

After the Taiwan Election: Restoring Dialogue while Reserving Options

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The drubbing administered to the Democratic Progressive Party (DPP) by the Kuomintang (KMT) in the January Legislative Yuan (LY) election was replicated—and even exceeded—by the landslide victory scored by KMT presidential candidate Ma Ying-jeou over his DPP rival, Frank Hsieh Chang-ting, on 22 March. In addition, the referenda calling for application to the UN—most importantly the highly controversial DPP version calling for “new membership” under the name “Taiwan”—also went down to a resounding defeat as almost two-thirds of Taiwan voters declined to participate.

As a result, Ma took office, along with Vice President Vincent Siew Wan-chang, with a mandate to implement his ambitious agenda to reinvigorate the economy, restore mutual trust with the United States, and establish a broad range of relationships with the Mainland on the basis of the “1992 Consensus.” Ma’s inaugural address affirmed his intention to move ahead along all three tracks.

Beijing was especially relieved by the defeat of the referenda, but it also welcomed the return of the KMT to power. Yet, despite PRC president Hu Jintao’s labeling of the strikingly new situation as an “historic opportunity” and his dramatic personal meeting with Vincent Siew before the 20 May Taipei inauguration, signs of caution quickly crept into the Mainland’s discussion of future cross-Strait developments. As a result, the emphatic statement cited in *CLM* 24 of one well-placed Mainland observer that “We will certainly not miss this strategic opportunity,”¹ seemed clouded by the potential for making just that error, reflecting the prevalence of what, a few weeks after the election, another well-placed PRC observer termed “strategic inertia.”

Despite PRC concerns about aspects of Ma’s inaugural address, once the quasi-official dialogue between Taiwan’s Straits Exchange Foundation (SEF) and the Mainland’s Association for Relations across the Taiwan Strait (ARATS) was restored in mid-June, early progress was achieved on some of the “easier” issues previously negotiated and ready for resolution. These included terms for (four-day) weekend charter passenger flights to begin in early July along with arrangements for Mainland tourists to visit Taiwan. It was anticipated that other early

successes would include the addition of cargo flights in the new charter arrangements, direct flight paths across the Strait replacing the circuitous and time-consuming routes via Hong Kong and Macau airspace, daily charters by the end of the year, and perhaps regularly scheduled flights by mid-2009.

Nonetheless, there is a concerning degree of hesitation now being voiced in the Mainland about Ma and the ambitiousness of his overall cross-Strait program (echoing some of these same concerns heard within Taiwan itself). Moreover, and perhaps of more lasting importance, there are emerging in Beijing signs of what one might characterize as “buyer’s remorse.” That is, now that the PRC has seen the presidential and referendum outcomes that were universally hailed ahead of time as the “best possible” combined result, a level of ruefulness is being expressed by some people about what going too far with Ma now could mean for the question of ultimate reunification.

Perhaps more to the point, Beijing not only is unhappy that Ma has unilaterally laid out an ambitious calendar of accomplishments on which the Mainland is now supposed to deliver, but there is uncertainty over the extent of his agenda on such sensitive matters as “international space” and what he meant in his inaugural when he conditioned progress in cross-Strait relations on ending Taiwan’s sense of isolation.²

Although lacking the audacity of Hu Jintao in reaching out to Ma in the wake of the election, nonetheless the United States has been forthcoming in welcoming Ma’s victory and in its statements of support for a more active and deeper cross-Strait relationship. Even so, people on both sides of the Strait are skeptical about the true level of American tolerance for closer Taiwan-Mainland ties. Consistent with the concern of many on the Mainland that Washington will seek to stymie “excessive” progress, they see the United States preparing to strengthen U.S.-Taiwan ties to a degree that will “spoil the atmosphere” for cross-Strait reconciliation and challenge the PRC’s position on sovereignty and territorial integrity.

The Presidential Election

On 22 March 2008 the voters of Taiwan gave the KMT ticket of Ma Ying-jeou and Vincent Siew Wan-chang 58.45 percent of the vote, as against the 41.55 percent won by the DPP ticket of Frank Hsieh Chang-ting and Su Tseng-chang.³ While the 2.2 million vote margin fell within the parameters of a few, very expansive predictions, it exceeded what even some of the most optimistic KMT partisans had hoped for. Ma scored victories

in many traditional DPP bastions, in fact winning in every electoral district except for five largely rural counties in southern Taiwan that are headed by DPP county magistrates.

This overwhelming victory was due first of all to widespread dissatisfaction with the state of the economy. But it also rested on the fact that the voters were unpersuaded by the efforts of the Hsieh campaign to discredit Ma's loyalty to Taiwan, his personal and professional qualifications, and his record as mayor of Taipei (especially as compared with Hsieh's own accomplishments as mayor of Kaohsiung). As a result, Ma not only secured some 63 percent of the vote in Taipei, but he beat Hsieh in Kaohsiung as well as in the "dark Green" stronghold of Tainan City.

Unlike 2004, when the 0.2 percent Chen Shui-bian victory after a bizarre "assassination attempt" the day before the balloting led to court challenges that lasted through most of Chen's second term, this decisive outcome was widely accepted. Frank Hsieh offered a gracious statement of defeat,⁴ and outgoing president Chen Shui-bian also accepted the result without complaint, despite having raised questions on the eve of the election about turning over the reins of power to someone who allegedly held a U.S. permanent resident "green card."⁵

A poll taken one day after the election revealed that almost 80 percent of the people were satisfied with the result, and fully three-quarters thought Taiwan would henceforth be in a "better place." They were also overwhelmingly unconcerned about KMT dominance of both the legislature and the presidency.⁶

As one analyst put it, this was a "remarkable return to power for a party that was knocked out of the Presidential Office in 2000 and had been consistently dogged by its authoritarian past."⁷

Ma's Cross-Strait Policies Going Forward

Although only some 3 percent of the respondents to the immediate post-election poll cited above listed improvement of cross-Strait relations as Ma's "first priority"—indeed, no issue other than the economy, which drew two-thirds support, received ratings above single digits—given the importance of the issue in the campaign, and Ma's clarity about his position on the "1992 Consensus" defined as "one China, respective interpretations," the election also had to be seen as an endorsement of his overall cross-Strait strategy; a fact confirmed by subsequent polls.⁸

Indeed, it must be said that Ma not only received a mandate to proceed along that course, he had been given a responsibility to do so. As he put it, in light of the fact that Taiwan's economy, security, and international space are all closely related to the Mainland, "Taiwan has no choice."⁹ It was thus not surprising that cross-Strait relations were identified as the top priority of his National Security Council.¹⁰

But, as Ma has also stressed, he would have to implement his cross-Strait policy in ways broadly perceived as consistent with his pledges to benefit Taiwan's economy and security and to strengthen Taiwan's access to "international space." All of this was to be accomplished without provoking the Mainland on questions related to sovereignty, as Chen Shui-bian had done, while staying close to the Taiwan electorate's views by pursuing a "Taiwan-centric" course and maintaining the position that the Republic of China is a sovereign, independent state.

This is a tall order in anybody's book, and Ma's success in meeting the challenges will hinge critically on his ability to forge a broad-based domestic coalition, for while he may have won support from over 58 percent of the voters, he also failed to gain support from almost 42 percent, most of whom are highly suspicious of his intentions.

For this reason, Ma has pledged to obtain public approval for any major agreements with the Mainland, such as a comprehensive economic cooperation agreement or a peace accord. Whether that will be done via submission of texts to the LY, which would be a standard route, or via referendum—which the DPP insists upon, given the KMT dominance of the LY¹¹—remains to be seen, though probably not for some time, given that major agreements will not be quickly concluded. But to even get to the point where that is a consideration, Ma will need to gain greater public trust and support for the more ambitious aspects of his Mainland policy agenda by demonstrating some obvious early rewards on the first part of his program.

The most important factor in bringing public opinion along will be the soundness of Ma's own policies and the quality of his administration's governance. Another crucial factor will be PRC policies, to be discussed below. But also of importance will be whether the DPP chooses to be a "loyal opposition" rather than an obstructionist force.

The unsuccessful presidential candidate, Frank Hsieh, argued that the crushing DPP defeats were due to the fact that the party had moved away from its grassroots principles since winning the presidential election in 2000 and had thought solely of maintaining power, resulting in highly damaging intra-party factional conflicts.¹² In his "farewell" speech, Hsieh called for a "comprehensive review" of the party's structure, electoral nomination system, and core ideology. Without that, he said, the DPP might disappear altogether from the political scene in future elections.¹³

Hsieh further argued that although the DPP had become a "powerless" opposition party, it must still play a "supervisory" role providing checks and balances, differentiating itself from the KMT and helping the KMT to push for "good policies that promise to improve the lives of people from all social [strata]." He said that since the promotion of "Taiwanese identity" had already been a "success," the party would no longer dominate the "Taiwanese" or "localization" agenda. Therefore, he argued, the party must now focus on heightening its "progressive values" and representing Taiwan's progressive forces.

On 18 May, the DPP elected as its new chairperson former Mainland Affairs Council (MAC) head and vice premier, Tsai Ing-wen. Dr. Tsai, whose views largely track with Hsieh's, campaigned on a platform of establishing a broader-based appeal to Taiwan voters than has been the case in the recent past, and of evolving from a "revolutionary" party to one that focuses on contemporary issues. Her substantial victory over a longtime independence advocate suggests that the party will, indeed, move to the center. But, given the strong role of "dark Green" Taiwan separatists within the party, it is not at all clear that the DPP will allow the political necessity of being perceived as a "responsible" party to trump its deep desire not only to be "different" from the KMT but to act as the self-proclaimed custodian of Taiwan's sovereignty, independence, and dignity.

Moreover, Tsai's approach since assuming her new position has been to criticize pretty much every aspect of Ma's policy. She reacted to his inaugural address, for example, by challenging what she characterized as his willingness to make too many compromises on issues affecting Taiwan's sovereignty, status, and dignity. And she has established a continuing pattern of arguing for the party to provide oversight of the administration to assure that it does not yield too much in its dealings with the Mainland. In early June she even said that if the DPP's views are not sufficiently reflected in the legislature and in the media, "I will take to the streets if necessary."¹⁴

While it remains to be seen how the DPP finally positions itself, all of this suggests that Ma's appeal to forge a broad consensus among the general public, including "light Green" voters, will likely have to be made over the heads of the DPP rather than through any sort of bipartisan cooperation.

At the same time, Ma will face a difficult task to maintain control of his own party. Not only do KMT LY members highly value their independent role, but many have been offended that Ma did not turn to their group for his nominees to cabinet posts. Although KMT officials of the new administration believe that the president's powers to help or hurt party members will lead would-be upstarts to adopt a basically cooperative attitude, many were particularly surprised and offended by his selection of Ms. Lai Shin-yuan, a former Taiwan Solidarity Union (TSU) member of the LY, to head the Mainland Affairs Council (MAC).¹⁵

KMT members were not alone in being upset over Lai's appointment; the Taiwan stock exchange even plummeted for a day after her nomination was announced. But while Ma may have underestimated the controversy his choice created, several factors no doubt lay behind it. First, like many of Ma's other appointees to senior ministerial positions, she is "Taiwanese." Second, despite her ties with former president Lee Teng-hui, her actual history makes it hard to label her as ardently pro-independence, as some have tried to do. Still, her association with Lee could eventually help sway some Green supporters to Ma's policy—a point Ma has stressed in defending her appointment. But third, many believe that Ma was making a statement to the KMT "old guard" that he would be in charge of cross-Strait policy, and that he was not going to install one of their own to whom they could turn to try to influence the course of policy.

Perhaps consistent with this last point, most people who might normally have been presumed to have been consulted about Lai's nomination quite evidently were not. P.K. Chiang, the very senior KMT official who was chosen to head the Straits Exchange Foundation—the “unofficial, authorized” implementing body for the cross-Strait policy supervised at least nominally by the MAC—was surprised. And so, it would seem, were most other senior members of the Ma team. While many of them, including Chiang, were believed to be quite unhappy, they withheld public comment; others, however, including some senior KMT leaders, were more vocal and openly called for her replacement.¹⁶

Even after her selection, Lai's discussion of the “1992 Consensus” and of “one China, respective interpretations” led some people to conclude she did not share Ma's view that they were identical. By the end of a tense period in which he had to publicly defend the appointment several times, Ma made clear that he would make cross-Strait policy, while Lai would merely play a coordinating role.¹⁷ While this seems to be stating the obvious, it was clear from Beijing's reaction that Mainland confidence about the limits on Lai's role was less than total. (PRC reactions are discussed below.) And while the Taiwan public was prone to give her a chance, they were not overwhelmingly supportive of her selection.¹⁸

In the end, as one Taiwan editorial pointed out, the bigger issue is not really Lai's role. Rather, it is Ma's ability to cope with the plethora of voices and influences, including Lai and Chiang as well as former KMT chairman Lien Chan, and the present chairman, Wu Poh-hsiung—and perhaps even LY Speaker Wang Jin-pyng, all of whom may seek a role in formulating and implementing Mainland policy.¹⁹

Issues in Reinvigorating Cross-Strait Relations

During the course of the presidential election campaign, extending in fact back to at least early 2006, Ma Ying-jeou has laid out a course of stronger relations with the Mainland across a broad spectrum of issues and activities. He has pledged that, in doing so, he would put Taiwan's interests first and has committed to shaping his policies so that they would both enhance Taiwan's prosperity and strengthen its security.

Resuming SEF-ARATS dialogue on the basis of the “1992 Consensus”

In order to overcome well-known obstacles blocking restoration of cross-Strait dialogue, Ma has embraced the “1992 Consensus” [九二共識] with its adherence to “one China,” doing so under his long-held definition of the Consensus as being “one China, respective interpretations” [一中各表]. As he put it in a news conference the morning after his election victory, adhering to the Consensus would enable the two sides to get past the dispute over sovereignty and move ahead to “other urgent, less intractable issues.”²⁰ He made clear he did not expect Beijing to “recognize” the sovereignty of the “Republic of China” any more than he would recognize the sovereignty of the “People's Republic of China.” But he argued that each side could move from its previous “non-recognition” of the other to a “middle road” position of “mutual non-denial.” That is, neither would

accept the other, but neither would need to deny the other's right to exist. As he put it early on: "We don't have to recognize each other . . . All we have to do is not challenge the other side's claim. That should be good enough to shelve the issue."²¹ As to persuading domestic audiences of the wisdom of this approach, he has argued that, by proceeding in this way, "we want to make sure we are not negotiating Taiwan's future. . . Taiwan's identity has to be respected. We will negotiate with each other on an equal footing."

Thus far, Ma's handling of the "one China" issue has obviously been instrumental in the reestablishment of the SEF-ARATS dialogue. While he has stuck with his "one China, respective interpretations" definition of the "1992 Consensus," he has subtly sought to avoid pushing that position in Beijing's face when directly addressing the basis of future cross-strait dealings. In his 20 May inaugural address he did it this way, dividing his discussion of history from that of the future:

In 1992, the two sides reached a consensus on "one China, respective interpretations." . . . I want to reiterate that, based on the "1992 Consensus," negotiations should resume at the earliest time possible.²²

His handling of the issue since 20 May has been consistent with this approach. In two post-election press conferences—on 21 May with the international media and on 22 May with the domestic media—he made the same distinction.²³ And KMT Chairman Wu Poh-hsiung also stuck with the broader "1992 Consensus" usage throughout his late-May visit to the Mainland.²⁴

This nuanced handling of the issue was noted and appreciated in Beijing. And as stated earlier, it is obvious from the Mainland's willingness to resume the SEF-ARATS dialogue after a decade that, despite Ma's insistence on continuing to define the Consensus as "one China, respective interpretations," his approach is indeed good enough for that purpose.

"International space"

Although there is general agreement on both sides to start with easier, economic issues and then move to harder, political ones (discussed below), the Mainland has questions about other aspects of Ma's overall agenda and how far and how fast it should be pursued. One particularly sensitive issue is how aggressively Ma wishes to press Taiwan's "international space."

In a policy paper of November 2007 on his foreign policy goals, Ma included the following statement under the heading "defending sovereignty": "We will increase contact with nations with whom we lack formal relations, and attempt to establish formal diplomatic ties." However, in his inaugural address he called for a ceasefire: "I would like to call upon the two sides to pursue reconciliation and truce in both cross-strait and international arenas" [兩岸不論在台灣海峽或國際社會，都應該和解休兵].

Perhaps less than certain about the Mainland's cooperation with this idea, in his first press conference, the new foreign minister, Francisco Hung-lien Ou, announced that such a "truce"—he preferred to call it "diplomatic coexistence," a term Beijing will likely not welcome²⁵—could only come after positive economic interaction had created a greater sense of goodwill and trust. Nonetheless, he made clear that from Taipei's perspective, fighting for new diplomatic allies would "not be our top priority in the future."²⁶

Other Noteworthy Passages of Ma's Inaugural

A number of other passages of Ma's inaugural were also especially interesting. First, he cited three of Hu Jintao's recent statements about cross-Strait relations and commented that Hu's views "are very much in line with our own." Before the address, some informed PRC analysts had said that Beijing would be looking to that speech as a response to Hu's remarks, especially the "16-character phrase" he used with KMT honorary chairman Lien Chan on 29 April (discussed below). If so, they should have found this handling, including not only Ma's echoing of Hu's description of the current situation as an "historic opportunity" but also his complete citation of the "16-character phrase," to be directly—and positively—responsive.

Second, Ma talked about the relationship between "international space" and prospects for cross-Strait relations. In the official English translation, there is a rather soft link:

Taiwan doesn't just want security and prosperity. It wants dignity. Only when Taiwan is no longer being isolated in the international arena can cross-Strait relations move forward with confidence.

In Chinese, however, the wording was that Taiwan wants security and prosperity, and "even more" it wants dignity. Moreover, and potentially more consequential, in the Chinese text the words "with confidence" are nowhere to be found. Taken altogether, this is a much stronger demand. That is, after stressing the higher importance of dignity, Ma says in seemingly absolutist terms: "Only if Taiwan is not isolated in the international community can cross-Strait relations move forward" [唯有台灣在國際上不被孤立, 兩岸關係才能夠向前發展].

With overseas travel by Ma looming in the coming months that could include transits of the United States, the UN General Assembly meeting in September, and the APEC leaders meeting in Peru in November, Ma cannot simply mark time on international space issues. Moreover, some governments will change hands in the coming months, which will likely result in switches of diplomatic ties from Taipei to Beijing, challenging Ma's notion of a truce. Especially on the last, it is obvious that Ma's administration knows there is little it can do to stop all such defections. Perhaps particularly because of that, on all of these matters, not only will Ma want to see some demonstrable easing of PRC pressure for the sake of maintaining cross-Strait momentum,

but he will be under domestic political pressure to protect Taiwan's equities, with the opposition watchdog operation in full swing and with the DPP prepared to shine a spotlight on any perceived weakness in his handling of these questions or other manifestations of PRC unreasonableness.

While Ma's apparent insistence that progress in ending Taiwan's "isolation" is a precondition for substantial progress in cross-Strait relations has aroused concerns in Beijing, the fact is that he shown flexibility with respect to how that progress could be made. For example, on the persistent and neuralgic issue of Taiwan's application for observer status at the annual World Health Assembly (WHA), quite different from Chen Shui-bian's recent insistence on applying in the name of "Taiwan," Ma has said that making application in the name of "Chinese, Taipei" would be quite acceptable.²⁷ He has expressed a similar willingness to use a flexible name in negotiating a free trade agreement with Singapore,²⁸ and, it would seem, in many other settings.

Third, the only place in the speech where Ma addresses sovereignty is in the following context:

In resolving cross-strait issues, what matters is not sovereignty but core values and way of life. We care about the welfare of the 1.3 billion people of mainland China, and hope that mainland China will continue to move toward freedom, democracy and prosperity for all the people. This would pave the way for the long-term peaceful development of cross-strait relations.²⁹

Coming as it does immediately after a paragraph referring to "shelving [cross-Strait] disputes," this might be read as a restatement of Ma's well-known desire to set aside sovereignty questions for the time being—indeed, for a long time to come. But on closer reading, one will find that this particular passage in the speech is actually an echo of the 1992 National Unification Guidelines,³⁰ thus suggesting that Ma was seeking to lay out his thinking on cross-Strait relations for the longer term, even though he has ruled out any discussion of unification while he is in office.

In the past, Ma has not shied away from criticizing the Mainland on the basis of differences in values. He exceeded the decibel level of earlier statements, however, toward the end of the campaign, when Frank Hsieh alleged that the crackdown in Tibet was a forerunner of the fate that would face Taiwan under a Ma Ying-jeou administration. At first Ma reacted carefully, noting that "Taiwan is not Tibet. Taiwan is not Hong Kong, we are a sovereign country."³¹ But within a day, perhaps concerned about the impact of Hsieh's insistent charges that he was soft on Tibet and would be weak on protecting Taiwan's sovereign status, Ma issued a blistering condemnation of Beijing. He not only expressed strong support for the Dalai Lama, but he said that, if the Tibet crackdown continued, and if he won election, he would not rule out halting the Olympics team from going to Beijing in August.³²

At this same time, and no doubt for the same reason, Ma also reacted sharply to PRC premier Wen Jiabao's fairly standard—if nonetheless irksome to Taiwan—statement that the island's future would be decided by “all the Chinese people,” including those on the Mainland. “What PRC Premier Wen Jiabao said,” he retorted in a formal statement, “was not only rude, irrational, arrogant, and absurd, but also self-righteous. And it ignored the mainstream opinion of Taiwan's 23-million people.”³³

Nonetheless, after the election, Ma quickly focused back on his hopes to turn a new page in cross-Strait relations. He not only softened his tone on the Dalai Lama,³⁴ but he was fairly open in saying that he saw Taiwan's—and his personal—generous response to the tragic earthquake in Sichuan as an opportunity to help set the relationship on a new, and more positive track.³⁵

Initial Steps

Both sides seem to agree that things should move in an orderly fashion, moving progressively, if carefully, from “easy” to “harder” steps.³⁶ In practical terms, that means that the first SEF-ARATS meeting in over 10 years, which convened in Beijing in mid-June, concluded the agreements on early-July implementation of (four-day) weekend passenger charter flights and regularized, large-scale Mainland tourism to Taiwan, both matters already well advanced through industry association talks even during the Chen Shui-bian administration, but unconsummated for political reasons.³⁷

Ma hopes for agreement on direct cross-Strait routes soon, establishment of daily charters by the end of 2008, and an accord on regularized, scheduled flights by mid-2009 (under the “three direct links” concept), including, if possible, “beyond rights” to fly on to other destinations.³⁸ Whether all of that can be done remains to be seen. Each side may find that technical issues are more troublesome than they seem in the abstract. Cargo flights are an issue of particular interest to Taiwan, but involve some more complicated issues and will take more time. In principle, however, it would appear that Beijing would be open to many of these measures.

After demonstrating early progress on these issues, giving people in Taiwan a basis for judging whether he is pursuing a course that is good for them or not, Ma hopes he will have built enough confidence and optimism to be able to move on to other economic openings, some of which will require SEF-ARATS negotiation. These include facilitating two-way investments (for example, replacing the 40 percent investment cap on Taiwan investment in the Mainland with regulations defining allowable technology transfer levels³⁹ while, on the other hand, encouraging PRC “Greenfield” investment in Taiwan⁴⁰); establishing common cross-Strait industry standards; signing investment guarantee and double taxation agreements; reaching agreement on agricultural cooperation that includes protection of Taiwan farmers' rights;⁴¹ and eventually, after “some preparation,”⁴² arriving at a Cross-Strait Economic Cooperation Agreement

(CECA). The possibility of realizing a common market, which was such a prominent campaign issue,⁴³ is held out for the more distant future.

Finally, economic relations with the Mainland are also tied to Ma's broader aspirations. As part of his three-part plan for revitalizing the economy,⁴⁴ Ma's ambition for creating international links to help revitalize Taiwan's economy is expansive. He wants to sign free-trade agreements with as many countries as possible, forming a free-trade zone among APEC members that, along with normalization of cross-Strait economic and trade relations, would form the base of a global economic network. Regionally, he wants to be part of the process to create an East Asia Community and to develop regional economic integration, transforming the ASEAN+3 (Japan, China, and Korea) grouping into ASEAN+4.⁴⁵ Much of this, of course, will require cooperation from Beijing, and, as usual, the major sticking point will be the impact on the issue of sovereignty.

Defense

In the short run, Ma's defense policy could create problems with the Mainland. On the one hand he promises to be "a peacemaker, not a troublemaker" and to defuse Taiwan altogether as a "flash point" or "hot spot." Although in the campaign he did not absolutely rule out purchase of some offensive weapons,⁴⁶ basically he focused on hardening defenses—he called for a "Hard ROC" defensive strategy based on a small but effective deterrent, including an all-volunteer force—to a degree that "is unshakable with our high morale, undefeatable by blockade, unoccupiable under invasion, and uncrackable with our sustained resistance."⁴⁷ In this regard, he has committed to a defense budget of not less than 3 percent of GDP, and he has frequently said he wants to purchase advanced equipment, including American F-16 C/D fighter aircraft, despite well-known PRC opposition.⁴⁸

As discussed in *CLM* 23, Ma, like Hu Jintao, has called for a peace accord.⁴⁹ This is clearly neither the most urgent nor the easiest topic on the agenda. Among other things, the two sides' concepts of such an accord would need to be aligned. Whether it is accurate or not, there is a concern in Beijing that there may be a disconnect here. Ma, it is felt, may have in mind an agreement that is rather narrowly focused on military issues, whereas Hu's concept is described as a broader peace and development framework agreement.⁵⁰ Some people feel that the question of Taiwan's political identity will prove particularly hard to manage in such an agreement, including the description of the entities signing it. In reality, this should not be an insuperable barrier, but, in any case, it is premature to make firm judgments or even to focus excessively on the issue.

In the meantime, as he has often done in the past, Ma has recently once again insisted on removal of missiles opposite Taiwan as a precondition for starting such talks.⁵¹ Yet, at times, he seems to have gone even further. Expanding on his "three noes" approach of "no independence, no unification, no war," Ma has, not simply as an eventual negotiating precondition but as a more immediate, generalized matter, called

upon the PRC to “draw back from the brink of the precipice” and remove all missiles targeting Taiwan. Those missiles, he has said, are intended to threaten Taiwan. If maintained, “[t]his will definitely harm cross-Strait rapprochement and cause ill feelings on the part of the people of Taiwan toward Mainland China. Hurting the pride of the people on Taiwan not only is unwise but also rude and unreasonable.”⁵²

There have been some anonymously sourced reports that Beijing “privately” passed the word during Wu Poh-hsiung’s visit that missile deployments opposite Taiwan will be frozen and could be gradually reduced.⁵³ Although it is unlikely that the PRC would give up all deterrent capability against a possible future Taiwan leadership pushing for independence, such a freeze/reduce approach would nonetheless be a useful symbolic gesture that many have urged on Beijing.

Whether it is actually going to happen anytime soon is not yet clear. But it is possible that some people in the Mainland might see quick action as a useful way of deflecting pressure on Ma to acquire F-16 C/Ds. They, like the opposition in Taiwan, no doubt noted that Defense Minister Chen Chao-min tended to validate this argument in a recent appearance before the LY. Although he stressed that a continuing Taiwan defense buildup was necessary in light of the PLA’s robust modernization program and threats to the island, Chen also said that if the PRC withdrew the hundreds of short-range missiles deployed opposite Taiwan, then “the ministry will make adjustments on military procurement and research and development based on the actual situation.”⁵⁴ Whether the Mainland acts on Chen’s statement or not, the hope of pushing off an F-16 purchase could provide some incentive to do something rather soon about missiles.

PRC Response to Ma’s Election

Although the immediate response to the 22 March outcome was cautious and formulaic,⁵⁵ overall, the PRC’s reaction to Ma’s victory—and to the resounding defeat of the two UN referenda—has been positive. Ma’s choice of Lai Shin-yuan as the new chairperson of the MAC caused some consternation, but officially the most Beijing would do about it was to raise concerns by indirection.⁵⁶ One almost had the sense of “buyer’s remorse” in the sense that Beijing had to face up to the outcome earlier described as “optimal.” Now, instead of being able to simply operate on automatic pilot, rebuffing and rejecting virtually everything that came out of Taipei, the leadership had to cope with a drastically transformed and more complex situation.

More than most, Hu Jintao appears to have risen to the occasion. He not only went along with having then vice president–elect Vincent Siew go to the Boao economic conference in southern China,⁵⁷ he met there with Siew on 12 April for about 20 minutes in what was later termed a meeting of “great positive significance.”⁵⁸ By prearrangement, the agenda focused on economic and trade exchanges,⁵⁹ but Hu seized the occasion to describe the new situation created by Ma’s election as presenting an “historic opportunity” [历史性机遇].⁶⁰

At Boao, Siew put forward a 16-character phrase to describe Taipei's approach to cross-Strait relations: "squarely face reality, open up to the future, shelve disputes and pursue a win-win situation" [正视现实, 开创未来, 搁置争议, 追求双赢].⁶¹ When he met with honorary KMT chairman Lien Chan on 29 April, Hu responded with his own 16-character phrase: "establish mutual trust, shelve disputes, seek common ground while reserving differences, and together create a win-win situation" [建立互信, 搁置争议, 求同存异, 共创双赢].⁶² This formulation has become the universal reference point for all Chinese officials and specialists speaking of cross-Strait relations and was the phrase cited in full by Ma in his inaugural address.

In both Taiwan and on the Mainland, people called attention to the common focus by Siew and Hu on "shelving disputes," taken largely to mean that, since each side adhered to a version of "one China" under the "1992 Consensus," they should set aside the intractable disagreement over the definition of that "one China"—and, thus, who has what sovereignty—and move on in pragmatic ways. Ma welcomed Hu's remarks, saying they would "serve as an important guide in turning a new page in the development of cross-Strait relations,"⁶³ a comment the official Mainland media were quick to report.⁶⁴ Hu also used another phrase with Lien Chan that Ma picked up in his inaugural, saying that the people on both sides of the Strait belong to "the Chinese nation" [同属中华民族]. Though it is not a new phrase, it is newly adopted by both sides, and it has been frequently repeated in a cross-Strait context ever since, further indicating the desire of both leaderships to carve out as much common space as possible without being blocked by the differences.⁶⁵

That said, there is a great deal of caution evident in both public and especially private statements by Mainland specialists and officials alike. To some extent this approach parallels the Ma administration's belief that "time and wisdom" will be needed to melt the long-frozen cross-Strait relationship.⁶⁶ But it also is based on attitudes that might impede progress in developing that relationship.

One argument is that giving Ma benefits now, especially in the area of "international space," will only be seized upon by the DPP when it (inevitably) returns to office, allowing it more effectively to press the boundaries of separatism and even formal independence. Another argument is that although Ma is against *de jure* independence, what he seeks is to consolidate *de facto* independence, and, if he succeeds, that will only complicate the process of ultimate reunification. Clearly, those who subscribe to these views are arguing for caution in dealing with the new administration in Taipei.

Although others tend to discount these views, and point instead to Ma's strong commitment to the ROC constitution with its "one China" framework, nonetheless they advance other cautionary notes. For one thing, some people emphasize that profound differences still exist over Taiwan's political status, military confrontation, and international space. They look at Ma's inaugural address and, while they appreciate the tone and like some specific things in it, they wonder about his ultimate intentions.

They point to Ma's statements cited earlier regarding the need for dignity and his assertion that "only if" Taiwan is not isolated can cross-Strait relations move ahead, and they ask what Ma means to signal by this language. On the one hand, they take note of the fact that, in the sentence preceding these phrases, Ma called for consultations with the Mainland over Taiwan's "international space," and they contrast this favorably with Lee Teng-hui and Chen Shui-bian's unilateral demands without any suggestion of consultation. At the same time, however, they also express suspicion regarding the ultimate purposes and limits of Ma's ambition. Is he seeking "practical" arrangements in the international community to deal with concrete issues of importance to the daily lives of people in Taiwan such as health care? Or is the real aim a "political" one, to expand Taiwan's "international space" as much as possible, without reference to practical needs?

The former would seem to fall within the realm of what Beijing would consider favorably, whereas the latter apparently would not. Even more, Beijing makes clear that, while adherence to the ROC constitution is a good thing because it carries with it an embrace of "one China" and an implicit commitment not to seek *de jure* independence, attempts to use the title "Republic of China" in the international community would not be acceptable any more than using "Taiwan" would be. On the other hand, as discussed earlier, Ma's willingness to be flexible with respect to nomenclature may render this issue less problematic in reality than in the abstract.⁶⁷

On the specific issue of WHA/WHO participation, as anticipated, Beijing once again passed up the opportunity to score points in Taiwan by blocking Taipei's application for observer status at this year's World Health Assembly.⁶⁸ But when Hu met with Wu Poh-hsiung in May 2008, the PRC leader reiterated the commitment from his 29 April 2005 joint press communiqué with then KMT chairman Lien Chan⁶⁹ to "discuss the issue of Taiwan's participation in international activities" and to "give priority" to discussion about "Taiwan's participation in the activities of the WHO." He said he believed, "with joint efforts of both sides to create conditions, a solution will be found to these issues through cross-Strait consultation."⁷⁰

As for PLA attitudes, Deputy Chief of Staff Ma Xiaotian recently noted the "positive developments" in Taiwan and the consequent "good momentum" in cross-Strait relations. But, he went on, "secessionist forces for 'Taiwan independence'" still exist, and "the mission of opposing and curbing secessionist activities remains strenuous."⁷¹

One final point on the PRC approach is concerned with relationship between what is done at this juncture and the goal of ultimate reunification. Some on the Mainland argue that every step taken with Taiwan must actively serve the cause of reunification, and measures that do not do so are unacceptable or, at the very least, suspect.⁷² Others take a half step back and say that "of course" any moves must be consistent with reunification, or at least not harm the cause of reunification. But these people focus more on the establishment, for now, of long-term peace and stability.

Although Hu Jintao has made clear that ultimate reunification remains very much the goal, it appears that, in his mind, it is a *long-term* goal. His immediate priorities appear to be to create mutual trust and to establish a framework of peace and stability—a position that suggests he is supportive of the latter position. This is obviously quite important, as any effort either to cast progress explicitly in terms of serving the cause of reunification or, worse yet, to link steps directly in some way to making demonstrable progress toward reunification, would likely evoke a fatal response from Taiwan.⁷³ Though it is predictable that implementation of the steps outlined above will prove more difficult than one might hope, still, the likelihood is that several functional issues will proceed. And as we have seen, even in the realm of international space, Hu has made some positive statements.

So the question is, with Ma Ying-jeou in charge in Taipei, pursuing a more forward-looking approach to cross-Strait relations and firmly opposing Taiwan independence, will the PRC respond in a way that will contribute to the establishment of a long-term political framework of peace and stability, as it says it wants, or will it squander the opportunity? Without achievements that only Beijing can help deliver, including not only with respect to trade and economic measures but also in the area of international space, Ma will not be able to form the domestic consensus necessary to move from the easier, functional steps to the more difficult political ones—including a comprehensive economic agreement or a peace accord—that will be necessary if a long-term framework for peace and development is to be created. Prudence on Beijing's part is certainly understandable, but excessive timidity—or excessive zeal in the cause of reunification—will destroy the opportunity. If this were to happen, most people agree that another opportunity would not likely arise for a very long time. As one astute observer in Beijing quipped, the PRC should take care not to turn the current Taiwan leader into “Ma Teng-hui.”⁷⁴

The U.S. role

The question that inevitably arises in conversations in either Taipei or Beijing these days is: What is the real level of American tolerance for improved cross-Strait relations? Would the United States tolerate much closer economic links between the two sides, much less a peace accord? Or does Washington worry that, if successful, Ma's approach will inevitably lead to greater PRC influence over Taiwan to the detriment of U.S. strategic national interests?

There is no doubt that the United States continues to attach importance to its position against unilateral efforts by either side to change the status quo. Although never tied to the PRC's proclaiming that the period between the 22 March election and the 20 May inauguration was the latest (and, one trusts, final) “period of high danger,” the presence in the region of two U.S. Navy aircraft carrier battle groups during that very period seems not to have been coincidental.⁷⁵ As Deputy Secretary of State John Negroponte reiterated in his testimony before the Senate Foreign Relations Committee in

mid-May, the U.S. determination to see cross-Strait differences settled “peacefully and according to the wishes of the people on both sides of the Strait” is very serious. “Nobody should question our resolve in insisting on such a peaceful process,” he warned. And in contrast to the emphasis in similar testimony in recent years, when warnings were weighted more heavily on the Taiwan side of the equation, Negroponte stressed continuing American concern about the Mainland’s “ongoing military build-up on its side of the Strait,” terming it “unnecessary and counterproductive.”⁷⁶

For his part, there is no doubt that Ma wants to restore a relationship of trust with the United States. That was behind his hope for a pre-inaugural U.S. visit that was rather peremptorily turned down by Washington.⁷⁷ The American decision apparently reflected, in part, pique that yet another Taiwan leader should announce publicly, without prior agreement or even meaningful consultation, decisions that involved U.S. interests and actions. It may also have come from a precipitate judgment that Beijing would strongly object. If so, that resort to what one might call “preemptive capitulation”⁷⁸ could profitably have been reexamined after Hu agreed to meet with Vincent Siew.

Nonetheless, there is a general assumption in all three relevant capitals that U.S.-Taiwan relations will be much smoother in the coming four years than in the past eight. When Ma decides to travel abroad, as he may soon do to Latin America and the Caribbean, there is no question he will be given more generous treatment when transiting the United States than Chen Shui-bian received in recent years. Such treatment will still be constrained by the overall boundaries of the U.S. “one China” policy, but there is much room within that policy to express support and to make clear American appreciation for the change we are now witnessing, just as there were ways to express disapproval of Chen’s policies and actions.

As already discussed, Beijing is concerned that either in terms of its political embrace of Ma, or especially in the realm of U.S. arms sales to Taiwan—particularly F-16s—Washington may lose its compass.⁷⁹ Some PRC observers see the potential for American actions spoiling the favorable climate in cross-Strait relations and hampering progress not only between Taiwan and the Mainland but also between Washington and Beijing. Others, however, believe that Beijing must grasp the essence of the change and must demonstrate understanding and patience with Ma as he builds a consensus. They see that his ability to show people that he is not abandoning Taiwan’s security interests, as many in the DPP have charged, is critically related to his domestic success. And this, in turn, is seen by a number of informed analysts in the PRC as integrally related to Ma’s ability to make the transition from the easier, economic arrangements to the more difficult, political ones that will serve Beijing’s long-term interest in creating a reliable framework of peace and stability.

How this will play out in U.S.-PRC relations will be a matter of considerable importance. As one Mainland observer put it, while courage and wisdom are always both required for effective policy toward Taiwan and the United States, in the past China needed more courage than wisdom; now it needs more wisdom than courage.

What is universally accepted is that both the United States and the PRC must respect each other's core interests and must carefully handle sensitive issues such as arms sales or even, some would say, a U.S.-Taiwan Free Trade Agreement (assuming FTAs are ever back in vogue in Washington). But if FTAs are once again possible (and passable), and if an economically sound agreement can be reached, it would hardly seem reasonable or in anyone's interest *not* to proceed for fear that some in the Mainland would be concerned.

More than that, while Taiwan's ultimate success in obtaining greater international space will be largely in Beijing's hands, it would seem logical for the United States to seize the opportunity presented by what one trusts will be the improving atmosphere in cross-Strait relations to work with both sides—as well as with others—to find vehicles for Taiwan to participate more broadly in the international community under arrangements that do not broach the sovereignty issue. Testimony both by Deputy Secretary Negroponte⁸⁰ and, two weeks later, by Deputy Assistant Secretary of State for East Asian and Pacific Affairs Thomas J. Christensen, appearing before the Senate Foreign Relations Subcommittee on African Affairs,⁸¹ indicates that this will be a continuing priority of the Bush administration, and one presumes it will be of the next administration, as well.

Finally, let us return to the issue raised earlier about the level of U.S. tolerance and support for closer cross-Strait ties. One can surely hear occasional voices, in government or out, either touting the “strategic” value of Taiwan in a U.S. hedging strategy against the PRC or worrying about the negative impact on American interests should the two sides of the Strait get too close. But what one can also hear are the clear voices of the political leadership in the United States, whether President Bush,⁸² his senior aides,⁸³ the presidential candidates,⁸⁴ or the senior U.S. military commander in the Pacific,⁸⁵ that Americans want to see cross-Strait tensions reduced and Taiwan's prosperity and security assured in a context of constructive and productive U.S.-PRC relations. Seeking to get in the way of improved cross-Strait relations would defeat all of those purposes.

Moreover, one has to take into account three realities. First, whatever the long-term future might hold, for as far as the mind's eye can see, unification is not on the table. Ma's statement that it would not likely take place in his lifetime⁸⁶ was viewed by some as perhaps a bit too “in your face” for the Mainland, and Ma's office had to issue a “clarification” later in the day to say this was an analytical point, not something he was necessarily advocating.⁸⁷ But the validity of Ma's assessment is not easily challenged. So if anyone is worried about the implications of unification, they should stop worrying.

Second, some Americans focused on defense issues might be concerned that, as even the defense minister suggested, a smiles policy from Beijing might lead to a serious easing of Taiwan's defense effort. Dismantling the missiles and other weapons systems confronting Taiwan, and establishing meaningful confidence- and security-building measures could have an impact. But it hardly seems likely that Ma or any other elected

leader in Taiwan would want to, or politically could, adopt a posture that created security vulnerabilities. Whether Taiwan needs F-16s is a detail to be hashed out over the next several months. Reports in early June indicated that Washington was freezing further processing of arms sales to Taiwan until at least after the August Olympics, perhaps even longer. This reportedly will not affect any systems already approved, since as the P-3C anti-submarine aircraft, but it would affect others that have not yet received a final chop, such as the upgraded PAC-3 anti-missile defenses, a variety of helicopters, and, of course, F-16s.⁸⁸

But what seems unarguable is that the PRC will not give up a deterrent against the possibility of a future move to Taiwan independence. As long as that is the case, Taiwan will have a requirement for an adequate defense. Ma's commitment to no less than 3 percent of GDP for defense needs to be backed up with a thoughtful national security strategy and a weapons procurement plan based on it. But there would not appear to be any reason to doubt his government's commitment to such an effort.

Third and finally, Americans, from the government and the private sector alike, have been lecturing Taiwan for years about the need to face the reality of the importance of the PRC economy to Taiwan's future.⁸⁹ Now an administration is in place in Taipei that seems prepared to act on that reality. Talk to any of Ma's senior officials and you will hear how the first priority is to strengthen Taiwan's domestic economy to the extent possible, and then, on the basis of this stronger position, deal with Beijing. That is, I can find no one who is talking of blindly yielding leverage to the Mainland. Moreover, all of the current DPP leadership have favored a more open cross-Strait economic policy, albeit, like the Ma administration's position, one that takes account of the need to avoid excessive dependence.

Nor does it seem likely that the Mainland could easily exploit the economic ties. Any trade and investment relationship will create mutual interdependencies, and this one is no different. In the Chen Shui-bian years, the temptation surely existed to apply whatever non-military tools were available to Beijing to shut down what were seen as moves by Chen toward formal separatism, especially the UN referendum. But for sound reasons the PRC decided that tampering with the growing economic links would have been self-defeating, politically in Taiwan as well as economically for itself. And, with a few individual exceptions in what they considered special circumstances, PRC policymakers eschewed such an approach.

It is hard to think why—in a mode where they still would be shooting themselves in the foot economically, for one thing, but also where they are out to win hearts and minds—they would choose a course with the diametrically opposite effect.

Afterword

One cannot overstate the transformative nature of the current moment. If this opportunity to establish a long-term framework of cross-Strait peace and stability is squandered, a similar one will not return for a long time, if ever. Progress will obviously require dedicated but carefully crafted efforts from all three parties concerned.

Ma will have to move skillfully in a still volatile domestic political environment, walking the fine line between reaffirming the “Republic of China’s” independent sovereignty in order to create and maintain a domestic consensus, on the one hand, and remaining committed to a “one China” framework necessary to produce the desired economic, security, and political benefits from the Mainland, on the other.

The United States will need to be outspokenly supportive of the renewed cross-Strait process, maintaining strong relations with Beijing, improving relations with Taiwan, and ensuring the maintenance of peace and stability through attention to the military balance.

All that being said, at this juncture the burden for thoughtful and creative policy rests particularly heavily on the Mainland. And the challenge, to cite the words of a senior PRC leader who met recently with a visiting American delegation, is for leaders to show the necessary vision and courage and to rise to the occasion. He was right, and this applies with special relevance to his own government at this historic moment.

Notes

¹ Alan D. Romberg, “Taiwan Elections: Foundation for the Future,” *China Leadership Monitor* 24, Spring 2008, p.2.

² As discussed in the body of this paper, the starkness of this position came through much more clearly in the Chinese-language text of Ma’s address than in the English-language version, both of which are available on the presidential website. The English-language text is available at “Taiwan’s Renaissance,” President Ma’s Inaugural Address, Office of the President, Republic of China, 20 May 2008 (http://www.president.gov.tw/en/prog/news_release/print.php?id=1105499687). The Chinese text is at <http://www.president.gov.tw/>.

³ Data about the election outcome came from the official website of the Central Election Commission on 22 March 2008 (<http://vote2008-3.nat.gov.tw/zh-tw/T1/s000000000000.html>) and were distributed by Open Source Center (OSC), CPP20080322001002.

⁴ As related on the DPP website, “Hsieh said: ‘I accept the results of this election and congratulate Mr. Ma Ying-jeou and Mr. Vincent Siew’ . . . He expressed his deepest gratitude to supporters and his sincere regret at the DPP’s failure to meet people’s expectations, stressing that ‘I should and am willing to assume greatest responsibility.’ He said that in the spirit of ‘love and trust,’ it was now time to repair the divisions and heal the wounds in society that had been generated by the election. Even more important, Hsieh stressed, was the need to keep alive ‘the flames of democracy that our predecessors have left for us.’” (<http://www.dpp.org.tw/>)

⁵ Lilian Wu, “President says he’s reluctant to hand over to ‘green card’ holder,” Central News Agency (CNA), 19 March 2008.

⁶ *China Times* poll, 24 March 2008, disseminated in translation by the Kuomintang (KMT) News Network (<http://www.kmtnews.net/client/eng/NewsArtical.php?REFDOCID=00aruhzebvw1w3bs&TYPIDJump=00air8vknmxqomxb>).

Four to six weeks later, some 52 to 60 percent of respondents to two different polls expressed satisfaction with Ma's performance, with less than 18 percent dissatisfied. (TVBS public opinion poll, 2 May 2008, translated by KMT News Network, <http://www.kmtnews.net/client/eng/NewsArtical.php?REFDOCID=00asxmt6r4tvu8rl&TYPIDJump=00air8vknmxqomxb>). See also "President-elect Ma Ying-jeou's approval rating within a month after the presidential election," Global View Survey Research, 6 May 2008, http://www.gvm.com.tw/gvsrc/president-elect_english%B7s%BBD%BDZ.pdf).

A mid-May poll found respondents expecting (65 percent vs. 13 percent) the KMT would perform well after becoming the ruling party. (TVBS poll, 13 May 2008, translated by KMT News Network, <http://www.kmtnews.net/client/eng/NewsArtical.php?REFDOCID=00at8jkj7iq7d80m&TYPIDJump=00air8vknmxqomxb>).

⁷ Luke Sabatier, "Ma Ying-jeou scores 'impressive victory' in Taiwan's presidential election," CNA, 22 March 2008 (distributed by OSC, CPP20080322968148).

⁸ A poll conducted in the days following Ma's inauguration by the Cabinet Research, Development and Evaluation Commission revealed that 88.9 percent of respondents backed Ma's call for reconciliation with the Mainland in the region and in the international community (vs. 4.1 percent who disagreed), and 74.6 percent supported Ma's position that the "1992 Consensus" should serve as the basis for resumption of cross-strait dialogue (vs. 11.7 percent who disagreed). (Shih Hsiu-Chuan, "Poll shows general confidence in Ma's ability to deliver," *Taipei Times*, 1 June 2008.)

Quite similar results were obtained regarding reliance on the "1992 Consensus" by another independent poll. In a survey taken two days earlier than the Cabinet poll, GVSRC found that 69.5 percent of respondents supported cross-strait negotiations if the PRC and Taiwan were willing to respect each other while having different interpretations of "one China." Only 14.9 percent disapproved. ("GVSRC Survey: President Ma Ying-jeou and the new government," Global Views Survey Research Center, June 2008, No. 264, http://www.gvm.com.tw/gvsrc/200806_GVSRC_NEWGOVERNMENT.pdf.)

On the other hand, a DPP poll purported to show a drop in support for Ma and great suspicion of his approach to cross-strait relations. (Howard Lin, "More people dissatisfied with Ma administration: DPP survey," CNA, 10 June 2008.)

⁹ Zeng Zhaopeng, "Ma Ying-jeou is cautious and optimistic on the future of cross-strait ties," Singapore *Lianhe Zaobao*, 16 April 2008 (translated by OSC, CPP20080416052001).

¹⁰ Sofia Wu, "Cross-strait affairs said to top NSC work agenda in 1st year," CNA, 11 May 2008.

¹¹ The DPP says this demand is backed up by strong public opinion, according to a poll conducted by the party's survey center in late March. (Ko Shu-ling, "Majority say Taiwan-China pacts must go to vote," *Taipei Times*, 17 April 2008.)

In particular, the DPP justified its insistence on a referendum by highlighting the poll's finding that 88.3 percent agreed that "Taiwan and China are independent countries whose sovereignty does not overlap" (vs. 7.9 percent disagreeing). According to the poll, 86.4 percent of pan-Blue supporters, 89.6 percent of independent voters, and 91.8 percent of pan-Green supporters all agreed on this position. (Dennis Engbarth, "Ma urged not to ignore Taiwan consensus," *Taiwan News*, 17 April 2008.)

¹² Joseph Yeh, "Hsieh admits DPP failures," *Taiwan News*, 13 April 2008.

¹³ Frank Hsieh, "Restoring Taiwan starts with the Democratic Progressive Party," *Minchu Chinpu Tang* (DPP website), 26 March 2008 (<http://www.dpp.org.tw/>). In describing his own future role, although Hsieh had said not only that he would decline ever again to serve in a party leadership position or run for office if he lost to Ma, but that he would step aside from politics (Ko Shu-ling and Mo Yan-chih, "Hsieh puts political career on the line," *Taipei Times*, 14 January 2008), he announced on the eve of the DPP chairmanship election that he would work to organize a "shadow government" to monitor the KMT administration. (Elizabeth Hsu, "Outgoing DPP chairman promises to organize 'shadow government,'" CNA, 16 May 2008). And he has been outspoken ever since.

¹⁴ "Tsai Ing-wen: I will take to streets if necessary," *Chung-shih Tien-tzu pao*, 8 June 2008 (translated in summary by OSC, CPP20080608102002).

¹⁵ According to one account by a “well-informed” source, KMT chairman Wu Poh-hsiung had promised a number of KMT LY candidates that, if they dropped out of the race, they would be given prominent cabinet positions after Ma was elected. But that did not happen, perhaps contributing to the unhappiness in the KMT rank and file with Lai’s appointment. (Lee Tsu-shun and Fang Ling-chia, “Ma Ying-jeou proposes separation of party, government; Kuomintang party central opposes,” *Lien-ho pao*, 30 April 2008, translated in summary by OSC, CPP20080502100002.)

¹⁶ Joseph Yeh, “Lai vows to promote cross-strait trade,” *Taiwan News*, 2 May 2008.

¹⁷ The spokesperson of the Ma-Siew office explained: “The orientation of the cross-Strait policies is decided by Ma. The MAC is an agency for coordination and implementation.” He asked the public to “give a little time to the newly-nominated MAC chairperson and evaluate her in accordance with her performance after she assumes office.” (Ma-Siew Office Press Release, KMT News Network, April 30, 2008, <http://www.kmtnews.net/client/eng/NewsArtical.php?REFDOCID=00asvpace0es3hjf&TYPIDJump=00air79hymmrtyl0.>)

¹⁸ One poll published in early May saw satisfaction with her appointment at 29 percent as against 24 percent dissatisfaction. Still, some 59 percent of respondents said she should be given a chance, and 62 percent were optimistic about cross-Strait relations after her appointment (as opposed to 18 percent who were pessimistic). (*United Daily News*, 2 May 2008, translated by KMT News Network, <http://www.kmtnews.net/client/eng/NewsArtical.php?REFDOCID=00asxpvo0ff9aylo&TYPIDJump=00air8vknmxqomxb.>)

¹⁹ “Cross-Strait relations in the wake of Lai Shin-yuan’s appointment to Mainland Affairs Council chairmanship,” *China Times*, editorial, 30 April 2008 (translated by KMT News Network, <http://www.kmtnews.net/client/eng/NewsArtical.php?REFDOCID=00at0kbbkupq2cyyd&TYPIDJump=00aire4d9ydh2d8u.>)

²⁰ Kevin McElderry, “Taiwan president-elect urges ‘mutual non-denial’ accord with China,” AFP, 23 March 2008 (disseminated by OSC, CPP20080323968047).

²¹ Jane Rickards, “Ma claims that the 1992 consensus was his idea,” *China Post*, 29 April 2006.

²² As he put it in Chinese: 一九九二年，兩岸曾經達成「一中各表」的共識…我們今後將繼續在「九二共識」的基礎上，儘早恢復協商。

²³ The 21 May press conference was conducted in English, and the transcript can be found at http://www.president.gov.tw/en/prog/news_release/print.php?id=1105499708; the 22 May press conference was conducted in Chinese, and the transcript (in Chinese only) is at http://www.president.gov.tw/php-bin/prez/shownews.php4?issueDate=&issueYY=97&issueMM=5&issueDD=22&title=&content=&_section=3&_pieceLen=50&_orderBy=issueDate%2Crid&_desc=1&_recNo=0.

In his discussion of the “1992 Consensus” in the 22 May press conference, Ma referred explicitly to the exchange of faxes between SEF and ARATS on 3 November 1992 and 16 November 1992. What is interesting about that is how Taipei’s “oral expression” of “one China” was to be handled. The 16 November ARATS response that Ma refers to cited favorably a limited formulation conveyed by Taipei on 30 October about very general wording it would use to “orally express” its view of “one China” (“As both sides of the Strait make efforts toward national unification, although they both adhere to a one-China principle, it is understood that there are differences about the meaning of one China.”).

But, in fact, the 3 November SEF fax to ARATS that Ma cites had gone beyond the 30 October formulation and explicitly stated that: “As for the specific content of the oral declaration, our side’s expression will be based on the ‘National Unification Guidelines’ and the resolution passed by the National Unification Council on August 1 of this year.” Those Guidelines, in turn, not only called for “a consensus of democracy, freedom and equal prosperity” but also stressed that unification should “aim at promoting Chinese culture, safeguarding human dignity, guaranteeing fundamental human rights, and practicing democracy and rule of law.” They further called for ending the state of hostility, “not denying each other’s existence,” and, indeed, to “respect—not reject—each other in the international community.”

It is worth keeping an eye on how Ma uses these Guidelines, which Chen Shui-bian proclaimed would “cease to apply” in February 2006 (Alan D. Romberg, “The Taiwan Tangle,” *China Leadership Monitor* 18, Spring 2006). It seems unlikely Ma will want to incur the political cost of trying to formally restore their “application,” as he has been urged to do by former Control Yuan president and foreign minister Fredrick Chien (Joe Hung, “Unification guidelines must be resuscitated: Chien,” *China Post*, 24 May 2008). But based on his press conference references, it would seem that, as he moves forward, Ma will

draw on their content, in whose formulation he was involved. Beijing's reaction will no doubt depend on how much emphasis he places on these aspects of the Guidelines.

The texts of the various 1992 faxes referred to above can be found in Xu Shiquan, "The 1992 Consensus," *American Foreign Policy Interests*, Vol. 23, pp 121–140 (2001); and the text of the National Unification Guidelines is at <http://law.wustl.edu/Chinalaw/twguide.html>.

²⁴ No doubt for the same reason that motivates his handling of the "1992 Consensus," Ma's statement on the 19th anniversary of the 4 June 1989 Tiananmen tragedy was also of a different character from those he has issued in years past. He noted his concern regarding the crackdown and the implications for the continued movement on the Mainland toward freedom, democracy, and prosperity, but he put it in the context of laying the ground for long-term peaceful development of cross-Strait relations. Moreover, he praised Beijing's handling of the Sichuan earthquake and the degree of reform and opening to the outside world that it reflected. ("President Ma Ying-jeou issues statement marking the 19th anniversary of 'June fourth'," Office of the President, 4 June 2008). The DPP lost no time in criticizing him for failing to repeat his previous calls for rehabilitation of those killed at Tiananmen or to criticize the suppression of demonstrations in Tibet. (Dennis Engbarth, "DPP slams Ma for 'backward' June 4 remarks," *Taiwan News*, 5 June 2008.)

²⁵ PRC officials noted that in his inaugural Ma did not use the term "diplomatic" in this context, which they took as a positive sign that he was going out of his way to avoid precipitating disagreements. (Interviews in Beijing in May 2008.)

²⁶ Rachel Chan, "'Diplomatic truce' with China not immediate priority: FM," CNA, 2 June 2008.

²⁷ As Ma has characterized it, dignity, pragmatism, and flexibility will be the fundamental principles of the *modus vivendi* he seeks with Beijing over "international space." (Neil Lu, "Ma: Taiwan to join international organizations under 'Chinese Taipei'," CNA, 4 April 2008.)

²⁸ "Taiwan, Singapore can talk about free trade agreement if cross-Strait relations improve," *Lien Ho pao*, 9 May 2008 (translated in summary by OSC, CPP200805091000001).

²⁹ 英九堅信，兩岸問題最終解決的關鍵不在主權爭議，而在生活方式與核心價值。我們真誠關心大陸十三億同胞的福祉，由衷盼望中國大陸能繼續走向自由、民主與均富的大道，為兩岸關係的長遠和平發展，創造雙贏的歷史條件。

³⁰ Those Guidelines refer several times to "a democratic, free and equitably [or equally] prosperous China," and make specific reference to "safeguarding human dignity, guaranteeing fundamental human rights, and practicing democracy and the rule of law." Text of the National Unification Guidelines is at <http://law.wustl.edu/Chinalaw/twguide.html>.

³¹ Howard Lin, "Taiwan will not become second Tibet: KMT presidential candidate," CNA, 17 March 2008.

³² Among Ma's harshest criticisms of PRC actions in Tibet were:

- The PRC has used force to suppress the people of Tibet. This is such a savage and stupid act, and serious condemnation of the PRC is necessary. I ask people on Taiwan and our friends around the globe to condemn the PRC. I also ask the PRC to stop the crackdown and stop the arrest of the Tibetan people.
- As Presidential candidate of the Republic of China, I will cable our allies to support the people of Tibet, support the Dalai Lama, and ask the PRC to stop its military crackdown and open a dialogue with the Dalai Lama. ("Ma Ying-jeou statement," 18 March 2008, posted on the KMT News Network, <http://www.kmtnews.net/client/eng/NewsArtical.php?REFDOCID=00arptm5n48ti4nx&TYPIDJump=00air79hymmrtly0>).

Within days, however, Ma was forced to reverse field on the issue of an Olympics boycott due to the outcry of baseball fans in Taiwan (Joseph Yeh, "Ma retracts Olympics boycott at baseball luncheon," *Taiwan News*, 25 March 2008).

³³ "Ma Ying-jeou statement," 18 March 2008, posted on KMT News Network (see endnote 32).

³⁴ In his post-inauguration press conference, Ma made clear he would welcome the Dalai Lama "as a religious leader" to Taiwan, taking care to dispel any impression that he was calling for Tibetan independence. (Transcript of May 21, 2008 Presidential Press Conference with President Ma Ying-jeou and Vice President Vincent Siew, Office of the President, http://www.president.gov.tw/en/prog/news_release/

print.php?id=1105499708). He may get a chance to test that proposition, and the limits of PRC tolerance, as the Dalai Lama indicated shortly thereafter that he would like to visit Taiwan again if given the opportunity. (Deborah Kuo, "Dalai Lama looks forward to visiting Taiwan again," CNA, 8 June 2008.)

³⁵ Sofia Wu, "Quake provides opportunity to improve ties with PRC: Ma Ying-jeou," CNA, 16 May 2008.

³⁶ For his part, Ma put it this way: "Leaders of both sides should have foresight and keep cross-Strait relations in perspective. (They should) set aside their disputes and prioritize urgent and easy-to-resolve problems to move the cross-Strait relationship forward." (Shih Hsiu-chuan and Mo Yan-chih, "Ma calls on PRC to avoid disputes over sovereignty," *Taipei Times*, 25 May 2008.) On the Mainland, Jia Qinglin called for much the same thing, though being more specific about the sequencing of economic vs. political issues: "First the easy, then the hard, first the economic, then the political, moving ahead step-by-by-step"

(先易后难, 先经济后政治, 循序渐进). (Chen Jianxing, "Second council of the Association for Relations Across the Taiwan Strait holds its first meeting in Beijing," [海峡两岸关系协会第二届理事会第一次会议在北京召开], Xinhua [domestic], 3 June 2008, <http://fcgrb.gxnews.com.cn/news/20080603/fcggxw/235546.htm>; also translated by OSC, CPP20080603172002.) PRC speakers at that meeting added that any issues of concern to either side could be raised, that eventually SEF and ARATS should create conditions to resolve "legacy issues," and that all of this should contribute to the long-term goal of building a framework for peaceful development of cross-Strait relations. (Ibid.)

³⁷ Wu Jiao, "Landmark cross-Straits deals signed," *China Daily*, 14–15 June 2008.

The agreement is to start with 3,000 Mainland tourists a day (or one million a year), though Ma has expressed the hope to expand that over time to 10,000. To get things started, an 80-person delegation representing over 30 travel agencies from the Mainland will visit Taiwan in late June. (Flor Wang, "Chinese tourism group to visit Taiwan in late June: minister Mao," CNA, 4 June 2008.)

In the run-up to the meeting, it was anticipated they would discuss the future SEF-ARATS work agenda. (Liu Shuling, "Li Yafei says he expects ARATS chairman to have an opportunity to visit Taiwan," *Zhongguo Xinwen she*, 3 June 2008, translated by OSC, CPP20080603508006.) Moreover, it was expected that SEF and ARATS would meet frequently, "as the situation and issues merit," stepping up the pace, as some put it, meet frequently, "as the situation and issues merit," stepping up the pace, as some put it, in order to "make up for lost time." (Han Fudong and trainees Zhang Le and Kou Zhen, "First meeting of ruling party leaders across the Strait is of great significance," Interview with Chang Jung-kung, deputy secretary-general of the KMT central committee, *Nanfang Dushi Bao*, 27 May 2008, translated by OSC, CPP20080528066001.) In fact, though it may take some time to implement, during the mid-June Beijing meeting, the two sides agreed "in principle" to establish offices in each other's capital.

It is noteworthy that initially Taiwan assumed the early agreements would be concluded by the non-government industry associations that had already negotiated on these matters for some time. ("Chiang Pin-kung: Talks on direct flights to be held by civilian bodies," *P'ing-kuo Jih-pao* [Apple Daily], 16 April 2008, translated in summary by OSC, CPP20080416569001.) According to well-placed Taiwan commentators, however, it was the PRC that first insisted that the agreements be concluded by SEF and ARATS, something Taipei welcomed. (Interviews, April and May 2008.)

Subsequently, Ma made clear that the only authoritative dialogue would be in that channel, although the KMT-CCP channel could continue to play a useful, albeit "secondary" role, to help tee up issues ahead of time. (Flor Wang, "Only MAC, SEF can hold official cross-Strait talks: Ma," CNA, 28 April 2008.) Whether even this informal party-to-party function will lose some of its former vitality was raised by the fact that when Wu Poh-hsiung was in the Mainland, a date for the annual KMT-CCP "forum" for 2008 was not agreed—nor was it even decided whether there will be a forum at all. ("CPC-KMT inter-party forum not yet decided," Xinhua, 30 May 2008, http://www.chinadaily.com.cn/china/2008-05/30/content_6724509.htm.) That said, some people believe Beijing might want to keep the party channel alive to use it as leverage on the official talks.

In fact, perhaps in an effort to preempt just such a possibility, the MAC issued a press release in Taipei welcoming the "positive attitude" shown during Wu's visit, but reiterating in a number of different ways the importance of resuming "institutionalized cross-Strait negotiations" and SEF's role as the only organization authorized to conduct negotiations. ("Pragmatic cross-Strait negotiations are a major step toward establishing mutual trust," Press Release No. 029, 28 May 2008, <http://www.mac.gov.tw/english/index1-e.htm>.)

³⁸ There is already pressure from the United States and others to ensure that foreign airlines are able to fly cross-strait routes in the future. If “beyond rights” are granted, it would undoubtedly raise the ante even further. Various “solutions” have been proposed, including code-sharing, but it is premature to predict how that issue will be resolved. What is not premature is the prediction that there will be an issue.

³⁹ T.C. Chiang, “President-elect vows to review bans on technology exports to China,” CNA, 4 April 2008.

⁴⁰ Toshinao Ishii, “Siew: Taiwan to lift yuan ban; Vice president-elect also vows to broaden tourism from China,” *Yomiuri Shimbun*, 25 April 2008.

⁴¹ Early on, Ma’s nominee for minister of the cabinet-level Council of Agriculture announced that the new administration would continue to restrict imports of some several hundred agricultural products from the Mainland in order to protect the interests of local farmers. (Luis Huang, “New gov’t to maintain ban on imports of 830 Chinese farm products,” CNA, 4 May 2008.)

⁴² “Report says Taiwan president-elect Ma Ying-jeou cautious on swift China ties,” AFP, 9 April 2008 (disseminated by OSC, CPP20080409968100).

⁴³ Romberg, “Taiwan Elections,” *China Leadership Monitor* 24, p. 18.

⁴⁴ Priorities include widening public investment, rebuilding industries, and relaxing and lifting restrictions. (Zhou Zhengping and Mao Leilei, “Vincent Siew and Chen Deming co-chair ‘Taiwan economic and cross-strait economic and trade prospects’ roundtable conference,” Xinhua [domestic], 13 April 2008, translated by OSC, CPP20080413163003.)

⁴⁵ “Ma-Siew’s new blueprint for global networking,” KMT News Network, 20 December 2007 (<http://www.kuomintangnews.org/client/eng/NewsArtical.php?REFDOCID=00ap7cv7tvksd1lf&TYPIDJump=00air79hymmrtly0>).

⁴⁶ Romberg, “Taiwan Elections” *China Leadership Monitor* 24, p. 9.

⁴⁷ “A Vision for Peace and Prosperity in East Asia: A Taiwan Perspective,” speech by Ma Ying-jeou at Doshisha University, Kyoto, Japan, 21 November 2007 (KMT News Network: <http://www.kmtnews.net/client/eng/NewsArtical.php?REFDOCID=00aoj7e0xwfax0je&TYPIDJump=00air79hymmrtly0>).

⁴⁸ Brushing off PRC concerns when speaking of procuring F-16 C/D fighters in an interview in early May 2008, he said: “To acquire defensive weapons for national security is a legitimate work of the government. I think the Mainland side understands that very well. Our acquisition of this weaponry would not endanger the security of the Mainland, whereas it would strengthen our own defense. All three sides know that very well. Whatever weapons we purchase from the United States will give rise to protests on the part of the Mainland.” (“AFP interviews Ma Ying-jeou: Taiwan to uphold US security ties,” 6 May 2008, disseminated by OSC, CPP20080506968129.)

⁴⁹ Alan D. Romberg, “Cross-Strait Relations: In Search of Peace,” *China Leadership Monitor* 23, Winter 2008.

⁵⁰ Actually, the notion that a peace accord would *constitute* a framework for peaceful development is somewhat at odds from Xinhua’s account of Hu’s discussion of this subject with President Bush in late March. In that account, Hu seemed to be describing a sequential process, in which a peace accord and a framework for peaceful development were steps that followed one another rather than being identical:

Hu Jintao said: Resuming cross-strait consultations and talks on the basis of the 1992 consensus has been our consistent stand. We expect both sides will make joint efforts, *create conditions to officially end cross-strait hostility through consultations on the basis of the one-China principle, arrive at a peace accord, build a framework for the peaceful development of cross-strait relations, and open up a new situation for the peaceful development of cross-strait relations* [协商正式结束两岸敌对状态,

达成和平协议, 构建两岸关系和平发展框架, 开创两岸关系和平发展新局面]. [“President Hu Jintao and President Bush have a telephone conversation,” Xinhua (domestic), 26 March 2008, <http://politics.people.com.cn/GB/1024/7049671.html>; emphasis added.

The translation comes from OSC, CPP20080326354003.]

⁵¹ Toshinao Ishii and Kenichi Yoshida, “Ma: Missile withdrawal precondition for China talks,” Interview, *Yomiuri Shimbun*, 6 June 2008 (<http://www.yomiuri.co.jp/dy/world/20080606TDY01303.htm>).

⁵² “Ma strongly condemns Mainland’s increase in missiles targeting Taiwan,” Ma-Siew campaign headquarters press release, 7 March 2008 (KMT News Network, <http://www.kmtnews.net/client/eng/NewsArtical.php?REFDOCID=00ardzp9he8v1iuu&TYPIDJump=00air79hymmrtly0>).

⁵³ Hsiao Hsu-ts'en, "High-ranking CPC official says China will not increase number of missiles aimed at Taiwan, may gradually remove missiles aimed at Taiwan," *Chung-kuo Shih-pao*, 2 June 2008 (translated in summary by OSC, CPP20080602100002). Similar reports from other sources are also circulating in Beijing.

⁵⁴ Lilian Wu, "China's goodwill does not mean lasting peace: defense minister," CNA, 4 June 2008.

⁵⁵ "We noted the results of the Taiwan region's leadership election. The failure of the so-called referendum on entering the UN under the name of Taiwan, promoted by the Chen Shui-bian authorities, shows yet again that the Taiwan independence separatist forces' engaging in 'Taiwan independence' does not have popular support . . . The peaceful development of cross-Strait relations is the common aspiration of compatriots on both sides of the Strait. Let us work for it together." ("State Council Taiwan Affairs Office spokesman Li Weiyi expresses hope for joint efforts toward the peaceful development of cross-Strait relations," *Zhongguo xinwen she*, 22 March 2008, translated by OSC, CPP20080322136028.)

⁵⁶ TAO spokesman Li Weiyi declined to comment directly on "this personnel arrangement," stressing instead the recent positive changes and momentum that had developed and the need to maintain it. The closest he came to commenting was to add: "If the progress in this respect is interfered with by *some people*, it will be something the compatriots on both sides of the Strait will not be willing to see." ("Transcript of news conference held by the Taiwan Affairs Office of the State Council on 30 April 2008," translated by OSC, CPP20080430071001; emphasis added.) During the course of this exchange, Li was asked about Lai Shin-yuan's comments on "one China, respective interpretations." He ducked the question completely, referring only to resuming cross-Strait talks on the basis of the "1992 Consensus." However, on the timing of concluding agreements on weekend charter flights and an agreement on Mainland tourists going to Taiwan, at that time all signs pointed to a possible delay due to the Lai appointment.

⁵⁷ Siew has participated in Boao from the beginning as a private-sector person, so it was no doubt easier to accommodate his post-election request to attend again this year than if that had not been the case. But still, it was a bold move on Hu's part, shown especially to be so by his meeting with Siew.

⁵⁸ In his press briefing on 16 April, TAO spokesman Li Weiyi said: "We consider that this meeting, which took place in the new circumstances of improving and developing cross-Strait relations and promoting the economic cooperation of the two sides, has very great positive significance."

("这次会见对于在新形势下改善和发展两岸关系, 推动两岸经济合作, 我们认为具有十分重要的积极意义")

(http://www.gwytb.gov.cn/seek/qft0.asp?xwfbh_m_id=93&pge=xwfbh)

⁵⁹ The Mainland side felt that addressing political issues would inevitably lead to disagreements, which would spoil the atmosphere. Although well-placed people in Taipei insist that Siew only proposed an economic agenda from the outset, equally well-placed people in Beijing insist that the vice president-elect initially proposed a broader agenda, though he readily yielded when the PRC demurred.

⁶⁰ Ang Leilei and Zhou Zhengping, "Hu Jintao meets with Vincent Siew and his entourage," Xinhua (domestic), 12 April 2008 (http://news.xinhuanet.com/newscenter/2008-04/12/content_7966227.htm; translation disseminated by OSC [CPP20080412163003]). Although, consistent with the agreed agenda, Hu confined this description at Boao to prospects for economic exchanges, it quickly became the characterization of the potential for the entire cross-Strait relationship.

⁶¹ Ibid. The first two 4-character phrases—squarely face reality, open up to the future—were taken from the Hu Jintao-Lien Chan joint press communiqué of 29 April 2005 (<http://www.chinanews.com.cn/news/2005/2005-04-29/26/569166.shtml>).

⁶² The Xinhua account of the meeting can be found on the website of the State Council Taiwan Affairs Office at http://www.gwytb.gov.cn/gzyw/gzyw1.asp?gzyw_m_id=1565.

Hu later expanded on this 16-character phrase in his meeting with KMT Chairman Wu Poh-hsiung, explaining how they would operate in sequential fashion:

We must understand that in the development of cross-Strait relations, some issues left behind by history still exist and some new situations and issues may yet be encountered. Some crucial issues cannot be resolved easily for the time being. We should take an attitude of seeking truth from facts, face them pragmatically and properly handle them. Shelving controversies needs political wisdom. I hope both sides will be able to proceed from the overall situation of the peaceful development of cross-Strait relations and properly grasp this point. With mutual trust as well as the shelving

of controversies, the two sides will be able to seek common ground while reserving differences and will be able to constantly accumulate consensus and create win-win results through exchanges and consultation. [Chen Binhua and Zhang Yong, "CPC Central Committee General Secretary Hu Jintao Holds Talks With Chinese Kuomintang Chairman Wu Poh-hsiung," Xinhua (domestic), 28 May 2008, translated by OSC, CPP20080528172005. A Chinese language text of the same story, though without identifying the journalists, is accessible at http://xcb.ahcme.cn/Article_Show.asp?ArticleID=2792.]

⁶³ Deborah Kuo, "President-elect welcomes Hu's remarks on cross-Strait relations," CNA, 4 May 2008.

⁶⁴ "Ma applauds Hu's speech as important guideline to turning new page for cross-Strait relations," Xinhua, 4 May 2008 (http://news.xinhuanet.com/english/2008-05/05/content_8105254.htm).

⁶⁵ Not only did KMT chairman Wu Poh-hsiung invoke this term during his visit to the Mainland in late May, but Hu Jintao used it four times in his conversation with Wu, cementing the term as one that will be used as a foundation stone of the cross-Strait relationship as it goes forward. (Chen Binhua and Zhang Yong, "CPC Central Committee General Secretary Hu Jintao Holds Talks With Chinese Kuomintang Chairman Wu Poh-hsiung," see endnote 62.)

⁶⁶ Elizabeth Hsu, "Iceberg to become flood if it melts too fast: vice president-elect," CNA, 14 April 2008.

⁶⁷ One small but noteworthy positive sign was seen in connection with Taiwan's participation in the annual meeting of the World Organization for Animal Health in late May. In 2007, Taiwan was forced to accept representation as "Chinese Taipei" and its status was downgraded to that of "non-sovereign regional member." Since this was at Beijing's insistence, it arguably explains why the PRC did not raise an objection this time. But what is more noteworthy is that, in contrast to the highly contentious atmosphere at the 2007 OIE meeting, Taiwan's participation proceeded smoothly this time and on what the foreign ministry characterized as "an equal basis with other countries." In that connection, Taiwan's delegation was led by the director-general of the cabinet-level Council of Agriculture's Bureau of Animal and Plant Health Inspection and Quarantine. (Deborah Kuo, "Its status downgraded, Taiwan participates as equal at OIE: MOFA," CNA, 1 June 2008.)

⁶⁸ Chen Shui-bian made it easy for Beijing by once again applying not just for observer status but for "membership," and by doing so in both cases under the name "Taiwan."

⁶⁹ In that communiqué, Lien and Hu agreed to:

Promote discussion on issues of participation in international activities, which concern the Taiwan public, after cross-strait consultations are resumed, including priority discussion on participation in the World Health Organization's activities. The two sides will work together to create conditions to gradually find the ultimate solution method. [“Full text of press communiqué on talks between CPC General Secretary Hu Jintao and KMT Chairman Lien Chan,” 29 April 2005, Xinhua, translated by OSC, CPP20050429000169.]

⁷⁰ Chen Binhua and Zhang Yong, "CPC Central Committee General Secretary Hu Jintao Holds Talks with Chinese Kuomintang Chairman Wu Poh-hsiung" (see endnote 62).

Only 11 days earlier, however, in explaining why the PRC could not accept Taiwan's application, the foreign ministry spokesman intoned "legal" judgments: "Taiwan is ineligible to participate in the WHO, nor is it eligible to attend the World Health Assembly as an observer, according to the WHO Constitution and Rules of Procedure of the WHA." ("Chinese FM spokesman: Chen Shui-bian's secessionist attempt doomed to failure," Xinhua, 17 May 2008, http://news.xinhuanet.com/english/2008-05/18/content_8196915.htm.)

If the "solution" Hu has in mind includes going along with observer status at the annual WHA meetings, this familiar PRC "legal" position will need to be reviewed. Recent conversations in Beijing suggest, however, that Beijing may have in mind maintaining that position but allowing more flexible application of the May 2005 PRC-WHO "memorandum of understanding" that gives Beijing virtually total control over Taiwan's activities with the WHO.

Whatever approach is finally adopted, the WHA/WHO issue continues to beg for a satisfactory resolution. The practical need for this was evident in the presentation to members of Congress by Taiwan's unofficial representative office in Washington in early May. There it was observed that, since the PRC

signed the May 2005 MOU with the WHO secretariat, of 311 notices issued to the international community, Taiwan had only received 16. And of the over 1,000 technical meetings on epidemic disease control efforts between 2005 and 2007, Taiwan was notified of just 40 and allowed to attend only nine. (Jorge Liu and Steve Bercic, “Rep apprises U.S. house of Taiwan’s WHO woes,” CNA, 3 May 2008.) While the specifics of the report cannot be verified by this writer, its general thrust is consistent with anecdotal evidence of Taiwan’s exclusion from WHO technical activities at Beijing’s behest and of late or undelivered notices from WHO regarding health threats.

⁷¹ “The future of East Asian security,” speech by Lt. General Ma Xiaotian, 7th IISS Asia Security Summit, Shangri-La Dialogue, Singapore, 31 May 2008 (<http://www.iiss.org/conferences/the-shangri-la-dialogue/plenary-session-speeches-2008/second-plenary-session-the-future-of-east-asian-security/second-plenary-session-lt-general-ma-xiaotian/>).

General Ma’s comments did not go unnoted by senior American officials at the IISS conference where he spoke. Assistant Secretary of Defense for Asian and Pacific Security Affairs James Shinn said Ma’s tone “seems at variance with the warmer tone heard in political statements from Beijing after the Taiwan election.” The U.S. Pacific commander, Admiral Timothy Keating, said that, in his conversations with General Ma at the IISS reception and over the hotline, he detected no indication of a confrontational attitude, but that Ma’s remarks in Singapore “seemed a little abrupt.” (“Newline,” Commentators briefing on interviews with the officials cited, Phoenix TV, 2 June 2008, translated in summary by OSC, CPP20080603715018.)

⁷² An example is an article that appeared by a “senior commentator” in the PRC-controlled Hong Kong media (Hua Cheng-mao, “‘Three No’s’ are more negative than ‘1992 consensus,’” *Wen Wei Po*, 23 May 2008, translated by OSC, CPP20080523710009).

⁷³ The early June personnel reshuffle at the Taiwan Affairs Office, with the appointment of a very senior and well-respected diplomat to head it, and the reinvigoration and reorganization of ARATS, with the former head of the TAO moving over to fill a spot empty since 1995, certainly has implications for formation and implementation of policy in the future. But what those implications are is yet to be clarified. In any event, most people believe that Hu Jintao will continue to set the pace and make the final decisions. As one Chinese colleague put it recently: “Hu Jintao is in complete, absolute control of Taiwan policy.”

⁷⁴ The point was that Beijing should not seek to isolate Ma, and cut off dialogue with him, as it had done with the last KMT president, Lee Teng-hui.

⁷⁵ Max Hirsch, “US battle groups to stay near Taiwan until Ma takes office,” *Kyodo*, 9 April 2008.

⁷⁶ Testimony of Deputy Secretary John D. Negroponte before the Senate Foreign Relations Committee, 15 May 2008 (<http://www.senate.gov/~foreign/testimony/2008/NegroponteTestimony080515p.pdf>).

⁷⁷ Alan D. Romberg, “Taiwan: George Bush meet Abba Eban,” *Spotlight*, Stimson Center, 21 April 2008 (<http://www.stimson.org/pub.cfm?ID=599>).

⁷⁸ A phrase coined some 30 years ago by former ambassador Harry E. T. Thayer, then head of the China desk at the State Department. His alternative formulation—“anticipatory sycophancy”—might also be applied, but it seems a bit harsh.

⁷⁹ U.S. arms sales were on the agenda of the first-ever conversation over a direct phone link between Secretary of Defense Robert Gates and PRC defense minister Liang Guanglie. (“Chinese, U.S. defense chiefs hold first phone conversation,” *Xinhua*, 11 April 2008.)

⁸⁰ See endnote 76.

⁸¹ Charles Snyder, “Let Taiwan join global bodies, US tells China,” *Taipei Times*, 6 June 2008.

⁸² “It falls to Taiwan and Beijing to build the essential foundations for peace and stability by pursuing dialogue through all available means and refraining from unilateral steps that would alter the cross-Strait situation. I believe the election provides a fresh opportunity for both sides to reach out and engage one another in peacefully resolving their differences.” (Statement by the President on Taiwan Election, White House, Office of the Press Secretary, 22 March 2008, <http://www.whitehouse.gov/news/releases/2008/03/20080322-4.html>.)

In a telephone conversation with President Hu Jintao a few days later, Bush reiterated his point about Ma’s election providing “a fresh opportunity” for engagement and peaceful resolution of differences. (“Statement by the Press Secretary,” 26 March 2008, <http://www.whitehouse.gov/news/releases/2008/03/20080326-2.html>.)

⁸³ In his May testimony before the Senate Foreign Relations Committee, Deputy Secretary Negroponte said Washington was encouraged by the positive cross-Strait developments since Ma's election, including the meeting between Hu and Siew, and he once again put on the record the formulation used in President Bush's 22 March statement. (Chiehyu Lin and Y.F. Low, "U.S. looks forward to working with Taiwan's new government: official," CNA, 15 May 2008.)

Dennis Wilder, NSC senior director for Asian affairs, responding two weeks later to questions about possible American qualms over improvements in cross-Strait relations, said: "Washington would like to see Taipei develop better ties with Beijing and it has no concerns about any potential negative effects of recent developments in cross-strait relations." ("US official praises cross-strait policy," *Taipei Times*, 2 June 2008.)

⁸⁴ Senator Barack Obama sent a letter to Ma delivered at the time of the latter's inauguration praising Ma for having "extended the hand of peace and cooperation to Beijing" and expressing support for "your efforts to build closer ties with the Mainland that will lay the groundwork for a more stable and predictable relationship." (Text carried in 22 May 2008 edition of "The Nelson Report".)

Senator John McCain's statement of congratulations focused on the democratic process within Taiwan, with no reference to cross-Strait relations. But this implicitly suggested that he would support whatever outcomes that democratic process produced. ("Statement by John McCain on the presidential election in Taiwan," McCain for President website, 24 March 2008, <http://www.johnmccain.com/informing/news/PressReleases/3884de58-2b05-4fe0-b1bc-3463b8d9851f.htm>.)

⁸⁵ Admiral Timothy Keating, commander of the U.S. Pacific Command, told a press briefing in Washington, "We are encouraged by the dialogue between the new government in Taiwan and the current government in the People's Republic of China." (Chiehyu Lin and Y.F. Low, "U.S. welcomes dialogue between Taiwan, China," CNA, 28 May 2008.)

⁸⁶ Peter Enva, "Unification with China unlikely 'in our lifetimes': president-elect," AP (carried by *China Post*), 16 May 2008.

⁸⁷ Flor Wang, "Incoming president clarifies cross-Strait status quo: aide," CNA, 16 May 2008.

⁸⁸ Wendell Minnick, "U.S. freezes \$12B in arms sales to Taiwan," *Defense News*, 9 June 2008.

⁸⁹ As recently as late May, the American Chamber of Commerce in Taipei was continuing to sound the warning about the consequences of failing to do so. ("US business group says Taiwan needs to engage mainland economically," AP, carried in *International Herald Tribune*, 27 May 2008.)