

**Su Chi:**

I'd like to take this opportunity to thank all the participants for joining us today in greeting Governor Huntsman and listening to his speech. From the podium here, I see Former Vice Premier Wu Rong-i and I see three former ambassadors to US. I see a number of ambassadors to other countries and I also see some current officials such as NSC officials and former officials, and I see many of my good friends in the academic community and many friends in business community including American Chamber of Commerce Executive Director Andrea Wu. And welcome you all to join us today. Indeed, Taipei Forum is very privileged to host this event for Governor Huntsman. He is not just another visiting US dignitary, he is returning to Taiwan. 回老家. He used to live among us. His first visit was when he was 19 years old, that was 30 years ago. Sorry I reveal your age. And he lived in Taiwan for 2 years. Talented young man, he quickly learned to speak mandarin, even Min Nan dialect. Over a decade ago, he returned to Taiwan. 第二次來. And this time, he came with a family, happily married. At the time, 5 or 6 children, and they lived in Tianmu (天母) for over a year. And I understand yesterday they paid a nostalgic visit to Tianmu (天母). Mrs. Huntsman has a big heart. She had many volunteer works when she lived in US. And she organized, launched, and developed programs for the young people, teenagers, and children. In Taiwan, during their long stay in Taiwan, she also volunteered her services and experiences in a catholic church for an orphanage. Yesterday, I understand, they also paid a visit to that church. We are very happy to see them in Taiwan once again.

Governor Huntsman has led a very successful public life. His career path, some of you may be familiar with his career path, but let me just briefly lay out. His career path crossed with that of Taiwan's political development at a number of points. When he was appointed as an US ambassador in Singapore in 1992 and 93, that was the time when Taiwan and Mainland held this very first high level talks, Koo-Wang talks, in Singapore. There he was in Singapore. I am sure he had fed a lot of helpful input to the US policy making. And in 2001 and 2003, he was Deputy USTR. That was time when Taiwan negotiated its way into World Trade Organization. I don't know the details, I am not a trade person, but I am sure in that position, Governor Huntsman must have helped Taiwan through the door of WTO. After that, he ran for governorship in Utah. He was elected, then he was reelected as a governor. And there, he proved that he could also excel, not only in foreign affairs but also in managing domestic issues. Utah happens to be one of the most conservative states in the US, as we all know. And he managed to overcome many difficulties, many problems, by cutting taxes, reducing waste and improving overall economy of the

state of Utah. So he was reelected with great margin. And then, all of a sudden, President Obama, a democrat, decided to draft him into diplomatic service, a republican, and put him in Beijing. Again, there, he served his country well. We all understand, a year ago, he decided to run in the Republican presidential primary. There he shared his vision with the American public. So we are honored today that he is going to share his vision with us, especially the challenges and opportunities for US in 2012 and beyond. Governor Huntsman is generous he would speak for some time, then we will have some Q & A. So, please welcome and give him a big hand.

**Governor Huntsman:**

I am very happy to come back to Taiwan and gather here with my friends but I'm not going to brag and boast about my Chinese or mandarin capacity. Or as Winston Churchill used to say, there is something you just never do in life: you never kiss someone who is falling away from you, and you never climb a mountain that is leaning toward you, and you never speak to a group that is a whole lot smarter than you, and those know a whole lot more about this subject better than you do. I am honored to be here, and Su Chi for your hospitality, and your friendship. I am very very grateful. I am also delighted to be here with Mary Kaye, my wife, with whom I lived in Tianmu back in the 1980s. And because of her volunteer work at the 天主教堂 (Catholic Church) in 天母 (Tianmu), volunteering with the orphans that were there, we somehow got this idea that bringing in someone who needed life and a little bit of hope in our own family was a good thing to do. And that led to our daughter, who is here today, Gracie Mei, coming in to our family many years later with the seeds. But the seeds were planted right at 天母 (Tianmu), right at the 天主教堂 (Catholic Church) and we are very very grateful for the way in which that provided inspiration and a sense of goodness about humanity, and ways you can make communities and live better. Now Gracie, 她就是揚州人. 中國話有一句話說揚州出美女. 你看她就知道了. 對不對? (She is from Yangzhou. Chinese People always credit Yangzhou for producing beautiful women. Just look at her and you'd know if it is true.) She is very famous in Yangzhou, much more famous than the former US ambassador. So famous was Gracie that they put her face on a stamp in China. And I said, Gracie, you don't know how lucky you are, how rare that is. You have to die usually, for the most part, for you to be put on a stamp, and here she was, at a very very young age.

Well, Su Chi mentioned that I have had a great fortune of intersecting during my life with Taiwan, over and over again, and it's quite true. And I go back to 1979, when I first came. Much different Taiwan. It was a tough time. For all the reasons that

everybody in this room is familiar with it, there is no guarantees that US, the US and Taiwan would be able to move forward in a productive and successful way as we have seen since then. But because of leaderships on both sides, different parties, a common view of security and stability, United States and Taiwan have flourished since 1979. I again lived here in 1987, where again I am living in Tianmu. And almost seemingly overnight, Martial Law was lifted. The press was freed up. Opposition political parties started to flourish. I was here on the streets watching it all played out. At the time I was doing business, and it was a remarkable transformation that I was able to witness, and compare and contrast with what I had seen in 1979. Do I know my way around Taipei? Yes, I know my way around Taipei. Last night at the foreign ministry, what did they give me to eat? They gave me 臭豆腐 (stinky tofu). 因為我就是告訴他們我最喜歡吃的東西就是臭豆腐. 他們不相信我的話. (I told them my favorite food is stinky tofu. They didn't believe me.) They brought me some 臭豆腐 (stinky tofu) that it was the best I have had in a long while. They put a little 辣椒 放在上面 還有旁邊有泡菜 就非常好吃 (They put a little hot pepper on it, and some pickled cabbage. Yummy). But I have lived in 內湖 (Neihu), 中山 (Zhongshan), 永和 (Yonghe), 中和 (Zhonghe), 三重 (Sanchong), 板橋 (Banqiao), 花蓮 (Hualien). And there is a place called 玉里 (Yuli) that is south of 花蓮 (Hualien). Many years ago, I took the train from Hualien to Yuli, Yuli is a more rural place. They produce very good watermelons, the best in the world. A wonderful place, and my memories are clear and positive about all of that which I experienced. And then in 2001, as Su Chi mentioned, I had the opportunity of serving as United States' trade ambassador when we worked on China and Taiwan's succession to the WTO being in Doha, Qatar, November of 2001, that historic period. And I was reminded at dinner last night as I was seated next to Dr. Lai (賴幸媛) who was very critical at that time and we worked closely, and Jeff Bader another good friend of mine, and it worked. And history was made by the work of some very very insightful and visionary leaders again on all sides. And then in 2002, we started the TIFA process, Trade Investment Framework Agreement. There is more to do. There is more to do on beef, there is more to do on TIFA, there is more to do as I said running for president of the United States on a free trade agreement.

Our vision should be big. It should be bold about what two economies based on freedom. But I'm reminded of when I come back because I haven't been back for 13 years, I am reminded of the strengths that you have in Taiwan, and they are very clear for anyone who wants to come to compare and contrast as I have. Number one is people. Your people are friendly, smart, industrious, and committed. And everywhere I go, I am very impressed with the power and the strength of the people

living in a free society. And when you achieve that, there is no stopping. There is only up to your imagination and creativity about where you go. And number two is your commitment to values, which I think says more about you than anything else, because what is most important about the United States is not our military, although our military is pretty strong. It isn't necessarily our economy, which is the largest in the world. It's a quarter of the world's GDP. It is our values: a commitment to liberty, the democracy, the human rights, and to free markets. And when you can combine the energy and intelligence of a population with values, nothing can stop you. You've got it all. So when I hear about the challenges, every country has challenges, every country, there is a period of insecurity that has enveloped the world, whether you are in Europe, the United States, China, or Taiwan, there is a sense of insecurity. But then you have to take a moment and look at the gains that have been made and say that we have the most important things you need for an economy to flourish. We have good people, we have strong institutions of education and we have values that leave the future open in whatever direction we want to take in. I just want to leave a few thoughts behind on the world and the United States because we are experiencing, I think, a fairly unprecedented and historic period right now for the world. And then I will tie it back to, I think, three or four things that I think is going to drive our future, whether you are sitting in Taiwan or whether you are in United States .

First, just a couple of thoughts on our place in history. The world seems to be locked in a bi-script of debt, fear, uncertainty and transformation, everywhere you go. This no longer is a black and white world that we are living in. There are increasingly shades of grey. And when there are shades of grey in the world, that's when friendship really matters, that's when loyalty matters. The ground continues to feel shaky wherever you go. The global economy seems to have gone from puzzles, as one scientist describe a little while ago, which was defined by answers. In the old days, the puzzles had easy answers, easily definable. Now we have entered an environment of mysteries with real uncertainties associated with them. How should we read our moment and time, as we all push it together, regardless of which side of the Pacific you find yourself on. The tectonic plates of global economy and of global capitalism are shifting. The developed economies, like the United States, are deleveraging. Every family, every city, every state, and even our federal government, thank goodness. Maybe they will get around to it, deleveraging, taking debt out of the system, because debt, to my mind, isn't an economic issue anymore for the United States, it's a national security issue. Because if you get too much debt that if your debt to GDP ratio is 100%, you can't compete any more. So for us, deleveraging

is critical. And we are also reregulating, which is going to have some toll and cost on our economy over time – health care, financial services reform, just to name a few. The global economy of 60 trillion dollars will lose probably 6 trillion of growth in the next couple of years mostly because of problems on the demand side of the balance sheet because of fear, because of uncertainty, because of lack of a clear direction of going forward. The fear factor in today's global economy is very real. There is indeed, as I would describe it, and I know others have too, a new normal that has appeared. But this is only part of the story. I think a fuller description of this global dynamic, as I would refer to as rebalancing in a related technological macro economic and demographic trends that are exposing severe inequalities and chronic debt problems. With these same forces are also propelling the global economy toward a more balanced and sustainable model of growth. Why? Because balance sheets will eventually improve. That is inevitable. And the world will be poised to growth. And these forces are bringing about the most significant global trend of my lifetime – the movement of capital from the developed world to the emerging economies. A phenomenon, a trend that during my relatively short lifetime, probably transcends anything else that I have experienced in my life. This transformation has welcomed in to the global economy. 3.5 billion customers, the single most important economic developed by life, and what do the drivers spend? You all know the drivers, the devolution of communism, 1977, 78, reforms in China under Deng Xiaoping (鄧小平), and the fall of the Berlin Wall, 10 years after Deng Xiaoping's reform.

The second most significant trend involves the impact of the information age on capitalism. Innovations in computing, robotics, communications, medical services, are all solving problems, and extending our lives, well beyond what we ever thought would be achievable. And I have seen this first hand as chairman of a cancer institute in the United States. But the revolutionary achievements and breakthroughs are also permanently removing unskilled workers in the labor force, and creating structural unemployment that hasn't been seen in generations. What is something I fear most in the United States going forward? Of course I fear gridlock, I fear government's inability to make a decision for heaven's sake, but I fear the structural unemployment, which is playing out, and we need to keep an eye on it and beware of it and aggressive.

Another problem is the social and societal implications of our very rapid economic transformation, the political and societal shockwaves. There is an "occupy everything movements" these days no matter where you are in the world. In other words, are we leaving people behind? As the pie gets bigger, more of the pieces are going to a

smaller class of innovators and financiers. Look at the example of Apple, a company that everybody in this room knows well. Steve Jobs, one the most creative human beings of my generation, revolutionized the computer, phone, movies, music, publishing industry, in the process created half a trillion dollars in market value. That today, half a trillion dollars, accounts for 20% of US retail sales growth, in a recent quarterly report. One company, 20% of US retail sales growth. Great for share holders, but not good for labor, which of most is produced by semiskilled workers, even from Foxconn (富士康), many familiar with here. Soon to be robots, inevitably. Apple sold 128 billion dollars worth of things last year, with only 63 thousand employees. About 2 million dollars per employee when you look at it on a sales to employee ratio. That is triple the average for employee productivity in the United States, and 30 times that of McDonalds, which employs 400 thousand people, and generates 26 billion dollars in sales per year, or 67 thousand dollars per worker. I am here to tell you that the trend in United States and beyond will be more Apple and less McDonalds. And therefore how do we prepare our work forces, our young people, for the reality of the information age and the impact that it is having on global capitalism, and the social shockwaves that will likely ensue if we are not on top of things?

Back to the real world, I just want to share with you four things quickly; I know the time is somewhat limited. Four things I think are going to shape our world over the next few years – United States, energy, China, and Europe. Let me start with the United States. For I understand, they are having elections soon. The elections are going to be driven by economics, no doubt about that. And the election will come down to probably three key states that will be absolutely critical in a Republican and Democrat contest that will be very steady and very close, I think, all the way to the finish line. What we have in the United States, I will be very honest with you, I talked about this during my own run for the presidency and as I tell people I am a failed candidate for the presidency so you should put whatever I say in proper perspective. We have three deficits in America. We have a fiscal deficit, that is very real. We have a trust deficit. And we have a confidence deficit in the United States. I am here to tell you, we are a resilient country, as CJ (程建人) knows, who has put in many years there. As Alexis de Tocqueville used to say when he visited America during the Jacksonian period in the 1830s coming from France, the old world with friend Gustave de Beaumont, he would say the United States is a great country, not because its people are better than anybody else, but because America has an ability to repair her faults. And I think that aspect of American society is still true. We have the ability to repair our faults. Yet, 100% debt to GDP is unsustainable and it has become a national security issue in my mind because of the inability to compete on a global

stage when you are carrying that much debt. In order to get there, we have to solve Medicare, we have to solve social security, and yes, we are even going to have to look at the defense department a little different than we have in the past. So the days of being able to protect areas of spending in the United States is history. We can't afford to do that anymore. We are going to have to look at everything. When I say the department of defense, I have two boys in the United States navy. I want the defense department to succeed and their budgets to be strong. But in America, we have no choice. We have to look at every area of spending.

Our trust deficit. The last poll that was taken: 8% support by the public when it comes to congress. 8%? I don't remember a time in my relatively short life where congress has ever been this low. They are down to blood relatives, close friends and staff members for the most part when you dissect the numbers. Why is this? Because our system needs reform. We have a problem when it comes to crony capitalism, if I can be very honest with you. And we have got to resolve it and address it by being frank and honest and direct. To my mind, when your term limits in America, why? Because we have an institution called incumbency that reaches up and grabs people and doesn't let them go. And every election cycle, the same people go back, for the most part, time and time again. Number two, we have to figure out how to finance campaigns better than we are doing today, because our system of campaign finance is broken, and it's an embarrassment. And you can get people of average intelligence in a room together and tell them to come up with a scheme by which to campaign, there is no way anybody would come up with what we have today. It is hard to fix, and it must be done. Things like not paying congress until they can balance a budget. No business in the right mind would pay executives if they couldn't turn in a budget that was not probably balanced. Reform. We need basic reform issues on an agenda that will boost the way in which the average American voter sees their elected officials, and begins to see their institutions of power.

Confidence. We can regain our confidence, but it was very telling when I sat in a meeting in China with a very well known minister on the economic side. It was on trade and investments matters, and after the meeting, he pulled me aside. He said, Ambassador Huntsman, please tell your people in America not to lose their confidence because when you lose your confidence in America, we all suffer – it goes around the world. I thought for a moment, here I am the United States Ambassador, from a great country, being lectured by someone in China about confidence. World is changing. But the point was a very good one, and that is we have lost confidence in our direction. Yet, when you look at what the United States has on the asset side of

the balance sheet, still a strong nation with great people. I think our greatest strength in America is we are able to assimilate people from all different backgrounds, bring them in to our society, and give them a chance, give them an opportunity to succeed. This is our greatest strength, and that is something that we renew in our economy and our nation's fabric every now and again. Number two, we are still the most innovative economy on earth. It's a very telling contrast when you go from Washington DC, which is a very depressing town to be sometimes because nobody gets anything done, and you travel out to Silicon Valley, California. I gave a speech recently in Stanford University, and took sometime to visit an investment company that has invested in Facebook and Google and all the other big names, and I did a roundtable with young people from India, from China, different parts of Asia, thinking about new ideas, optimistic about the future, thinking for them, Facebook was old. They are already thinking steps beyond Facebook and I thought this is America. This is a place that the world envies because we bring the sense of freedom and risk and capital and strong education institutions together that make up success. We still have that in America, even when you have to look from time to time. Number three, we still have the finest military in the history of the world. Volunteer. I have two boys in the navy, and I am proud that they are there, and we still have young men and women who are willing to go off to war, which is a very unusual thing. We have been at war now at Middle East for 10 years, and it is time to clean it up. We have got some healing to do, some patching up to do, and we have a lot of soldiers. They and their families have made an enormous contribution in terms of the toll that is taken financially and otherwise on them. We owe them a great deal, and we have to begin a process to begin recognizing that strength in our society. We have great colleges and universities, still. The California system, because the budget has gone down, will be getting a third less money, they will have to increase tuition, but we still have arguably the finest set of colleges and universities in the world in America, everyone still comes to attend them. When I was living in China, I watch everyday outside of the embassy, people lined up to attend our universities. China has just overtaken India to have the most students in the United States studying in our colleges and universities. 1500 thousand right now. Finally, we still in America, have a great volunteer spirit. We still run to save people when they are in distress and we still have the ability to want to take our time and to make communities better and stronger. That still, I think, is a central part of the American experience, and ethic still count. When we have lapses on Wall Street and when banks make mistakes, there is a price to pay, and there should be. And there is an overall review of ethics. So the United States, when you look at the balance sheet overall, is still strong. But we are experiencing a period when our confidence is down. On the

economic front, in the United States, remember 1954, because that was the first year that the DOW average regained its pre-depression levels of performance. So you say, when are we going to be back in action? Not going to be tomorrow, not going to be the fourth quarter of this year. It is going to take some time. But all you have to do is look back in history a little bit and see how long it has taken. Usually from a strong economic crisis like we have experienced, at least 3-5 years. And if you look at the average of 3-5 years, we are probably ahead of schedule somewhat, in terms of our rebounding, from the depths of despair few short years ago economically. Twenty years of cheap money and debt built up by families, by corporations, by local government won't resolve itself quickly. It will take some time. And the growth will be hindered by the housing market. You see in America, we still have 5 million homes that are part of the inventory, the backlog. And if you stop to think that housing has always been probably one third of our nation's GDP growth, new homes aren't being built. And they are not likely to be built because the inventory is so high it must be worked out. So, in order for us to grow beyond 2 to 3% from a GDP standpoint, the housing market must be addressed.

Number two, let me move from the United States to energy. The United States has been given one of the greatest gifts in a hundred years. It is called shale gas. And the man's name is George P. Mitchell, who is responsible for it. You probably are going to be hearing a lot more about his name as shale becomes more and more viable – the biggest innovation in the United States, I would argue, in two decades. 37% of our US natural gas is from shale and it is soon to be 50%. So if you can imagine this: unthinkable a few short years ago, by 2030, the United States could be a self-sufficient energy country. I'd never thought I would be standing before a crowd during my lifetime uttering those words. Now, energy in America is about economic development. It has become a serious driver for growth in North America. 600 thousand jobs have been created with huge investment flows coming in. Absolutely astonishing. 600 thousand jobs! That is how many jobs have been let go from local governments in all 50 states as they have all downsized to become more efficient. Imagine if we did not have 600 thousand jobs from shale making up for that adding to the economy. There are some environmental concerns, methane leakage, in terms of the fracking technology that is used. The closed loop capture systems are being developed very very quickly, that I think is going to assuage most of the concerns there. All of these means that we will have an opportunity in the United States shortly to address one of our most fundamental needs, that of powering in a reliable, cheap, cost-efficient way the future economy. And it means we are going to have to be strong enough and courageous enough to say to oil companies: you have owned

the distribution system for a very long time – those days are gone. We are going to have to come up with new distribution systems that allow new forms of gas, clean, cheap, natural gas, to get from point A to point B.

Why do I say that? Because I drove a natural gas car when I was governor of Utah, the only governor to drive a natural gas car. People thought I was crazy, until on these radio programs, people would call the governor. They think the governor can solve all the issues like deal with OPEC and oil prices. They say, Governor, we are tired of paying \$4.50 per gallon of gasoline. What are you going to do about it, Mr. Governor? And I say let me tell you what I paid this morning. I paid \$1. And they would stop in their drags. Let me tell you how you can do it. You can go to a local entrepreneur who can convert your car like they did my big black suburban. But the only thing lacking, I found, was a distribution network, and we started to address that. We created a natural gas highway in our state that allow for somebody to drive from Colorado all the way through to California for the natural gas car. It's easy to do. You just have to focus on it, make it a priority. If you stop to think that the economic benefits of gas, which is \$2 per MMBTU (million British Thermal Units), the equivalent economically of \$10 oil prices, not \$90 or \$100 oil but \$10 oil prices that US manufacturers are beginning to consider, and transition into. The largest coal power plant, just converted to gas in the United States. I am on the board of 4 motor companies, and I am also on the board of a caterpillar corporation. They use a lot of gas. And they are thinking, very radically, in terms of this new energy economy that is upon us. All of this carries enormous strategic military and diplomatic implications for the world. And I can't even begin to describe what those are likely to be.

Number three, let me just say a couple of comments about Europe. I'd have to say that the single most important step taken by Europe since the end of World War II, that of integration, is now very much in question – The European Monetary Union. I guess you can say the cart was put before the horse. I guess you could say that in a sense 2 people are going off to be married, and before they got married they opened a joint bank account and started transacting business. That's what we have now in Europe. You can't have an economic and a fiscal union without having a political union. And I am not sure a political union will ever be possible in Europe. In order for it to work, Europe will need to channel some of its sovereignty into a federal experiment. I am not sure that is doable. It doesn't look promising. Investment into Europe last year was down 19%. This year you can only imagine what that drop off is going to be. NATO has somewhat demilitarized itself. I think Afghanistan will likely be the last major conflict that we will see. Europe could be on the doorstep of a

prolonged deep recession. In order for Europe to survive, I think a few things are probably going to have to be considered. Number one, inflation may need to be introduced by the European Central Bank. Number two, serious need to recapitalize and provide the banks the good old fashion stress test like we have been through in the United States. Number three, Germany is going to have to step up its game, which if you stop and think about it, it's probably impossible, because for Angela Merkel it is not an economic issue any more, it is a political issue. How do you sell, messaging wise, the need to help reinforce your bailout of weaker states in your neighborhood when you have gone through the same thing over the last 12 years, and you have survived, and you have succeeded? Comes almost an impossible political task for Merkel, or subsidies from the richer states are going to have to make to the poorer states. And I am not sure that is going to happen. We have that in United States that is the part of the way our fiscal union works. We have labor mobility in the United States. You need labor mobility for a fiscal union to work. You need to recognize the stronger states versus the poor states. We don't talk about it a lot in the United States, but that's our tax scheme works. In the end, the economic and political disparities among the member states maybe too great. But in the short term, difficulties in Greece, Spain, and Italy may create contagion for all of us to some degree because we are all exposed to what is now playing out in Europe.

Finally let me just say a couple of things about China. My first introduction to China was as a relatively young man. My first trip to China was with Ronald Reagan in the early 1980s, when I had the chance to see Deng Xiaoping, and witness the reforms that he had embarked upon, and I thought a lot about the legacy of Deng Xiaoping because that is coming to an end with the 18<sup>th</sup> party congress in October. Why is it coming to an end? It is coming to an end because the new leadership team was not chosen by Deng Xiaoping, not blessed by Deng Xiaoping. It is a new generation. And the Deng Xiaoping dynasty which was in the late 1970s to 2012, I think, will be remembered by three things. One, the diplomatic opening to the rest of the world. Number two the economic opening to the rest of the world and the liberalization which ensued. And three, primacy of the communist party that it will remain the central point of decision making and there will be no alternatives. Now the 5<sup>th</sup> generation is coming up: Xi Jinping (習近平), Li Keqiang (李克強), Wang Qishan (王岐山), Wang Yang (汪洋), all those are going to occupy the standing committee of the Politburo. And they are going to have to address three questions that are far different from what Deng Xiaoping had to deal with during his years. One, is it trying to become more repressive domestically. Number two, is it trying to become more economically nationalistic. Number three, is it trying to become more assertive

internationally. And some evidences have shown that these are all very real questions that will have to be addressed by the 5<sup>th</sup> generation. Now I have found that the 5<sup>th</sup> generation is different than the 4<sup>th</sup> generation. I know many of the 5<sup>th</sup> generation. I have known many of the 4<sup>th</sup> generation, I knew some of the 3<sup>rd</sup> generation. They're tempered and impacted not by events like the great leap forward in the 1960-1964, not by events like the Cultural Revolution in 1966-1976 although many suffered during that period. I found, the 4<sup>th</sup> generation because they had learned during that period of history didn't want to repeat it. It made for a level of humility having seen the worst that mainland China can suffer through, never wanting to see it again. The 5<sup>th</sup> generation comes up. What is their sole point of reflection and impact? Probably an economy is growing for 30 years by 8,9,10%. Do they think that China has arrived? Of course they do. Do they think the United States may be experiencing some moments of difficulty? Of course they do. Are they going to be a tough generation to negotiate with? Of course. There will be a height and sense of nationalism, the height and sense of their place and time, and it will have implications for business, it will have implications for government as well. So we will follow those 2012 changes and 18<sup>th</sup> congress with great interest.

With respect to the broader US-China relationship, what have we seen in the last few years? And what is the challenge on the horizon? US-China relationship has gone from a bilateral, it was based on all of the typical elements of bilateral relationship, building economics, regional security, culture, to a global relationship, where the discussions are about North Korea, they are about Iran, they are about economic rebalancing and Europe, they are about Burma, they are about South China Sea. It is a global agenda. The challenge is the relationship is not ready to take on some of these global challenges. It is still working through the difficulty of forging a global relationship. But China has come up to the world stage, not yet prepared, in every sense of the term, to deal with the responsibility, and the leadership that comes with their position in the world. This will be the challenge for the United States going forward. How do you forge that relationship that would suggest that the US-China relationship is more than a bilateral relationship? I would just stand by this, I think the most important aspect of US-China relationship is America's ability to project our values, because I think in the end our economy will go up and down, we will go through different presidents and different administrations, but our values should always remain the same. And we should be unafraid to articulate those values. They are about liberty, they are about democracy, they are about human rights, and they are about free markets. And we are only believable when we practice them ourselves at home. And we only have credibility when we can stand tall based upon our own

successes in these particular areas.

I was reminded just in conclusion of one visit I made which brought all of this home. I went out to see a young woman by the name of Ni Yulan (倪玉蘭). There was a political dissident in China. And I followed her story and wanted to meet her. That was what I felt United States' ambassador should do. She was in trouble, like a lot of people from time to time. She had been tortured to the point where she couldn't walk. She was in bed in her apartment. No electricity, no heat, no Internet connection. And I drove my car. I didn't drive when I had a driver, they wouldn't let me drive, I drove my bicycle. A large black Armory Cadillac with the American flag in the front and I drove down the alley ways outside of Beijing. To this old apartment building where she was living. I got out of the car and I walked through some security people, they were keeping a very close eye on her. And I will never forget the look that I got when I walked into her apartment building. She didn't have to say anything. I could see her face, I could see in her eyes. United States had arrived with values. Cared about her, didn't mean anything politically, she was with no value politically, she was damaged. Yet she was trying to break through in terms of a broader conversation about basic human dignity and the worth of an individual. And I arrived and it wasn't me, it was the United States that she saw walking into the room because she teared up when she saw me. She could barely speak. And I knew exactly what was going on on her head. She was recognized even through all the difficult days, months, and years that she has experienced. United States still cared about her issues because they went right to the core of our values in the United States. May it always be that way, may we always together share those values, which I think made our people very very strong, and sets it up nicely for continued successful future. Thank you all so very much.

**Su Chi:**

Thank you Governor for an excellent speech: most comprehensive, most inspiring. I liked particularly your last point of value. If I may, before I turn to open the floor, I'd like to make one point. I also agree with you that Americans should have confidence in yourselves. Among other things demographically, US is the only industrialized country that is still growing demographically, as in your family. But more than that, I have many American friends who are scholars or officials or different other professions, many of them have adopted children as you did. A former deputy secretary of State adopted 5 children. I was so surprised I asked him do you live with them? Do they live with you? And he said yes. All 5 lived with the family. And I think that's compassion, that's love, sympathy, the value. Big heart is what great countries

are made of. So you know I even wrote an op-ed piece in Taiwan arguing that US is not on decline in the long term so US ought to have confidence in itself. But that's my own personal view. I happened to have a chance to join Governor Huntsman in April at a world forum. He was asked to give a keynote at dinner on opening night. His speech was as inspiring as this one, but, believe me, his Q&A was even better. So please feel free, and this is a very rare opportunity for us to meet him, he had been away from Taiwan for a long time, had been busy in public and in private, so please take advantage of the next half an hour, and chat with our old friend. Please. Ok. Dr. Liang Chi-yuan (梁啟源), economist of Chung Hua Institute of Economic Research.

**Dr. Liang:**

All of us agreed you just gave a very excellent speech and we really learned a lot. Concerning energy, I really agree that the shale gas is really quite important development of United States and the energy supply problem in United States can be solved largely by this development, but still some problem, that is, the consumption. The energy efficiency in the United States is still not so good, and the greenhouse gas emission is still a big problem especially to cope with the climate change problem. I don't know what is your point of view related with recent US policy on energy, especially the greenhouse gas reduction policy. Whether that is a correct policy, in your opinion, and you think in the future is that possible US will change its policy and comply with the UNFCCC (United Nations Framework Convention on Climate Change) like Kyoto Protocol or join a similar scheme to limit the greenhouse emission control in United States? Thank you very much.

**Governor Huntsman:**

Thank you for the question. To show you how the political dialogue is changing in America. This is the first question I have had on greenhouse gases in probably one year. People aren't talking about it in United States, why? Because the economy is weak, and there is no leadership leading out on it, that wants to take a risk, so consequently the talk is about jobs, is about getting back on our feet, economically and not a lot about climate change or emissions, or any kind of scheme that would allow us to move toward an improvement in that particular area. I would just say a couple of things. First of all, I don't think you are going to see any movement in the United States until there is political leadership that recognizes it that there is some value in moving in this direction and in addressing it head on. Number two, I think the movement toward, let me just say, I was alone on the stage of Republican candidates for the presidency when I said I defer to science when it comes to climate change. And if there is a 99 out of 100 climatologists who say that there is something

happening and we might want to recognize that and address it from a public policy standpoint, I say that's good enough for me. No one in congress that I know of is an expert, I don't know any physicist in congress, yet it has become a great source of political discussion or speculation there. Let me put it this way, if the cancer institute that I'm chairman of, if you had 99 out of 100 oncologists who came to you and said for prostate cancer we are going to recommend the following course of treatment, everyone would say the community has spoken, maybe we should pay a little bit of attention. But there is something different in this particular area that has become a very thorny issue politically. So while no one is talking about it, it is very interesting to know that progress is being made. All by itself. Why is that? Because of the movement more toward natural gas and the 50% lessened emissions that come from natural gas. So, if we were to come up with a plan 5 years ago on reducing emissions without the advance of natural gas, I would argue that we wouldn't be nearly as far along as we are today with natural gas. So I think it by itself is going to be very significant driver and contributor to cleaning up our air and improving our quality of life because it also becomes a health issue for a lot of people in certain parts of the United States. I know that well from being a governor.

The second point I would like to make is it is really hard to make progress on this issue unless you are willing to deal on a global basis, because everybody is downstream from somebody else. And we would wake up in the state of Utah, which is inland from California, our skies would be polluted by emissions from China and India which get caught up in a jet stream and take right across the Pacific Ocean. You know that you live in a global environment and everyone's impacted by the actions and decisions of other people. So for the United States to take action, leadership is one thing, two, coming up with a workable plan is another. And I think that is only doable if you have got the key emitters engaged. Now, by that, I would refer to China as being a key emitter. We all know the numbers today. And we are only going to be able to do that if we get our scientific communities together and begin to harmonize the data that we are all looking at. So what struck me, when I was a governor and trying to get western governor, I used to chair the Western Governors' Association, get governors focused on some of these issues, we found very quickly that the only way we can get moving was to bring China into the conversation. And then it became very apparent that we were both reading from different scientific texts. So you have the physicists, the climatologists, the atmospheric scientists in the United States who are reading different data than they are reading in China. And I argue that the time as I did as ambassador, that we should start with just the basics. Let's start exchanging our scientific communities and harmonizing the data that allows us to understand

what's being emitted, how much is being emitted, and what in fact are the results of those emissions because you can't get the policy solutions until you have a common bench marking. You can diagnose the problem. So I would say the problem is initially, it's going to take some sort of joint effort on the part of the American and Chinese scientific communities and there are certain professional groups who can do this, to begin bench marking what the data means, how it is affecting our populations and our communities, how it is impacting the boarder environment, and begin to talk about the solutions. Longer term, I think our ways are off.

**Su Chi:**

Thank you. One moment. I see hands over there. Is that... I'm sorry the spot light is too strong... Dr. Song? Dr. Song Yaan-huei (宋燕輝) of the Academia Sinica

**Dr. Song:**

Thank you Chairman Su and Governor Huntsman. My name is Yenhui Song from Academia Sinica. I have two sets of questions related to foreign policy which in my opinion are important challenges and opportunities for the United States in the year 2012. The first set is about US accession to the Law of the Sea convention. Do you support or oppose US accession to the 1982 United Nation Convention on Law of the Sea? Do you think it's possible for US to become a party to that convention after November election? And after that, if, United States becomes a party to that convention, the South China Sea would become more peaceful or stable or are we going to see more maritime confrontation between the United States and China? So that's the first set of question. Second set of question: the South China Sea dispute in my opinion, again, are important challenges and opportunities for both the United States and the Ma administration. Do you think that Ma administration should side with the United States or with Mainland China, or with both to handle the South China Sea dispute? Thank you.

**Governor Huntsman:**

These are thorny issues. And I can find myself in deep deep trouble depending on how I answer. I am glad my wife is here to save me if I find myself in such a dilemma. First, with two sons in the United States navy, I would have to say that if I didn't subscribe to the Law of the Sea, they would probably disown me because it has been talked about, evaluated, and put on the table administration after administration. Congress, of course with a treaty who has to take action as the Senate does specifically. I believe that Ronald Reagan was the last president who actually said he would support it and it moved forward. For purposes for having a framework for

discussion, not that you are going to solve any of the sovereignty issues that won't be the result, but you begin with a framework, that begins to spell out the fundamentals, the geographic claims, the territorial understandings, that I think are critically important in this very arcane and murky area of maritime and sea law. So, that would be my first answer to you.

Second, I am not sure that we are going to have any solutions on the disputed islands whether you are looking at the South China Sea whether you are looking at the Diaoyu Island or Senkaku, I don't think anyone in this room will be alive when a resolution is found. I am just a realist so what do you have to do in that case? You have to manage it, you have to exert diplomacy, you have to engage in confidence building measures and you have to come up with a code of conduct. You have to come up with a code of conduct that will hold you temporarily as you move into the future that will allow you to resolve disputes that will sort out some of the issues regarding natural resources which will be very very important. And I suspect that we will begin to see some early answers on a code of conduct arrangement coming out of ASEAN. Now I say that because I think ASEAN is a little bit ahead as a political grouping on this particular issue given the urgency of the Vietnam's claim and the tension that surrounds that ongoing dispute to say nothing to the Philippians. So I think the United States has certainly supported a collective approach to problem solving around these issues as supposed to bilateral problem solving in which case nobody stands a chance. So, I'm very curious to see what comes out of the problem solving in ASEAN and the development of a code of conduct because I think what we learn from that through ASEAN will be applicable in North East Asia because the issues will be the same. And I think they will be just as relevant but I'm not saying that we are going to come up with any answer in short term, because you are dealing with the most intractable issues of international politics. Whenever you have sovereignty, ethnicity, religion at play, you have got challenges that are sometimes unresolvable. And at this case, you have at least one of the three. You have sovereignty that is never easy to resolve. You will never find a conclusive answer. Let's hope that the parties are willing to engage in a process that will yield some sort of code of conduct and ways to carry us into the next generation without conflict ever breaking out.

**Su Chi:**

Thank you. Professor Yan, Yan Chengsheng (嚴震生). Before his return to Taiwan, he taught at University of Alaska.

**Governor Huntsman:**

University of what?

**Su Chi:** Alaska.

**Governor Huntsman:**

很冷的地方我不敢去

**Dr. Yan:**

My question is much easier I think. It is on domestic politics. When you were in the primary, we know there were a lot of other candidates who kept emerging to challenge Romney, first you had (Michele) Bachmann, then you had (Herman) Cain, then you had (Rick) Perry, and (Newt) Gingrich, and eventually (Rick) Santorum, and your number was about to pick up after New Hampshire, then you quit. So my question is when you were about to emerge as the alternative, you stopped, why? So that's my first question. And then the second question is with great vision, with your articulation of all the future of America, will you run again next time?

**Governor Huntsman:**

My wife Mary Kaye told me at the beginning of our journey, she said, let me make something very clear: if you pander, and if you sign any of those damn pledges, I will leave you. So I knew the rules of the road were set from the very beginning. But it was a fascinating journey in the sense that without wearing the shoes of a candidate, it is very hard to understand the process in the early primary states and why things kind of play out as they do. I would argue that you have got to be a little crazy to run for the president once, and probably very crazy to run twice. I don't know that I'm very crazy or a little crazy, but we have learned a lot about it. And here's what we have learnt. We have learnt that you have to start early. Everyone in the race had an early start. I learned that you have got to raise a whole lot of money, which I think is ruinous to the American political system, quite frankly, that has to be fixed. If there were one thing I would do if I ever were elected president, I would engage in reform that fixed the way we finance campaigns and the super PACs (political action committees) that are taking our democracy away. I would move towards things like term limits, closing the revolving door for members of congress who move out into the lobbying profession. And you wonder why Americans don't believe in congress any more. For all these reasons and more. So you have to start early, you have to raise money early to scare off people and to be formidable, then you have to decide if you are going to be competitive in Iowa, and in South Carolina, and in New

Hampshire. Now, we got a late start and I looked at the map, and I said, here is Iowa. Iowa is full of a lot of farmers, a lot of soybean farmers, and they get some money from government in the form of subsidies. I don't like that. I said very early on that I don't believe in subsidies to soybean farmers. And all the soybean farmers in Iowa said no to Huntsman. I said I can do what the other candidates have done, Romney and the others, and I can go from one answer to another depending upon what year I am running. But I am not going to do that. My wife would leave me. I am not going to do that. So if you are going to be consistent, then you have to suffer for the implications. I wasn't in favor of subsidies for a very conservative Christian base. I was in favor of civil unions for gays and lesbians, which was unique in the Republican field. They didn't like that. They didn't like some of my positions on the environment, even though in my state, we become number one in job creation, we became the number one fastest growing state in the America, the best economy, and voted by the Pew Center (Pew Research Center) of the America, the best managed state in America. They didn't care about any of that. It's: are you willing to meet our litmus tests, sign pledges, will you sign a pledge that you would do. I wouldn't sign any pledges. No way, I don't do that. I believe that the people who elect you deserve your full time and attention and not special interest groups who try to wrap you up. So Iowa was a no go. I didn't want to put money there, I didn't want to spend a lot of time there, because it was nothing that we could succeed at.

So then we looked at New Hampshire. I thought New Hampshire is an interesting state. There is a very open electorate, a lot of independents, a lot of free spirits and democrats and republicans – always unpredictable how they vote. They vote for the person, and I thought, if we spend some time in New Hampshire we can do well there. And then South Carolina was along the lines of Iowa in terms of the organizing base of the party, very conservative, and just a small fraction of the overall population that determines who gets out. So we learned a lesson that whoever does well in Iowa builds momentum. That was very important. We didn't participate in Iowa so we didn't build any momentum coming into New Hampshire. That, for us, was a challenge. We were moving up very quickly in New Hampshire and I would argue that if we had another week of two, I think we would have done very well. We took third place. I think we would have taken second place, Ron Paul took too many of the independents we were winning away very quickly. If we had another week I think we would have done number two in New Hampshire. I didn't tell anybody this at the time but in my mind we had to do number two in New Hampshire to get credibility. If we took number three, that was good, but not good enough. The media kept asking what do you have to place, what is your expectation, I say, we have to

beat the market place because like a stock trading on the market, the market place sets an expectation for a company and for a politician. If you fall short of the expectations, you lose. I didn't want to waste people's time if we fell short of expectation and we did in New Hampshire. If we have taken number two, we would have gone right on and I think done very well beyond. We had the endorsement of the biggest paper in South Carolina, the State. We had some of Governor Huckabee's supporters in South Carolina who are part of our team. We had Governor Carroll Campbell's family, very supportive of us, but we didn't take second in New Hampshire. And that, for me, was a blow of sorts, and I thought we could keep going, raising money behind in the polls in some of the early states, but I don't want to waste people's money, and I don't want to waste my family's time unless we can beat market expectations which we didn't do in New Hampshire. So that was the reason that we chose not to move forward.

Where do we go from here? I don't know. But November will be very telling in terms of how that evolves but I will tell you this: there is something happening in the American politics that is consistent with most people in America now becoming unaffiliated. So when I tell people the fastest growing political party in America, isn't Republican, isn't Democrat, is the unaffiliated. Young people move up, they go to school, they understand the issues, there are unaffiliated. They follow the person. So, with the demographic changes in America, both in terms of immigration, and politically, I would argue that there is going to be openings in the next election cycle, maybe two or three, for an alternative approach. Third party, fourth party, whatever that will break up the status quo, because I don't think the status quo right now is delivering the vision, the courage, the long-term thinking that we need in our country, and the American people know that, and I think they are very frustrated by it. But there is no way you can get a third candidate now because they are restricted from getting on state ballots, very difficult to get on state ballot. That is changed. This year there was a movement, "Americans Elect", that got on 35 or 40 of the 50 state ballots – never happened before. So now that that has been done, I think the political dynamic will change in the years to come quite dramatically. Thank you.

**Su Chi:**

Thank you, Governor. Dr. Charles Kao (高希均) raised his hand earlier. And someone in the back, I can't see you. It's a little bit too dark but Dr. Kao first and then over there. OK?

**Dr. Kao:**

First of all, thank you very much Governor Huntsman on this opportunity to the chance to listen to you both in Beijing and San Francisco couple years ago. Today's speech is more than compensating for what I have lost, missed, and also I have to express my thanks to Taipei Forum, for Chairman Dr. Su Chi. It's not easy to arrange a speech and seminar like this because it's so difficult, involves so much work. I myself am involved with Global Views (遠見雜誌). In the past two months, we invited two distinguished speakers from United States, one is Larry Summers, and the other Ezra Vogel, and I know how much time was involved. Vogel's Chinese is as good as yours, but Larry Summers' is not. In both speeches... Don't tell Larry.

In both of their speeches and in their conversations with President Ma, and I know that they both urged Taiwan to increase or to improve even accelerate the relations between Taiwan and China, not to mention United States. In Taiwan, as you realize, that, by the way my profession is economist with Global Views, in my view as economist, time is not on the side of Taiwan. For the interest of Taiwan, for the interest of that alone, we ought to do more with China, not less. But Taiwan is a democratic society, it takes bipartisanship, it takes the cooperation of the other party. Now KMT is in power, but DPP suddenly has the power to make it difficult. So my question to ask you today is because we do have bipartisan leadership here. My question today is from your vantage point of view, and such a faithful good friend to Taiwan, do you think the government, I don't care it is my government or the DPP government, you think the government in power is to accelerate or to improve the relation with China, or to control or to make it less. Thank you.

**Governor Huntsman:**

If you had told me when I was living here 30 years ago that I would live to see the day when you had 500 flights a week and a free trade agreement in the works, I would have called you crazy. Yet, I was a young man and I have lived to see that day, the links between China and Taiwan. And what does it yield? It yields that greater sense of certainty and confidence, and predictability in what otherwise can be highly unstable region going all the way back to the 1950s. That's the most important deliverable imaginable in this region of the world. And I don't think people stop to think about this. We are always looking at the problems and the failures and the challenges, which is ok, but when I would sit down in the foreign ministry, and we go through all the issues, and Taiwan wasn't the top 4 or 5. I had never seen that day before. Yet, that's where the confidence has gone toward greater predictability, solutions, a longer-term vision, into which you can place the relationship. I think everybody benefits from that, that's a good thing. Yes the issues are becoming more

difficult, more confrontational, why? Because you are making progress. Any time you make progress on these issues, the issues become more and more difficult. There is no issue before because there was no discussions, nothing to talk about, nothing to do. And now there is a lot going on, and of course it will become, in each step, and each year, more and more difficult. And that means you should not lose hope, not lose the sense of direction, but keep going, and continue working on a framework that allows for confidence, progress, peace and prosperity to carry the day in the cross-strait relationship. The world should be very very grateful to both sides for the work that has been done. No one imagined in this point that we would be sitting here today talking about this kind of success. Of course it is difficult and of course it is uncertain going forward, but I think the work must continue because of the trade flow back and forth, the investment, the people exchanges that have resulted from that sense of security. One million people coming here every year. What do you think they see when they turn on the television? They learn something. What do you think they see, as President Ma told me yesterday when they covered their presidential election, they didn't block up this time. That's a good thing. People learn from that. What about the interaction? People to people, heart to heart, head to head about two different systems? There is an educational opportunity here that I think is very real and it is very interesting because China is not saying no, it is saying it's ok. Let's keep it going. Students even, coming to Taiwan. So I think it is a very important process in one that is way further developed than I ever would have guessed, that someone who has lived in Asia four times and lived here twice and in Beijing once. And I compliment you on that success since I met President Ma yesterday. It is hard and you don't get any immediate political returns from it and in a democracy like yours, you always worry about political returns, but there is also something called vision and leadership where it is important to do the right thing that benefits the most people. So I compliment you on that and I would say, keep it up.

**Su Chi:**

Thank you Governor. I see two media representatives there: gentleman in front and gentleman in the back.

**Mr. Shi:**

Yes, Governor Huntsman. It is very nice to see you and I'm a reporter here in Taiwan 中天電視 (Chung Tien Television) and I was posted 13 years back in DC as a diplomatic correspondent. There are two questions, first one is kind of personal. You mentioned once that two of your boys are serving in the US navy, obviously you are proud of them, and we all know that not many of the US politicians send their sons

to the military. I can think of Senator Jim Webb and of course Senator John McCain. So I was wondering what is the dynamic within your family that made these possible. And second of all, I was wondering from your perspective Governor Romney, his challenges facing the religious rights, evangelicals and the tea party.

**Governor Huntsman:**

Thanks for the questions. One I have never been asked before, which is always good when you run into a good reporter who can throw you an original question. Well, I was born in the navy, and they paid \$25 for my birth which I have always been very grateful for it. I was born on the GI bill. My mother would always complain that she still paid too much, \$25 for my birth. But my, it's interesting, my dad, my uncles, both my grandparents, were naval officers. For their generation, the generation I was raised in, it was the greatest, highest thing you could do. They never got beyond lieutenant. They always taught me that whenever you see somebody with three stripes or four stripes, you salute because no Huntsman would ever become a commander or a captain, for heaven's sake, and never an admiral. But it always left a very lasting impression in my mind about family members who would always put their country first, highest. They would wear uniform, they sacrifice, and they serve. For our kids, as we were growing up, we always talked about choices. You can waste your time, like a lot of kids do, and you can think about me, what is best for you, or you can take your time to give it to something more important, your choice. But as we talked about it, I could tell that their interest in serving in the military was increasing over time. And then when I was a governor, when you are a governor of a state in America, you are also the commander in chief of the National Guard. So I had a whole army that I can set off if I wanted to declare war on Idaho or Colorado, I could do that, but I never did that, not once. And they watched a lot of the soldiers when they came back from Iraq and from Afghanistan and they saw me as governor when I had to go out to speak at the funerals or to be with family members who have just lost a dad or a husband in war, and I think that left a very lasting impression in their minds about the service of sacrifice that has made – they saw very close up. I think it really did leave an impression. Our second son, who had just started at the naval academy, is a football player, so he was recruited to play on the football team, so maybe you will see him on television when Navy beats Notre Dame in the years to come. So that's kind of how they made their way through.

I think with Governor Romney, there is a certain percentage of Americans who are never going to warm up to him because of his religion. I think there is such a high degree of animosity toward President Obama by Republican and conservatives that

they will overlook many of president Romney's, or Governor Romney's, maybe president, Governor Romney's fault. It was inconceivable early on because he had been on different sides of issues. He came from a position that was not necessarily advantageous in being a Mormon. So there were barriers that many predicted that he might not get over. And I think in the end, there will be a very close election, maybe too close to call right down the very end. And I think you will see that the evangelicals and conservatives will ultimately rally around him because there is no alternative. And then the question will be, who gets the independents? Who gets the large number of roaming voters? They voted for Obama last time. Their minds are open. They might vote for somebody else this time. They are neither Republican nor Democrat. They vote for the person, and they are progressives. And I would say that the Republicans must do a better job in messaging, in ways to speak to minority populations, recent immigrant populations, women, and youth. Those are three critically important independent blocks of voters that are still running around out there. So as far as I can tell, they haven't really decided. And I think that will go down to the very end in terms of ultimately how the race he is, won or lost, to President Obama. If he loses, it will be because he fails to get the large group that he won four years ago, that independent group that I talked about. He won them in high percentages. If he didn't win this time, it will be because he lost that very group, and they will be so disenchanted they will flee.

**Su Chi:**

Thank you. The gentleman far back. Please identify yourself.

**Reporter:**

Thank you. I am the correspondent of Radio Free Asia. At the end of your speech, you just talked about Ni Yulan (倪玉蘭), the political dissident, and also most of us remember during the period of Jasmine Revolution, the crowd gathered in the Wangfujing Street, you were there too. So, how do you think about the human right in China, human rights status in China and could any possibilities of improvement in the next leadership of Xi Jinping (習近平). Thank you.

**Governor Huntsman:**

I think there is a very healthy conversation taking place in China, not one necessarily that the party expected to happen, but it's being driven by 600 million internet users and 90 million bloggers and a lot of young people who have access to information like never before who are talking more about these issues and they are pushing the envelope as they say. I think the best way for United States to handle human rights, it

should never be a discussion or decision of should we or should we not talk about human rights, of course we should talk about human rights that's part of who we are as people and it always has been. And when America shines her light, it moves the world, it inspires the world. When we close up and we decide that for whatever reason we are not going to speak on the issues that have made us who we are as people who are in my country, then I think we do ourselves a disservice. That's never a good thing. So I'd say that what is America's brand? What is America famous for in the world? I think our brand very much is liberty and democracy, and human rights and free markets. We are still trying to figure out how best to practice all of those, because you never reach the perfect end point, but we have tried for 200 plus years to perfect that which our founding fathers gave to us by way of an incredible design and it's also a system and values that have inspired the world. and I'd say that the world is a better safer place for the most parts because of some of these fundamental values. So I would argue that US should always handle human rights, obviously in ways that are sensitive, in ways to take into account local customs and traditions and how the word is even translated because I know in some languages when you translate some human rights, it comes out differently. And it's processed in minds differently but we should always hold true to those core values. And I think we are always stronger when we do and we always regret when we don't at some point later on. Thank you.

**Su Chi:**

Thank you Governor. I think the time is really running out but we ought to give a last word to a lady even though I only see your back. Please identify yourself.

**Reporter:**

I am from United Daily News. My question is related to the abandoning Taiwan doctrine. What views do you have regarding this?

**Su Chi:**

She is representing United Daily News and she is asking if you can comment on some remarks made by some people in the States now who are talking about abandoning Taiwan. People like Zbigniew Brzezinski, Admiral Owens, and they were talking about that Taiwan is too much a mess, too much trouble, so we should make a deal with China. Apparently you have never heard of that.

**Governor Huntsman:**

I haven't. But there are always give and take in any relationship, and I will get back to

where I started and that is what is the asset of the United States and what is the asset of Taiwan. They are very clear. People and values, that no matter what you do politically on the outside, so long as you can maximize the two greatest strengths that any country can have, human capacity and values that allow those people to maximize their talents and abilities and creativity, you have got what it takes. And I think those who share values will always be comparing those and always be trading and always be investing and always be exchanging people on a friendly way, friendly basis, because we share too much in common. So, I hear the talk, but I also understand that there is an underlined strength that enthralls us together as people that is very real. Thank you.

**Su Chi:**

Thank you Governor. I am afraid I have to wrap up this event. Time is running out actually. Governor and Mary Kaye have a lunch to go to and we ought to give them sometime to rest a bit. And I would like to thank Governor again for this excellent speech, very insightful, very comprehensive, very inspiring, I learned a great deal. Especially appreciate your candidness, the way you address all these questions, some are really tough from my point of view.

**Governor Huntsman:**

Thank you Dr. Su Chi.

**Su Chi:**

Thank you for your sharing your thoughts with your old friends in Taiwan, and we would like to welcome you again soon, hopefully, in the near future so we can hear more from you about your thoughts. Thank you very much.