well. But not just Taiwan, as I said, NDI was expelled, and now they have a temp office in Thailand.

Cambodia is definitely one of the top examples, but as Taiwan tries to increase its presence in Southeast Asia, China may also try to counter the New Southbound Policy. And right now the rhetoric coming out of China is that the New Southbound Policy is futile and it's not going to go anywhere, it's going to fail, it's the third iteration of a failed policy, and what not. So they are kind of mocking it right now, but how -- if they came to take it seriously enough, I think you would see an uptick as well in disinformation and political warfare.

Again, just simply threatening those governments that if you actually engage Taiwan on New Southbound Policy, and mind you, New Southbound Policy is not just economics, but it's also social cultural, educational, disease control, and what not. If China impose a cost for those countries, who choose to engage Taiwan on those issues, then you could possibly see more reluctance among the -- I think it's 14 countries from the New Southbound Policy that are targeted by Taipei.

MR. BUSH: Michael, I think you were right earlier when you said we could go on till, like, 8:00 o'clock.

MR. COLE: Indeed!

MR. BUSH: But we've actually run out of time. You've been very generous with your time, and your insights. Please join me in thanking Michael Cole for a really interesting talk. (Applause)