

A Confederacy of Skeptics

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Although he still faced uncertainty about where things would go with Beijing in the future, Ma Ying-jeou could look back over his first year in office with a reasonably high degree of satisfaction about specific achievements in cross-Strait relations. At the same time, and of fundamental importance, he was confronted with continuing doubts about the evolving state of Taiwan's economy as well as the role of cross-Strait relations in helping restore its previous upward track.

The opposition Democratic Progressive Party (DPP) maintained that Ma was compromising Taiwan's sovereignty and economic independence in exchange for temporary or even illusory benefits from cross-Strait trade and investment. It also charged that, despite his claim to have successfully restored a high degree of trust between Taipei and Washington, he was actually selling the U.S. relationship short in favor of better relations with Beijing.

The negativism from the DPP, though disappointing to many of its friends overseas—and perhaps to people in Taiwan, as well, as demonstrated by the fact that Ma's tumbling popularity during much of the year was not accompanied by a concomitant rise in DPP support—was entirely predictable. The opposition was riven by factionalism and by a lack of consensus over where the party should place its emphasis. By mid-2009, a growing number of leading party members picked up a theme articulated early on by DPP Chair Tsai Ing-wen, that they could not defeat the ruling Kuomintang (KMT) by attacks alone; rather, they needed a positive vision and agenda. But as they struggled to come to terms on what such a vision should be—including about how to approach the Mainland—the party continued its remorseless attacks on Ma's policies, focusing particular fire on the proposal for a cross-Strait Economic Cooperation Framework Agreement (ECFA) and on the liberalization of rules for Mainland investment on the island.

The PRC's handling of cross-Strait issues was equally predictable. While much progress had been made, and maintaining momentum remained a priority, Beijing still harbored doubts about the extent of Ma's ambition and about how far to go in accommodating it. Although Beijing continued to take a number of important steps in the area of trade and investment relations with the island, it fretted over the possibility that significant "concessions" to Ma now would create serious problems later on, when the DPP returned to power, and whether, even under the KMT, PRC cooperation with Ma's agenda for larger aspects of cross-Strait

relations and “international space” would not consolidate the political gap between the two sides and make ultimate reunification much more difficult no matter which party was in power.

Additionally, while the U.S.-PRC military-to-military dialogue—cut off after the Bush administration’s Taiwan arms sales notification to Congress in October 2008—was resumed during the first half of 2009, both PLA and civilian officials went out of their way to remind Washington that U.S. arms sales to Taiwan remained extremely sensitive and that further sales would introduce a serious complicating element in Sino-American relations as well as cross-Strait ties.

Even though Taiwan’s production and employment data remained gloomy, general expectations of recovery by the end of the year were trending upward by mid-year and contributed to a modest surge in Ma’s favorable ratings. Whether this positive attitude would be sustained, of course, would depend on global economic developments largely out of Ma’s hands. Even during the course of the early summer, there was some reversal of the increasing approval of Ma’s performance, perhaps spurred to some extent by a degree of uncertainty about the appropriateness of Ma’s decision to reverse an earlier position and become chairman of his party. Even though municipal and county elections in early December 2009 will turn primarily on local issues and personalities, one presumes that by then the public will have had time to judge not only how Ma handles these dual state and party responsibilities, but also whether the nascent economic optimism was justified. Included in that judgment will be a calculation about whether various steps taken by the Mainland to help Taiwan’s economy have had any meaningful effect and whether the deepening of cross-Strait economic ties has compromised Taiwan’s economic autonomy and political status, as the DPP claimed, or not, as Ma insisted.

We will examine a number of these issues in this essay, but, in the course of doing so, we want to keep in mind the dilemma Ma faces in the form of the negative interaction between continuing DPP opposition and lingering PRC hesitancy. The skepticism emanating from these two directions derives from very different sets of concerns, but there is a synergy between them, and their combined effect could contribute to some tough sledding for the Taiwan leader in the period ahead. The U.S. role in this will not be central, but it will be important as demonstrated by the fact that the DPP and Mainland are both seeking to enlist the United States in opposing the actions of the other.

How Has Ma Been Doing? The Past as Prologue

It is worth recalling that, having campaigned on a program of economic restoration, within four months of taking office in May 2008, Ma Ying-jeou confronted the harsh reality that global economic trends simply overwhelmed the island's economy. Taiwan's creditable 5–6 percent growth in first half of 2008 descended into negative territory, registering -.1 percent for the year as a whole. As a consequence, though the bulk of the responsibility for the fall was not his, Ma's popularity ratings plummeted.

That said, as we have discussed in previous essays, trust in Ma remained reasonably high. Moreover, the approval ratings themselves began to recover noticeably in the second quarter of 2009,¹ though they appeared to dip again at the start of the third quarter.² Although economic numbers remained stubbornly in the red,³ as substantial stimulus and other measures have begun to take hold, signs pointing toward recovery by the end of the year have begun to emerge,⁴ and the public's—as well as the business community's—sense of well-being has grown.⁵ This doubtless accounted for most of Ma's enhanced standing in June. Still, the improvement in his approval ratings can also be attributed in part to the noteworthy successes the public believes he has achieved in cross-Strait relations and foreign policy, including restoration of a relationship of trust with the United States.⁶

On the political front, Ma has stirred up some controversy. His decision to take over as chairman of the ruling KMT in order to, as he has put it, “take full responsibility” and better coordinate policy,⁷ has thus far not garnered widespread support,⁸ with even his own party split on the appropriateness of the move.⁹

And when Ma did assume the chairmanship in July, he received a message of congratulations from Hu Jintao (who wrote, as he had on similar occasions in the past, in his capacity as CCP chairman). In his message of thanks, Ma called on Hu to “face reality,” a codeword for recognizing Taiwan's existence as a separate entity and that the two sides must deal with each other as equals.¹⁰ Ma was criticized by the DPP for not using his own title or the country's name in his message of thanks to Hu,¹¹ but KMT officials responded that this was a party-to-party communication, and since he would not become chairman until September, using even that title would have been inappropriate.¹² Implicit in this response was also a rejection of the charge that Ma had belittled himself—and Taiwan—by not using his official presidential title or national name, since this was a party-to-party communication.¹³

As we have noted before, despite the steady drumbeat of opposition charges of sellout to the Mainland, the palpable reduction in tension and the signing of numerous agreements to stimulate beneficial ties across the Strait have won broad public support. This was also the case with the agreements reached during the third SEF-ARATS meeting, held this past April in Nanjing.¹⁴

Notwithstanding severe DPP criticism of Ma for accepting terms that allegedly compromised Taiwan's independent, sovereign status, it is fairly clear that his

determination to put the question of sovereignty to the side—staying totally away from issues of independence or unification during his presidency—has been instrumental in wresting cooperation from Beijing. Just as his election in March 2008 rested in some measure on the voters' judgment that former president Chen Shui-bian's confrontational approach to the PRC was counterproductive and contrary to their interests, most people in Taiwan back Ma's highly pragmatic approach to cross-Strait relations and to the issue of Taiwan's status in the international community. As we have discussed in earlier essays, even among those who feel that he has been too "pro-China," most profess satisfaction with the results.

Despite the significant "hits" that Ma has taken for the economic woes that have beset Taiwan since last fall, the depth of the problems has also meant that the economic agreements reached with the Mainland hold that much greater possibility of helping to lift the island out of the doldrums—at least theoretically. Thus, the crisis has paradoxically enhanced the potential value of cross-Strait relations for the people in Taiwan, contributing to support for Ma's cross-Strait policy. How much value it will prove to be in the end is still an open question.¹⁵

Nonetheless, even the support that does exist has not been unquestioning. In particular, although most polls show substantial public backing for Ma's centerpiece proposal for an Economic Cooperation Framework Agreement (ECFA) with the Mainland, many people still profess a depth of ignorance about the details of the proposed agreement and concern about its impact that could become problematic for the administration if it does not do a better job at conceptualizing and selling it.¹⁶ This lack of detail also seems to have been a problem for Beijing, as discussed later in this essay.

The Ma administration is obviously not unaware of the domestic concerns, and the president has promised to keep moving ahead on a public relations campaign to explain the purposes and benefits of ECFA,¹⁷ which he considers to be at the heart of Taiwan's ability to strengthen its international competitiveness.¹⁸ Whether the administration will follow through sufficiently to ease doubts, of course, remains to be seen. In any event, Ma has argued that DPP opposition, per se, is not a reason to hold back. As he put it: "You cannot say that there is no consensus just because the opposition rejects the ECFA. If this were the case, our policymaking process would be determined by [a] minority."¹⁹

At the same time, while Ma has said his administration will speed up the process of negotiating the basic framework agreement in order to reap the "early harvest" with respect to specific areas where Taiwan businesses would otherwise be disadvantaged,²⁰ the administration has also indicated that it will proceed slowly with specific agreements under ECFA that could negatively impact Taiwan economic interests,²¹ and that it is preparing steps to help provide assistance to enterprises that might be adversely affected by increasingly robust cross-Strait economic interaction.²² In terms of the cross-Strait handling of ECFA, following the initial failure to get the issue onto the agenda of this fall's SEF-ARATS meeting, Beijing apparently decided to give the proposal greater weight, and at various levels—most importantly during Hu Jintao's meeting in late May

with KMT Chairman Wu Poh-hsiung—it has endorsed rapid preparatory work on both sides and the commencement of negotiations during the latter half of 2009.²³ As the weeks wore on, and preparations got under way on both sides, October was identified with increasing frequency as the likely start date. Whether the issue will make its way onto the formal SEF-ARATS agenda at the end of the year remained to be seen, as did the likely date for signing such an agreement.²⁴

The Role of the DPP and Ma's Response

As already noted, the DPP has kept up a drumbeat of criticism and massive street demonstrations. Nonetheless, the DPP has not garnered significantly greater support. Moreover, DPP Chair Tsai Ing-wen's personal support rate stubbornly remains at the relatively lower level to which it dropped following the November demonstrations against ARATS head Chen Yunlin.²⁵ Consistent with this, while the party's charges against the administration have resonated with some people (e.g., that, either through design or inadvertence and naiveté, Ma is leading Taiwan down a slippery slope to excessive or even total economic dependence on the Mainland), to most people the accusations of security subordination and—ultimately—political unification have not proven persuasive.

In early April, Tsai Ing-wen began serious agitation for a referendum on ECFA, accusing the president of not having done a rigorous cost-benefit analysis of the impact of an agreement on traditional industries, agriculture, and labor, and of not having taken into account the social impact and political costs.²⁶ As discussed in *CLM* 28,²⁷ she challenged Ma to a debate. Ma declined, but again invited her to meet with him.²⁸ Tsai responded by laying out seven preconditions for any such meeting, apparently seeking to make a political point with each one rather than demonstrating any intention of meeting with Ma.²⁹ She also invited him to a “National Citizens’ Conference” to hear complaints about his policies; he declined to attend.³⁰ When Ma again invited her for a discussion in July, Tsai once again raised preconditions.³¹

Tsai's accusation about Ma's having sacrificed Taiwan's sovereignty included, by way of example, his willingness to send an observer team to WHA under the flag of “Chinese Taipei.”³² She also suggested he had engaged in procedural “irregularities” to gain WHA observer status, having bypassed the WHO and dealt directly with Beijing, raising questions about the terms of the “deal” that might have been struck.³³ Another DPP official even charged that the very lack of clarity regarding the terms of the WHA “agreement” showed that Ma had accepted the 2005 memorandum of understanding between Beijing and the WHO, which allowed Beijing to control Taiwan activities at WHO under a “one China” framework.³⁴

In a speech at George Washington University in early May, Tsai acknowledged that cross-Strait tensions had been reduced and communication channels reopened since Ma took office. But she said that there was “a deep sense of anxiety and uncertainty” in Taiwan about whether Taipei's policy would bring about sustained stability and

prosperity as Ma had promised. Rather, she suggested, the actual outcome might be more accurately seen as “an erosion of Taiwan’s sovereignty, security, democracy and economic leverage.”³⁵

And on 17 May, Tsai led tens of thousands of people in a “Denounce Ma, Protect Taiwan” demonstration in front of the presidential office to protest Ma’s cross-Strait policies. On the grounds that it was an infringement of free speech, she refused to ask for a license for this event as required by the current law³⁶—and at the conclusion of the demonstration she staged a 24-hour sit-in to protest what she characterized as the anti-democratic nature of the requirement to obtain such a permit.³⁷

Having long warned against an authoritarian revival under the KMT,³⁸ Tsai said that the sit-in was aimed to launch a “second democratic reform movement” to liberalize or revoke the Assembly and Parade Law that prescribed the permits, defend “judicial human rights” (in part an allusion to Chen Shui-bian’s continued imprisonment while still on trial), to “revamp the legislative election structure” (which the DPP considered inherently unfair even though the party had endorsed it when it passed as a constitutional amendment during Chen Shui-bian’s presidency), and to revamp local government structure. Moreover, she said the new democratic movement would push for “a system for the democratic monitoring of cross-Strait interaction.”³⁹

In her rally speech, Tsai proclaimed: “Today we can see clearly that our sovereignty is being lost, our democracy is being rolled back.” She accused Ma of returning to authoritarianism because his incompetence could not cope with public opinion and opposition. As she put it: “Because of his own incompetence, he must make the government structure of Taiwan into a structure dominated by one person.”⁴⁰

Tsai also ripped Ma for his alleged pusillanimity and a “complete lack of moral standards and ideals” in his handling of the 20th anniversary of Tiananmen.⁴¹ She laid out a set of four things Ma “should” do with regard to that anniversary, proclaiming: “Even if the Ma government does not act on these important issues, the people of Taiwan must!”⁴² (The KMT’s own response to Ma’s handling of the anniversary was somewhat mixed).⁴³

In her speech at the 17 May rally, Tsai announced a drive to collect the one million signatures necessary to force a referendum on ECFA,⁴⁴ and shortly thereafter the party announced it would hold 500 meetings to generate support.⁴⁵ In the weeks thereafter, they did gather enough signatures—and obtained the Central Electoral Commission’s validation—to proceed to the second stage of the process, actually seeking those million signatures.

Lacking any specifics on what an ECFA might include, and thus unable to address possible problems it would raise, the party asked people to voice their views on *whether there should be a referendum on ECFA*. In other words, since the text of ECFA was obviously not available—it didn’t exist—but fearing that, if it waited until the text of an ECFA agreement was announced, it could not act in time to stop its implementation, the DPP opted for a “procedural” referendum at this stage: “Regarding an ECFA agreement

Taiwan signs with China, do you agree that the government should turn the issue over to the Taiwan people to decide through a referendum?”⁴⁶

Whether the DPP can succeed in collecting enough signatures to force the holding of even this referendum⁴⁷ is far from clear. And even if enough signatures are collected, it is not clear whether the party can act quickly enough to block an agreement. But even if the DPP fails either to gather enough signatures or to act quickly enough, this agreement—regardless of its specific contents—will emerge as a test case for forming a consensus behind deeper and more consequential cross-Strait engagement. If Ma cannot consolidate strong, affirmative public support for it by demonstrating its benefits in a clear and persuasive way, he risks undermining the case for proceeding to political and security issues in the future.⁴⁸

In late June, Taipei announced the opening of 100 areas in Taiwan’s manufacturing and services sector to Mainland investment⁴⁹ and this became another occasion for DPP criticism. The party asserted that Taiwan had no shortage of capital, so the only legitimate purpose of seeking to attract foreign investment would be to obtain more advanced technology, but the Mainland had nothing to offer Taiwan in that regard. Quite the contrary, the DPP said. PRC investment in sensitive areas such as airport and harbor infrastructure projects, telecommunications, and finance would not only threaten the island’s national security, it would allow PRC companies to obtain key technologies from Taiwan.⁵⁰ Through greater involvement in the Taiwan economy, Beijing could also manipulate the stock market and eventually dictate Taiwan’s political development “just as with Hong Kong and Macau.”⁵¹ Thus, the day after the Ministry of Economic Affairs began accepting applications from Mainland investors, Tsai announced that the DPP would “exert all efforts” to oppose the “liberalization” policy adopted by the Ma administration unless adequate defensive mechanisms against PRC predations and aid to those who would be hurt were put into place. She called for the suspension of any opening to Mainland capital investments until the Legislative Yuan had approved new rules to supervise such activities.⁵²

In addressing criticisms of the apparent one-sidedness of the DPP’s opposition—something noted even by normally sympathetic editorial boards⁵³—one prominent DPP official explained that, because the Ma administration was extreme at one end, the DPP needed to be extreme at the other to bring the debate back to the center, where, it was asserted, most DPP members would be comfortable.⁵⁴ While some may see it that way, there are at least two other factors. One is that the party can ill afford to lose the backing of its more fundamentalist supporters before the December municipal and county elections, so the leadership is reluctant to take more moderate stands. Another is that Chairwoman Tsai Ing-wen remains embattled at one end of the spectrum by Chen Shui-bian—who has openly expressed regret at having helped her attain party leadership⁵⁵—and others of similar persuasion, and at the other end by “pragmatists” who want to take advantage of the new relationship across the Strait either to promote the interests of their communities (especially if they are local officials) or because they think that knee-jerk opposition to Ma, and especially to all aspects of his cross-Strait policy, is self-defeating. Included in this latter group are former vice president Annette Lu,⁵⁶ party

heavyweight and former premier and main contender for the 2012 presidential nomination Su Tseng-chang,⁵⁷ and the mayor of Taiwan's second largest city, Kaohsiung, Chen Chu.⁵⁸ Su's criticism, expanded in a mid-July journal interview, contained particularly pointed comments directed at the current party leadership.⁵⁹

Chen Chu's case was a noteworthy example of the trouble the DPP was having in maintaining discipline among its own members with respect to relations with the Mainland. Despite initial efforts to block Chen's trip to the PRC in late May, Tsai eventually bowed to the inevitable (and to public opinion) and supported it "to promote the 2009 World Games," on the grounds that this had "nothing to do with cross-Taiwan Strait politics."⁶⁰ The fact that Chen emerged from that experience, and from the very successful holding of the World Games in Kaohsiung in July, as a virtual hero⁶¹ will no doubt be an important consideration as the party mulls over future policy toward the Mainland.

In this context, although the DPP announced that it was drawing up a list of "protocols and regulations" on the conduct of ranking party staff when visiting China,⁶² it continued to face defiance from some members who were impatient with the restrictions being imposed. The party adopted a ban on attendance at the early July Cross-Strait Economic, Trade and Culture Forum—an annual event sponsored by the KMT and CCP—by any former DPP official who was still a DPP member and by any present DPP member holding public office, and it threatened disciplinary action against anyone who violated the ban.⁶³ Nonetheless, two prominent members, one a former government minister and the other a former LY member, insisted on going, arguing that their attendance in no way compromised their party positions. However, Tsai, Su Tseng-chang, and others took a different view.⁶⁴ As this article was heading for the editors, after having first only suspended their membership for three years, the party reversed course and expelled the two offenders after they went on political talk shows to complain of their wrongful suspension by the party.⁶⁵

Tainan mayor Hsu Tain-tsair had also announced a planned visit to the Mainland and, although he postponed his original timing from late June until mid-July in the face of DPP criticism, he insisted he would go ahead: "The two sides should grasp this juncture of friendly atmosphere to create peace across the Taiwan Strait."⁶⁶ At the last minute, however, he decided not to go. He said this was not because of the party's disciplinary action against the two members who attended the CCP-KMT forum but because the Mainland had refused to cooperate in his desire not to use the "permit" system adopted for most visitors from Taiwan.⁶⁷

In sum, the DPP has clearly had a very difficult time framing a comprehensive Mainland policy. There is no question it is unwilling to compromise its position that Taiwan is already a sovereign, independent country. But, as seen in the restlessness of many party leaders, there is much questioning regarding the proper posture to adopt regarding actual dealings with the PRC. There were calls for a debate,⁶⁸ met by calls not to debate.⁶⁹ There were calls for seminars, but they, too, seemed to fall by the wayside.⁷⁰ All of this appeared to be driven by a struggle for influence within the party, with the

more fundamentalist elements (backed by Chen Shui-bian, even from his jail cell⁷¹) seemingly in favor of a debate in order to force others to accept their “politically correct” position, while many others were determined not to be hemmed in.

The central standing committee sought to bring this situation under control by issuing a statement that there was no need for controversy within the party. The DPP, it asserted, has a clear strategy to deal with the Mainland and within the highest levels of the party there is a consensus on the matter. The statement went on to say that, if it becomes necessary to have a discussion about the party’s China policy later on, the DPP will hold such a discussion.⁷² It was obvious from the controversies just mentioned, however, that the party members were far from unanimous in their view on this issue and many were not satisfied at having the policy defined by, as the review committee chairman put it, “only a few people.”⁷³ And in early August, Tsai bowed to the inevitable and announced that the DPP would promptly begin in-depth, comprehensive discussions on its Mainland policy.⁷⁴

In the face of the DPP onslaught, and even though he still calls for a unified policy toward the Mainland,⁷⁵ Ma has quite clearly given up any notion of bringing “everyone” together behind his policy. He recognizes that, even though individual members might change their attitude, the DPP as a party will not be part of such a consensus. Ironically, despite the DPP charges that he is moving toward authoritarianism,⁷⁶ one might argue that his greater decisiveness and willingness to set policy and his determination not to be hamstrung by the opposition⁷⁷ has won him greater plaudits for his strong leadership, offsetting a perceived weakness that has dogged him since his presidential campaign.

The PRC’s Continuing Dilemma

As was widely anticipated,⁷⁸ Beijing and Taipei came to terms on Taiwan sending an observer delegation to the May 2009 meeting of the World Health Assembly. The stumbles that accompanied the International Health Regulations in January⁷⁹ were avoided, and the invitation was widely welcomed in Taiwan. This was despite the fact that the delegation had to settle for the label of “Chinese Taipei” and the Ma administration apparently received no guarantees regarding future attendance.⁸⁰

But nothing much has happened in the “international space” arena since then. In Taipei, at first one heard notes of caution about conveying a worrying signal to Beijing by coming forth with a deluge of proposals for international space activities in the wake of resolving the WHA issue.⁸¹ More recently, the foreign ministry in Taipei has said it is carefully considering its approach at the UN this fall.⁸² From Beijing, however, one hears that Taiwan has not been pushing the issue of further participation in UN specialized agencies—which PRC observers see as a possible reflection of the pressure that Ma is feeling from DPP criticism of the WHA case.⁸³ It is evident from conversations with Mainland officials that they are not disturbed by this hiatus in pressure for accommodating greater Taiwan participation in the international community. Quite the

opposite, some Mainland specialists are taking advantage of the situation to study more closely which international organizations might be most appropriate for a “next step” in this process.

Meanwhile, the Mainland has continued to adopt a series of measures designed to help the Taiwan business community, farmers, and others (as well as bringing benefit to the PRC, of course⁸⁴—“doing well by doing good,” one might say). Specifically with regard to ECFA, when it was first broached at the SEF-ARATS meeting in April, the Mainland took a somewhat reserved position. Reportedly this reflected a PRC judgment that Taipei had not sufficiently thought through what it wanted in the agreement and how reciprocity would be extended to Mainland interests.⁸⁵

By mid-May, however, Beijing apparently had had a change of heart, and TAO Director Wang Yi foreshadowed a willingness to move ahead in a prompt manner.⁸⁶ This led to an acceleration of preparations on both sides and, as already noted, a spate of contradictory reports about the probability of an agreement being signed even this year. As indicated above, at the end of the day it appeared that ECFA would be formally addressed at the next SEF-ARATS meeting in December, but not signed until 2010.⁸⁷

More generally, one hears different attitudes expressed in the Mainland about how to view Ma’s political needs and how far Beijing should go to help him. The majority view by far is that the possibility of a DPP return to power is so fraught that Beijing must take every step possible to ensure the KMT leader’s continuation in office.⁸⁸ Of course, how to define “every step possible” is itself open to debate.

A somewhat contrarian view is that the DPP is in such bad shape that it has no political prospects, so one doesn’t need to worry too much about Ma’s credibility—he will easily win reelection whatever the DPP does. This argument has usually been put forward by people who are either making the case against his need to purchase U.S. arms (about which more in a moment) or justifying PRC reluctance to add ECFA to the end-of-year SEF-ARATS agenda until Taiwan demonstrates a willingness to introduce meaningful reciprocity into its proposal.

The PRC’s attitude toward the implications of an ECFA for Taiwan’s broader trade relations in the region is also unclear. As discussed in the past, although Ma acknowledges that there are no guarantees that an accord with the Mainland would open the door to other FTA’s, especially in Southeast Asia, there is a political expectation in Taiwan that this will be the case. As Ma has put it, “signing an ECFA with Beijing will not only normalize cross-Strait trade, but also create an opportunity to engage in similar negotiations with other countries.”⁸⁹ This appears to have been the basis of his expressed hope, reiterated in early May, to have an FTA with Singapore.⁹⁰ Ma has indicated that he would be willing to sign under the name used in the WTO (i.e., the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu). While he will doubtless be pilloried by the DPP for this concession, the chances of reaching such accords may not be so remote as one might have assumed if he pursues them in this way.

Overall, one hears a great deal of Mainland enthusiasm about what is happening in cross-Strait relations and the importance of maintaining momentum. An argument being made in this respect is that U.S.-PRC and cross-Strait relations should be made to work in a mutually reinforcing way, creating a sound environment for progress along both legs of the triangle rather than threatening progress along one or the other—or both. An object of particular focus, in this respect, is future U.S. arms sales to Taiwan. Even some PLA officers express understanding of Ma's position regarding Taiwan's need for a robust defense in the face of PLA modernization, and of his insistence that, whenever it may occur, negotiation of a peace accord cannot be held under the threat of short-range missiles deployed near the coast—a position Ma has continued to reiterate on a regular basis.⁹¹ But from a political perspective the Mainland is obviously still wrestling with how to handle the issue, and one of the arguments that one hears is that “both sides have military deployments” that need to be adjusted. How serious this argument is, and what it really means—for example, does it refer to Taiwan's deployments or really only to American deployments, and if the latter, with what larger implications—is not entirely clear.

For now, one tactic is to argue to the United States that, in light of the reduced tensions across the Strait, arms sales are not only unnecessary but potentially counterproductive. Rather than accepting the logic that Ma can do more with Beijing if he is able to credibly demonstrate his dedication to a strong defense, Beijing's argument is that the PRC can do more to build military confidence and reduce tensions if arms sales are halted.

The PRC argument is also that cutting out arms sales—or at least eliminating any advanced weaponry from them—will ensure continued Sino-American cooperation on the important and growing international agenda lying before the two countries. Such a step would build bilateral trust, as suspicions of U.S. intentions to prevent cross-Strait reconciliation would be sharply diminished, thus creating a sound environment for further progress between Taiwan and the Mainland.

Thus, the argument goes, curtailing sales would benefit both legs of the triangle and contribute to a mutually reinforcing process of progress along both. On the other hand, failure to realize this, it is argued, and insistence on proceeding with sales, will threaten both U.S.-PRC cooperation and cross-Strait harmony. This point was reiterated by Vice Foreign Minister Wang Guangya in briefing the press following the inaugural session of the Strategic and Economic Dialogue in Washington in late July.⁹²

One hears a lot of interest in both Taipei and Beijing about cross-Strait confidence-building measures, but also a lot of skepticism about the American attitude toward them. On the Mainland side, such skepticism reflects a belief that Washington wants to keep cross-Strait rapprochement from going too far. On the Taiwan side, one senses some doubt and concern that the United States would continue to robustly support Taiwan, including selling advanced weapons, if tensions continued to ease. As contrasted with its earlier hesitancy about proceeding with any CBMs, Beijing now appears to favor so-called “Track II” dialogue or contact between retired military officers. Engaging in

such contacts now, it is argued, would contribute to building the trust necessary to adopt meaningful CBMs later on and eventually to sign a peace accord.⁹³

The reading from here is that the United States is sincere about its support for CBMs, and even for a peace accord, although the latter seems not to be in the cards for a while. Continued arms sales are not a reflection of some hidden agenda to maintain tensions or keep Taiwan prepared as part of an American “containment” scheme as frequently heard in Beijing. As President Obama noted when his predecessor notified Congress of the sales in October 2008, such sales can contribute to stability and to building a relationship of mutual trust across the Strait.⁹⁴ Obviously decisions need to be made about whether specific weapons systems fit into that category. But sales likely to be seriously considered in any near-term timeframe would seem likely to be precisely in that realm.

That being said, the warnings issued recently by the deputy chief of the PLA General Staff, General Ma Xiaotian, after meeting with Under Secretary of Defense for Policy Michèle Flournoy, left open how the PLA will react when the Obama administration sells arms to Taiwan.⁹⁵ General Ma’s warnings may have been largely for effect, to extract the last possible bit of flexibility from the United States, even though maintaining the overwhelmingly cooperative bilateral relationship that is developing is very much in the PRC interest. Or it is possible that the PLA—or PRC leadership—has genuinely not decided how to handle it, and that they might be prepared to once again see military-to-military (or even other) relationships go off the tracks. This latter position doesn’t seem logical or likely, even though *some* protest must be registered as a matter of principle. Perhaps the judgment about what to do awaits further evaluation of American policy toward cross-Strait relations. In any case, it is too early to be confident about which way things will go, except to predict that there will be arms sales to Taiwan and that Beijing will have to react in some way.

Whatever else might be said about the PRC’s position, it is clear that Beijing is not ready to accept the logic that arms sales actually serve its purposes by bolstering Ma’s ability to forge a broad consensus behind more fundamental steps to contribute to long-term peace and stability. The Mainland’s fixation on the lingering threat of Taiwan independence is apparently hamstringing it from acting more boldly.

At the same time, while both sides continue to stress the “economics first, politics later” approach,⁹⁶ the PRC does seem to be attacking the arms sales problem through its new focus on initial confidence-building measures at an unofficial level even now, arguing that as trust is built, the perceived need for arms purchases will decline. Although building trust is essential, the argument that this will eliminate Taiwan’s perceived need for advanced weapons flies in the face of the current political realities in Taiwan.

As for Taiwan itself, although it is obviously in Taiwan’s interest to continue to work toward reduced military tensions across the Strait, some people would argue that meaningful CBMs can only come in the context of a peace accord. But no one (or at least no one outside the PRC) is talking about creating vulnerabilities for Taiwan’s security.

and logic argues that a peace accord can only come if greater—not total, but greater—mutual trust has already been created. And creating greater mutual trust in this area can only come from an incremental process of building confidence. Any concern that the United States would somehow lose interest in Taiwan’s security as a result of CBMs or other steps to ease tensions is a misreading of U.S. perspectives. One needs only to look at the record of U.S.-Taiwan relations in the Chen Shui-bian era to understand that it is when tensions are being created across the Strait by Taiwan, not when they are easing, that the level of enthusiasm for working with the Taipei government attenuates and that specific steps Washington is willing to take are affected.

In sum, working toward—albeit in sensible, step-by-step fashion—building cross-Strait confidence is in the interest of all three parties. The United States government might be well advised to consider creative ways to reassure Beijing and Taipei that, while aspects of American security policy in the region—and specifically with regard to Taiwan—will remain consistent (since the fundamentals will also remain consistent), Washington will be genuinely supportive of a process of building trust and reducing tensions, including specifically through military CBMs.

In the meantime, if Beijing wants to affect the future consideration of arms sales such as F-16C/Ds, it needs to act in ways that persuade the Taiwan public to feel secure even without such items. Even if it does not substantially alter Taiwan’s view of its defensive weapons requirements, as we have argued in this series of essays before, by taking such steps Beijing can contribute to a greater sense of mutual trust and thus contribute to realization of the vision of a framework for long-term peaceful development of cross-Strait relations. Success in this endeavor will require a delicate balancing act on both sides, factoring in domestic and external considerations. But it will be essential if the two sides are to achieve their respective strategic goals.

The Confederacy of Skeptics

The skepticism in the DPP and that in Beijing obviously relate to fundamentally different agendas, but the fact is that they feed off of one another in a highly synergistic and unhelpful way. The PRC’s skepticism about taking too many steps favorable to Taiwan for fear of a future DPP return to power, or its insistence on terms that seem to demean Taiwan, stokes the DPP concern that the Mainland simply is setting the table for a takeover of the island. The deeper the DPP concern about this, and the shriller its arguments against making deals with the PRC, the more this feeds the Mainland’s concerns about the possibility of a DPP return to power.

The inherent contradiction in the PRC argument—that the possibility of a DPP return to power requires that it limit the scope and pace of improving those very steps with Taiwan that will best ensure the realization of Hu’s strategic vision—will not be easily overcome. But if the PRC assumes that support in Taiwan for steps taken so far will translate into firm support for closer political relations over time, it is likely to be sorely disappointed.

Notes

¹ While Ma's popularity rating was only around 40–41 percent in mid-June (TVBS poll, 24–25 June 2009, http://www.tvbs.com.tw/FILE_DB/DL_DB/even/200906/even-20090629114748.pdf), this was a considerable improvement over where it had been (“Survey on President Ma's Approval Rating,” Global Views Survey Research Center (GVSRC), 22 June 2009, http://www.gvm.com.tw/gvsrc/200906_GVSRC_others_E.pdf), and his trust rating remained higher at around 50 percent, some nine to ten points higher than for DPP Chair Tsai Ing-wen (“Taiwan Public Mood Index, June 2009,” GVSRC, 29 June 2009, http://www.gvm.com.tw/gvsrc/200906_GVSRC_TPMI_E.pdf).

² In the July GVSRC Taiwan Public Mood Index, Ma's trust rating dipped over two points to end up at 47.6 percent (http://www.gvm.com.tw/gvsrc/200907_GVSRC_TPMI_E.pdf) and his approval rating dropped by over five points to 35.5 percent. Moreover, his disapproval rating rose by more than six points to 52.3 percent, reversing a downward trend since October 2008 (http://www.gvm.com.tw/gvsrc/200907_GVSRC_others_E.pdf).

³ Taiwan's June export figure (\$16.95 billion) was the highest in eight months. Still, it represented a drop of over 30 percent from a year earlier, while imports in that same period declined by a full third. In the first half of 2009, exports were down 34 percent year-on-year, while imports were down over 42 percent (“Imports, exports continue to fall,” *Liberty Times*, 10 July 2009). Moreover, inbound investment applications from foreigners and overseas Taiwanese in the first half of the year plummeted by 51.28 percent from a year earlier. Although this was seen as related to the continuing economic stress in the United States and Europe, there were some indicators that future FDI would begin to recover. (Judy Li, “Taiwan sees 51.28% plunge in inbound investment in first half,” *Taiwan Economic News*, 24 July 2009).

While June export orders were down 10.9 percent (year-on-year), this was the smallest monthly percentage decrease over the preceding eight months (“June export orders decline 10.9% year-on-year,” *Economic Daily News*, 24 July 2009). Moreover, the Council for Economic Planning and Development saw other signs that the economic downturn was slowing (Sofia Wu, “Taiwan's economy shows signs of bottoming out: CEPD,” *CNA*, 27 July 2009).

Nonetheless, the CEPD came to the conclusion that the impact of the financial crisis on the job market was even worse than that caused by the dotcom bubble of 2000 (Y.L. Kao, “Financial crisis hurts job market more than dotcom bubble: CEPD,” *CNA*, 2 August 2009). Indeed, according to official data, in June unemployment reached the record level of 5.94 percent (or 5.91 percent seasonally adjusted), and was seen as likely to climb over 6 percent in July and August (Judy Li, “Taiwan's jobless rate hits record high of 5.94% in June,” *Taiwan Economic News*, 24 July 2009). At the same time, the economy was reported as having contracted by an unprecedented 10.24 percent in the first quarter of 2009 (year-on-year) (Chinmei Sung, “Taiwan's unemployment rate climbs to record 5.91%,” *Bloomberg*, as reported in *China Post*, 22 July 2009).

DPP figures showed a jobless rate of 11.54 percent, almost double the official figure (“Unemployment rate to reach 6% in Taiwan before falling in September: Liu,” *Taiwan News*, 24 June 2009). That official unemployment figures may, in fact, be understated is suggested by the account of one professor who reported that people working even as little as one hour per week are not counted as unemployed (Hong Su-ching, “Working one hour per week still not counted as unemployment,” [每週工作1小時 也不算失業], *Liberty Times*, 15 July 2009, <http://www.libertytimes.com.tw/2009/new/jul/15/today-life6.htm>).

One often unnoticed side effect of the economic situation is that government tax revenues have also taken a nosedive, just as expenditures to help cope with the crisis are going up, putting substantial pressure on the budget. (Philip Liu, “Gov't tax revenue plunges 20% in first five months,” *Taiwan Economic News*, 10 June 2009.)

⁴ In late July, the Council for Economic Planning and Development (CEPD) reported that, even though overall business indicators for June still suffered a double-digit decline, there had been an upturn in private consumption, heralding an upturn in the economy, described cautiously by one CEPD official as a “gradually departing recession.” (Philip Liu, “Economy bids farewell to nine consecutive blue lights in June,” *Taiwan Economic News*, 28 June 2009.)

A negative sign was seen in Taiwan's drop to fourth place as a source of Mainland imports through May (with an 8.2 percent share), behind Japan, South Korea, and the United States. (“Taiwan's rank in China's import market share drops to number 4,” *Central Daily News*, 29 July 2009, translated in summary

by OSC, CPP20090729569001; original article [大陸進口市占率我排名掉至第4] available at http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=111&docid=100851105.)

⁵ Y.F. Low, “Confidence of Taiwan’s small businesses restored in Q2: survey,” CNA, 15 July 2009. Y.F. Low, “July consumer confidence hits new high for 2009,” CNA, 28 July 2009.

⁶ In mid-May, one poll showed either a strong plurality or even a majority of respondents in support of Ma’s cross-Strait policies. As many as 56.9 percent of respondents thought cross-Strait relations were “amicable” as opposed to 15.7 percent who described them as “antagonistic.” Over half (51.9 percent) expressed satisfaction with the results of cross-Strait negotiations over the previous year. And almost half (49.5 percent) judged that Ma’s cross-Strait policies had not hurt sovereignty (vs. 36.7 percent who thought they had). (“Poll on Ma’s first anniversary as president,” *China Times*, 18 May 2009, translated by Kuomintang News Network, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=6273>.)

On the other hand, a survey in early May revealed a relatively negative view of the Mainland and its leaders. At a rate of 44.2 percent vs. 30.4 percent, respondents said they did not like Hu Jintao. And 53.6 percent said they regarded people on the Mainland as “business partners” not “friends” (13.3 percent). (“Survey on how each side of the Taiwan Strait views the other,” GVSRC, translated by Kuomintang News Network, 1 July 2009, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=6489>.)

Also, in a survey conducted in mid-July, GVSRC found that people were less satisfied with the economic benefits from direct cross-Strait flights than they had anticipated a year earlier and that there were a number of things Beijing should do to help build mutual trust, including stopping efforts to prevent Taiwan from participating in international organizations (77.2 percent), removing missiles targeted at Taiwan (71.8 percent), and signing a peace accord (68.1 percent). In addition, though 58.7 percent said the leaders of the two sides should establish a direct communications channel, some 48.3 percent thought they should not meet before the Mainland removes missiles targeted at Taiwan. (GVSRC, “Survey on President Ma’s approval rating and cross-Strait relations after first year of direct flights,” 24 July 2008, http://www.gvm.com.tw/gvsrcc/200907_GVSRC_others_E.pdf.)

⁷ “Right now in Taiwanese society, whether or not I am party chairman, everything related to the KMT, and even the pan-blue camp, is ultimately my responsibility. I have to take overall responsibility without any excuses... At this point, I feel I can no longer waver and watch from the sidelines as if this were someone else’s business.” (Sherry Lee, “Ma Ying-jeou: I will be a rift mender [Interview],” *Commonwealth*, 18 June 2009, <http://english.cw.com.tw/article.do?action=show&id=11115>.)

Ma continued to stress this theme as he sought to win public backing for his move. (Chen Heng-kuang, “Ma Ying-jeou: Bid for KMT Chairmanship Not for Expanding Power, But for Taking Full Responsibility,” *Chung-yang Jih-pao Wang-lu-pao* [*China Daily*, KMT e-newspaper], 12 July 2009, translated by OSC, CPP20090712569001, original story [選戰/馬：選黨主席非擴權而是全面負責] at http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=100832334.)

⁸ Media polls showed between a 30 and 55 percent of respondents opposed Ma’s being dual-hatted in this way. An *Apple Daily* poll showed about 30 percent opposed (“Three out of every 10 people oppose Ma being KMT chair,” *Apple Daily* Poll reported in *China Post*, 13 June 2009); a TVBS poll showed over 40 percent opposed (“TVBS June 10 poll on Ma as KMT Chair,” translated by Kuomintang News Network, 12 June 2009, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=6406>), and a GVSRC survey showed 55 percent opposed (“Survey on President Ma’s approval rating,” 22 June 2009, http://www.gvm.com.tw/gvsrcc/200906_GVSRC_others_E.pdf). A DPP poll showed a slightly higher level of opposition (Dennis Engbarth, “59.1% Taiwan voters oppose Ma as KMT chief, finds DPP poll,” *Taiwan News*, 11 June 2009).

⁹ Flora Wang, “KMT legislators voice discontent,” *Taipei Times*, 15 June 2009.

¹⁰ “Ma Ying-jeou replies to Hu Jintao’s message, stresses facing reality squarely,” *Central Daily News*, summary translation by OSC of various articles on this subject, 27–28 July 2009, CPP20090728569001. (The text of the original CDN articles can be found at http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=100849521 and http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=100849324. The text of Ma’s message to Hu Jintao can be found at <http://www.kmt.org.tw/hc.aspx?id=32&aid=2880>.)

¹¹ “Taiwan DPP faults President Ma Ying-jeou for not using title in letter to China President,” *Taiwan News*, 28 July 2009.

¹² Yan Kuang-tao, “KMT: Ma Ying-jeou did not reply in the name of chairman, assumes office in September” (馬英九未以主席名義復電：國民黨：9月接任), *Central Daily News*, 28 July 2009, http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=100850197, translated in summary by OSC, CPP20090729569001.

¹³ How Ma will treat a possible meeting with Hu in the future remains to be seen, of course. But as he was campaigning (as the only candidate) for the KMT chair, he reportedly said not only that any consideration of a meeting with Hu would need to wait until “a raft” of decades-old problems had been resolved, but also that he was only thinking about meeting as a national leader, not in his party capacity: “I have never thought of meeting Hu as the Kuomintang leader. I’ve said before that leaders of the two sides may meet one day, but not now.” (“Taiwan president Ma Ying-jeou says time not right to meet Hu Jintao,” AFP, 14 July 2009, disseminated by OSC, CPP20090714968192.)

¹⁴ On 26 April in their meeting in Nanjing, the two “white glove” organizations signed agreements on increasing cross-strait passenger and cargo flights, creating new routes, and commencement of regularly scheduled flights; financial management agreements that were to be operationalized in memoranda of understandings; and an agreement on cooperation in fighting crime. They also issued a joint statement encouraging private investment. (Maubo Chang, “Taiwan inks three pacts with China to strengthen cooperation,” CNA, 26 April 2009.)

A number of polls taken after that meeting revealed substantial public support for the outcome. Surveys sponsored by the Mainland Affairs Council showed especially high levels of support, ranging from 58.8 to 78.8 percent support for the individual agreements. (“Survey of Third Chiang-Chen Talks,” 6 May 2009, <http://www.mac.gov.tw/big5/mlpolicy/pos/9804/980505a.pdf>; translated by Kuomintang News Network, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=6209>.)

On the other hand, a *China Times* poll, which also showed support for the overall results of the meeting, showed greater ambivalence on the issue of how sovereignty might have been affected. Whereas the MAC poll showed 54.3 percent of respondents did not feel sovereignty had been downgraded in the talks, according to the *China Times* poll, respondents were split evenly, with 34.6 percent who saw no denigration vs. 34.5 percent who did (“Survey on Third Chiang-Chen meeting, 28 April 2009,” <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=6167>). This was consistent with the *China Times* results after the first SEF-ARATS meeting, but a comedown from the results after the second meeting, when 43.5 percent saw no denigration of sovereignty as against 28 percent who did.

Although both of these polls showed over 50 percent support for arrangements on financial services, some nervousness was evident. In response to it, and especially to the opening of Taiwan to Mainland investment, the Ma administration made known that this opening would be implemented slowly and in stages (Lilian Wu, “No full opening to Chinese investment in Taiwan: president,” CNA, 8 May 2009; Flor Wang, “Taiwan will not open fully to Chinese capital in one step: premier,” CNA, 13 May 2009). The PRC itself also promulgated regulations of its own regarding Chinese banks’ investment in Taiwan, limiting their “targets” to medium- and large-scale Taiwan banks with “neutral political color,” quality assets, stable management, good image, and business focus on northern Taiwan. (Philip Liu, “Chinese regulator sets up six guidelines for Chinese banks to invest in Taiwan,” *Taiwan Economic News*, 15 June 2009.)

¹⁵ Toward the end of July, competing projections emerged regarding the impact of ECFA on Taiwan’s economic growth. Under different scenarios, a study commissioned by the ministry of economic affairs projected a boost to the annual GDP growth rate of around 1.7 percent, boosting employment by around 260,000 (Sofia Wu, “Ministry expects cross-strait trade pact to boost GDP by 1.7%,” CNA, 29 July 2009). If it were possible to include services (among them finance, telecom, retail/wholesale, construction, and tourism) in the “early harvest” clause of ECFA—bringing preferential treatment into effect from the outset—the minister of economic affairs estimated that this could double the contribution ECFA would make. (Philip Liu, “Gov’t intends to have ECFA cover service industry,” *Taiwan Economic News*, 30 July 2009, http://cens.com/cens/html/en/news/news_inner_28688.html.)

But DPP advocates, and media supporting the DPP, charged not only that the study in question had used a flawed methodology in calculating ECFA’s impact, but that the ministry had actually tampered with the data and fabricated numbers about both the GDP effect and job creation (Jenny W. Hsu, “Ministry distorted ECFA study: DPP,” *Taipei Times*, 31 July 2009). In response, the economics minister acknowledged flaws in the report that contributed to the criticism, but he said that when those flaws were corrected, his assessment about the positive impact was accurate. (Sofia Wu, “Minister clarifies reports about trade pact’s negative impact,” CNA, 29 July 2009.)

Other concerns about trade liberalization also have been voiced. One industry survey found that businesses identified 37 items projected for market opening that were “sensitive” and that 34 percent of respondents complained about both trade barriers to the Mainland market and non-tariff barriers such as anti-dumping duties, import inspections, quarantine, complicated certification procedures, extra duties, and proof of product origin. (Philip Liu, “ECFA will impact 37 industrial items: survey,” *Taiwan Economic News*, 30 July 2009, http://cens.com/cens/html/en/news/news_inner_28690.html.)

¹⁶ Dennis Engbarth, “90% do not understand proposed Taiwan-PRC trade pact, shows poll,” *Taiwan News*, 2 August 2009.

This result, from a pro-Green think tank, was quite different from the poll conducted by *China Times* during the same period. Nonetheless, even according to that latter poll, some 63.3 percent said they were not familiar with the contents of ECFA. All the same, 48.2 percent thought signing an ECFA would have a positive impact on Taiwan’s overall development (as against 23.5 percent who thought it would have a negative impact), 51.7 percent supported signing it (as against 25.0 percent who did not), and 45.4 percent thought the most appropriate time to sign was in 2009 (as against 38.4 percent who picked 2010–2012). (China Times Public Opinion Polling Center, “According to this paper’s latest public opinion poll, 47% of the people would be pleased to see a Ma-Hu meeting, and it would be best to hold it during Ma’s first term,” [本報最新民調 47%樂見馬胡會 最好任內實現], *China Times*, 4 August 2009, <http://news.chinatimes.com/2007Cti/2007Cti-News/2007Cti-News-Content/0,4521,50201368+112009080400161,00.html>. This article was translated in *Taiwan Today* at <http://www.taiwantoday.tw/ct.asp?xItem=56689&CtNode=419>, and the results were tabulated and translated by Kuomintang News Network, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=6667>.)

¹⁷ Flor Wang, “ECFA unrelated to independence-unification issue: president,” CNA, 22 June 2009.

Some weeks later, the Mainland Affairs Council announced that the chairman and vice chairmen would hold 21 discussions with the public in central and southern Taiwan starting in early August. (Ch’ou P’ei-fen, “MAC to go to the countryside to promote ECFA,” [陸委會下鄉 宣傳 A 攔發], *China Times*, 3 August 2009, <http://news.chinatimes.com/2007Cti/2007Cti-News/2007Cti-News-Content/0,4521,50501077+112009080300151,00.html>, translated in summary by OSC, CPP20090804100002.)

In addition, MAC announced that it would hold two general seminars in the same area in October, and would invite representatives from labor, industry and academia. (Wang P’eng-chieh, “MAC to hold general seminars in October to speed up ECFA process” [ECFA/加快協商日程 陸委會10月辦總座談會], *Central Daily News*, 4 August 2009, http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=100858495, translated in summary by OSC, CPP20090805569001.)

¹⁸ Ma has observed that, beyond maintaining Taiwan’s competitiveness in the Mainland market and avoiding marginalization in the region as the ASEAN-PRC Free Trade Agreement kicks in, the “spirit” of ECFA conjoins Taiwan’s interests with the ideals of liberalization and globalization. “By concluding the ECFA with the Mainland, while also building Taiwan into an innovations and logistic [sic] center for multinational companies, we will surely bolster and safeguard Taiwan’s competitive edge in the Mainland market, and, in turn, the greater global market. . . . Together with a more stable political environment, there will be more incentives for foreign businesses to include Taiwan in their regional operations. (“The Taiwan Relations Act: Turning a New Chapter, President Ma’s remarks at the videoconference with the Center for Strategic and International Studies,” 22 April 2009, http://www.president.gov.tw/en/prog/news_release/print.php?id=1105499945.)

¹⁹ “President Ma: Both sides will not exclude political issues,” Kuomintang News Network (citing Taipei newspapers), 11 May 2009 (<http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=6234>.)

²⁰ Ko Shu-ling, “Ma promises to step up signing of ECFA with China,” *Taipei Times*, 30 July 2009 (reporting on a 29 July interview with the *Lien-ho Wan-pao* [United Evening News]).

²¹ Ma has said it may take more than five years to complete various agreements that come under the rubric of ECFA. (Deborah Kuo, “President pushes for cross-strait economic cooperation framework,” CNA, 24 May 2009.)

²² “Economics ministry plans to establish fund to limit ECFA impact on Taiwan enterprises,” *China Times*, 16 June 2009 (translated by Kuomintang News Network, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=6418>); “Local firms facing ECFA threat may receive support,” *Economic*

Daily News (translated in *Taiwan Today*, 21 July 2009, <http://www.taiwantoday.tw/ct.asp?xItem=55275&ctNode=413>).

²³ Maubo Chang, “KMT chief meets with Chinese leader in Beijing,” CNA, 26 May 2009.

²⁴ With regard to the signing date, there was an almost dizzying set of contradictory statements about the possibility of finishing negotiations by the end of this year vs. signing in early 2010. The most recent statements as this article was heading to publication suggested that, while no timetable had been agreed between the two sides, it would be placed on the agenda of the SEF-ARATS meeting to be held outside Taipei in December, but it would not be signed until 2010. (“China talks scheduled for December,” DPA and AFP in *Taipei Times*, 8 August 2009.)

²⁵ The July “Taiwan Public Mood Index” showed a slight uptick over the preceding month in trust both for the “opposition side” (up from 38.4 to 39.4) and “the main opposition party chairperson” (from 40.6 to 42.5). (GVSRC, “Taiwan Public Mood Index,” July 2009, http://www.gvm.com.tw/gvsrc/200907_GVSRC_TPMI_E.pdf.)

²⁶ Dennis Engbarth, “Taiwan DPP, TSU demand ratification of ECFA by referendum,” *Taiwan News*, 12 April 2009.

²⁷ Alan D. Romberg, “Cross-Strait Relations: First the Easy, Now the Hard,” *China Leadership Monitor*, No. 28, 16ff.

²⁸ “President Ma invites Tsai Ing-wen to talks,” CNA (Chinese, 8 April 2009, translated in summary by OSC, CPP090408100003; original article [邀蔡英文會談 總統府明遞出馬總統信函] accessed 8 April 2009 at <http://udn.com/NEWS/NATIONAL/BREAKINGNEWS1/4836885.shtml>).

²⁹ “Tsai Ing-wen Sets Seven Preconditions to Meet with President Ma,” KMT News Network (from Taipei newspapers), 13 April 2007. Tsai’s preconditions include: 1) President Ma should retract his statement that Taiwan and the Mainland are both areas of the Republic of China and that the people living on either side of the Taiwan Strait just have different domiciles; 2) the party-to-party platform between the KMT and the Chinese Communist Party should be scrapped; 3) cross-Strait exchanges should be placed under the oversight of the Legislative Yuan; 4) any agreements between Taiwan and the Mainland exceeding the multilateral commitments under the WTO should be referred to a referendum by the people; 5) Amend the “birdcage plebiscite act”—referring to the Plebiscite Act/Referendum Law; 6) President Ma should retract his statement that “A cross-Strait ECFA (Economic Cooperation Framework Agreement) must be inked, the sooner the better”; 7) President Ma should replace members of his national security team and negotiating team that have entangled interests in the Mainland.

³⁰ The meeting was clearly going to be a session that focused on all the wrong things done by the Ma administration, so it was hardly surprising that he did not go. In her opening remarks, Tsai excoriated him for “policy mistakes” for which Taiwan “has already paid a heavy price,” including the diminution of its sovereign status, its international space, its democracy and its human rights, as well as for creating excessive economic dependence on Beijing. (“Opening remarks by DPP Chair Tsai Ing-wen at the National Citizens’ Conference,” [in Chinese], DPP Website, 13 April 2009, <http://www.dpp.org.tw>.)

³¹ Tsai said that before any such meeting Ma should “do something” to strengthen mutual trust between himself and the DPP. She said abolishing the KMT-CCP forum was the only way to start building such mutual trust. (Wang P’eng-chieh, “Regarding a ‘two Ings’ [Ma YING-jeou and Tsai ING-wen] meeting/Tsai Ing-wen: only by getting rid of the KMT-CCP forum can there be mutual trust,” [雙英會/蔡英文：廢國共論壇才有互信] *Central Daily News*, 29 July 2009, translated in summary by OSC; original article available at http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=100852084.)

Ma had suggested changing the name of the forum to simply the “Cross-Strait Forum on Economy, Trade and Culture” on the grounds that, while it is co-hosted by the KMT and CCP, it is attended by various parties. (Some reports say that three-quarters of the attendees from Taiwan are not KMT.) But, having just expelled two members for going to this year’s meeting, the DPP was unlikely to approve of this idea. As Su Tseng-chang put it, those DPP members being invited should think clearly why the CCP would invite them and if they were willing to be used by the Mainland. He reiterated that the DPP was prepared to expel any party member who attended. (“Su Tseng-chang refutes Ma’s proposal of renaming KMT-CCP Forum” [馬總統為國共論壇正名 蘇貞昌不認同], *Central Daily News*, 10 July 2009, translated in summary by OSC, CPP20090712569001; original article at http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=100830592.)

³² It seemed not to matter to the DPP at this point that under Chen Shui-bian the government had been willing to go to the WHA as a “health entity” or “health region,” not as a sovereign state.

³³ “Tsai Ing-wen: Government must explain to people WHA irregularities,” *Chung-kuang Hsin-wen Wang*, 2 May 2009 (translated in summary by OSC, CPP20090504102001). The DPP pointed to other reports that the WHO denied it had any involvement in the negotiation. (Jenny W. Hsu, “WHO was ‘not involved’ in bid,” *Taipei Times*, 2 May 2009.)

It is noteworthy that the pro-Green *Taiwan News*, while raising some of the same concerns Tsai and the DPP had raised, editorially also welcomed the WHA invitation, stating that, in addition to warning of the downsides of the matter, “the DPP must also strike a balance by working with Taiwan-centric health and medical civic groups to take advantage of the health and public diplomacy opportunities from expanded interaction with the WHA and WHO and using these openings to consolidate international support for Taiwan’s permanent presence and thus check any possible obstruction by Beijing if the DPP returns to office.” (“WHA attendance is Taiwan’s first step,” Editorial, *Taiwan News*, 4 May 2009.)

This position seemed to accord with the views of the public, who, in a Department of Health survey, at a rate of 86.5 percent supported Taiwan’s admission to WHA as an observer while 93 percent believed that participation in WHA would contribute to Taiwan’s efforts to upgrade medical services and health care for the people. (“90% of people support WHA participation,” *China Post*, 7 May 2009.)

³⁴ Dennis Engbarth, “Tsai questions if Ma sacrificed Taiwan sovereignty for WHA,” *Taiwan News*, 30 April 2009.

³⁵ “Approaches to Cross-Strait Relations,” Speech by DPP Chair Tsai Ing-wen at George Washington University, Washington, D.C., 6 May 2009 (http://www.dpp.org.tw/index_en/upload/news_letter/20090615175929_data_1.pdf).

³⁶ “Taiwan DPP refuses to apply for license for 24-hour sit-in demonstration,” *Taiwan News*, 13 May 2009; Jenny W. Hsu and Mo Yan-chih, “Tsai calls proposal ‘prelude to martial law’,” *Taipei Times*, 2 May 2009.

³⁷ Han Nai-kuo, “DPP stages vigil to express dissatisfaction over government policy,” CNA, 17 May 2009.

³⁸ Dennis Engbarth, “Taiwan faces KMT authoritarian revival, warns Tsai,” *Taiwan News*, 6 April 2009.

³⁹ Dennis Engbarth, “Sit-in is start of new democratic movement: Tsai,” *Taiwan News*, 19 May 2009.

⁴⁰ “Chairperson Tsai: Let’s Change Taiwan Again, Let’s Push Forward with a Second Democratic Reform,” DPP Website, 17 May 2009 (http://www.dpp.org.tw/index_en/).

Dueling polls afterward showed starkly different public appraisals of the rally. A DPP poll asserted that 72.4 percent of respondents approved the way the party conducted the sit-in, with some 66 percent of both blue and swing voters reported to have approved the DPP’s performance. (The DPP Survey Center, “What do people think of the 517 Rally?” *Democracy & Progress*, May 2009, http://www.dpp.org.tw/index_en/upload/news_letter/20090615175929_data_1.pdf.)

A *China Times* poll produced a quite different result. According to that survey, pro and con opinion of the DPP’s performance was split about evenly (37 percent satisfied vs. 35.2 percent not); Tsai Ing-wen’s performance drew slightly negative ratings (38.6 percent not satisfied vs. 34.2 percent who were); while the authorities fared better, with Taipei mayor Hau Lung-bin (who allowed the demonstration to proceed even though no permit had been applied for) garnering support of 45.8 percent vs. 20.3 percent dissatisfied and the police drawing 46.7 percent positive ratings vs. 27.5 percent dissatisfaction. (“Survey on 5/17 Anti-Ma March,” 21 May 2009, *China Times*, translated by KMT News Network, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=6289>).

⁴¹ “Ma Ying’jeou’s 6-4 statement blindly caters to China, lacks a high degree of morals or ideals,”

(馬英九的六四聲明一味迎合中國 毫無道德理想高度), DPP Website, 4 June 2009,

http://www.dpp.org.tw/news_content.php?menu_sn=7&sub_menu=43&sn=3798.

⁴² “Dr. Tsai Ing-wen’s statement at the conference on ‘Tibet, Tiananmen, Human rights and Democracy in China,’” 4 June 2009, DPP Website (http://www.dpp.org.tw/index_en). In it she said:

First, the Ma government should call upon the Chinese government to stop oppression of the Tibetan people, respect the human rights of the Tibetans and their desire for autonomy. The Ma government should also call upon the Chinese government to publish the truth of what happened last March 14th in Tibet.

Second, the Ma government should call upon the Chinese government to apologize for June 4, 1989, vindicate those involved in this movement and allow the students in exile to return to China as soon as possible.

Third, the Ma government should call upon the Chinese government to release the members of Charter 08 who have been arrested, like Liu Xiaobo. China should not continue to suppress the basic human right of freedom of speech.

Fourth, the Ma government should include democracy and human rights in the list of topics of cross-strait exchanges, so that interaction between Taiwan and China is based on the universal values of human rights and democracy. This should be a prerequisite for normal cross-strait exchanges.

Ma's own statement, posted on the presidential website, said in part:

The hatreds and fears engendered by bloody conflicts do not soon fade away. In any such conflict, it is the government that exercises public authority and therefore bears responsibility for critically examining its actions. When any government contemplates tragic episodes from its past, it must let the facts speak for themselves; when it faces the bereaved family members of the victims, it must put itself in their shoes. That is the only way to keep tragedy from being repeated. . . . The current easing of cross-strait ties has brought incipient prospects for true peace between our two sides. The last thing we need is a cross-strait arms race, or diplomatic contention. What we most need is rule of law, and for both sides to spur each other to make further improvements in the area of human rights. Going forward, these universal values ought to be a shared language for the people on the two sides of the Taiwan Strait. (Ma Ying-jeou, "Observations on the 20th anniversary of the June 4th incident," 4 June 2009, Office of the President, Republic of China, http://www.president.gov.tw/en/prog/news_release/print.php?id=1105499995.)

⁴³ Flora Wang and Jenny W. Hsu, "Ma statement draws mixed reactions from parties," *Taipei Times*, 5 June 2009.

⁴⁴ Dennis Engbarth, "Sit-in is start of new democratic movement: Tsai," *Taiwan News*, 19 May 2009.

Ma rejected the proposal for a referendum, saying it was time-consuming and expensive as well as unnecessary because ECFA did not touch on politics but only concerned economic issues. (Ko Shu-ling, "No referendum is needed on ECFA proposal: Ma," *Taipei Times*, 20 May 2009.)

⁴⁵ Li Hsin-fang and Tseng Hui-wen, "Democratic Progressive Party to hold 500 meetings to propagate against Economic Cooperation Framework Agreement," *Liberty Times*, 3 July 2009, translated by OSC, CPP20090704100001. The original article, 不要ECFA 民進黨要辦500場宣傳會, is available at <http://www.libertytimes.com.tw/2009/new/jul/3/today-fo3.htm>.

⁴⁶ 你是否同意台灣與中國簽訂之經濟合作架構協議 (ECFA), 政府應交付台灣人民公民投票決定? (http://www.dpp.org.tw/upload/news/20090614125557_link.pdf).

⁴⁷ "Democratic Progressive Party [DPP] To Hold 500 Meetings To Propagate Against Economic Cooperation Framework Agreement [ECFA]," *Liberty Times*, 3 July 2009, OSC Summary, CPP20090704100001; "DPP seeks 100,000 volunteers for ECFA referendum," *Taiwan News*, 15 June 2009.

⁴⁸ Although there had previously been indications that Ma would like to move ahead with a peace accord if possible even in his first term, by early May he apparently had come to the conclusion that this was not feasible. In an interview with two Singapore-based newspapers in early May he said that if he were elected in 2012 he "would not exclude" raising political issues, including a peace accord ("President Ma: Both sides will not exclude political issues," Kuomintang News Network [from Taipei newspapers], 11 May 2009, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=6234>). He repeated this stance in a CCTV interview a few days later. (Ko Shu-ling, "Ma would consider peace talks in 2012," *Taipei Times*, 12 May 2009.)

⁴⁹ "Taiwan opens door for mainland investment," *China Daily* (from agencies), 30 June 2009 (http://www.chinadaily.com.cn/china/2009-06/30/content_8339633.htm).

⁵⁰ "Rules for investments from China announced," *Taiwan News*, 1 July 2009.

⁵¹ "DPP seeks to thwart gov't policy on Chinese investments," *China Post*, 2 July 2009.

⁵² *Ibid.*

⁵³ At the end of July, noting that the DPP is long on criticism but short on alternative ideas, the *Taipei Times* editorially called on the party to go beyond carping to making constructive proposals lest it lose all credibility and fade into oblivion: "Criticizing the ECFA is one thing, but if the opposition cannot come up with a credible new policy for people to scrutinize, then those who don't support the pact have nothing with

which to counter the government's ECFA propaganda. . . . Instead of burying its head in the sand and hoping that China will go away, the opposition needs to present a way of dealing with China economically and politically that will uphold Taiwan's interests and sovereignty. . . . The DPP—because of the small number of seats it holds in the legislature—has resorted to 'scorched earth' tactics. However, if the DPP carries on with such tactics and continues to oppose the government's proposals for the sake of opposition—reminiscent of the Chinese Nationalist Party's (KMT) actions during its time out of power—the party could lose the credibility that it still holds in the eyes of moderate voters. . . . The DPP needs to come up with a counter to the KMT's 'China-centric approach' and get it out into the public domain fast before the momentum of cross-strait rapprochement becomes too great and the DPP starts to fade into obscurity." ("Editorial: Viable alternative to ECFA lacking," *Taipei Times*, 31 July 2009.)

⁵⁴ Personal conversation, summer 2009.

⁵⁵ "Chen regrets helping Tsai to climb to DPP leadership," AFP (in *Taipei Times*), 9 April 2009.

⁵⁶ Mo Yan-chih, "Lu urges DPP to be open-minded on cross-Straits issues," *Taipei Times*, 6 June 2009.

Speaking at the National Press Club in Washington, Lu put it this way: "When a party disagrees with another party, the best thing to do is to propose your own policies so as to give the people a chance to compare and make educated choices." She said the DPP should not act like an ostrich, arguing that cross-Straits relations had undergone a dramatic change since the KMT and CCP had begun to engage with each other: The DPP should open its mind and not opt out of cross-Straits relations, and it should allow its members to visit the Mainland on the principles of openness, equality and dignity. ("Former VP Lu: DPP should open its eyes and learn from the Mainland," *United Daily News*, 6 July 2009, translated by Kuomintang News Network, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=6508>.)

⁵⁷ Chu Chen-k'ai, "Su Tseng-chang says criticizing Kuomintang will not make Democratic Progressive Party ruling party again," *China Times*, 22 June 2009, translated in summary by OSC, CPP20090623100001. The original story (蘇貞昌: 光靠罵國民黨 別想再執政) is available at <http://news.chinatimes.com/2007Cti/2007Cti-News/2007Cti-News-Content/0,4521,50201021+112009062200071,00.html>.

It is perhaps worth noting at this point that, in TVBS polling that rated the top 10 political figures in early August, although Chen Chu's meteoric popularity rise rocketed her into the lead (see endnote 61), and Su dropped to 51 percent and second place from his leading position with a 57 percent approval rating in late June, this still put him 16 points ahead of Ma Ying-jeou and 25 points ahead of Tsai Ing-wen. (The June numbers are reported in "Survey on the popularity of the top ten local political figures after the upgrading of counties and cities," (縣市升格後國內十大政治人物聲望調查), TVBS, 25 June 2009 (http://www.tvbs.com.tw/FILE_DB/DL_DB/even/200906/even-20090629114748.pdf), translated by Kuomintang News Network, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=6476>; the August numbers are at http://www.tvbs.com.tw/FILE_DB/DL_DB/even/200906/even-20090629114748.pdf, with a KMT News Network translation at <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=6476>.)

⁵⁸ Flora Wang, "Chen Chu calls for coordinated DPP policy on China," *Taipei Times*, 6 July 2009.

⁵⁹ "In the past, the DPP rose to prominence because it always led public opinion on important issues. . . . But nowadays the DPP is less of an opinion leader. And when it comes to leadership on [administrative redistricting] the DPP is definitely weak. . . . As an opposition party, we need to fulfill our responsibilities. We have to propose a set of alternative policies, and we have to have people that can be trusted and live up to the public's expectations. We need to do some soul-searching to figure out whether the DPP has such people." (Sherry Lee, "Su Tseng-chang: Don't split Taiwan into two worlds," [Interview], *Commonwealth*, 9 July 2009, <http://english.cw.com.tw/article.do?action=show&id=11169>.)

⁶⁰ Deborah Kuo, "DPP head de-links mayor's China visit from cross-Straits politics," CNA, 21 May 2009.

⁶¹ When Chen Chu returned from the Mainland in late May, one poll found that 55 percent of respondents were "satisfied" with her performance while there (vs. 11 percent who were not), 62 percent supported her having gone (vs. 8 percent who did not), and by overwhelming margins they also thought that the DPP should adopt a "more open" policy toward the Mainland and should expand its contacts there. (*United Daily News* poll of 25 May 2009 translated by Kuomintang News Network, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=6313>. Original poll appeared at <http://udn.com/NEWS/NATIONAL/NATS2/4924589.shtml> and was accessed on that date, but is no longer available.)

By late July, following the successful holding of the World Games, a poll showed levels of support for Chen that most politicians would give their eye teeth for. Her favorable (satisfaction) rate was up to 73 percent, with even 58 percent of KMT supporters approving and 69 percent of “neutral” respondents also doing so. That this level of support was due in important measure to the perceived success of the World Games was evident in the fact that the overall support rate had jumped 14 points in about six weeks, with commensurate gains among all political camps and among all education levels, regardless of “ethnic” background (i.e., Taiwanese, Hakka, or Mainlander). (“Public opinion poll on satisfaction with Kaohsiung mayor Chen Chu’s administration after the World Games,” [世運後高雄市長施政滿意度調查], TVBS Poll Center, 28 July 2009, http://www.tvbs.com.tw/FILE_DB/DL_DB/even/200907/even-20090729182545.pdf.)

Similarly, in a TVBS poll taken on approval ratings for the top 10 political figures in Taiwan in early August, Chen led the pack with a 72 percent “satisfaction” rating, 16 points ahead of the next most popular figure, Su Tseng-chang, and 46 points ahead of Tsai Ing-wen. It also put Chen 37 percentage points ahead of Ma Ying-jeou, who had dropped from a satisfaction rating of 42 percent (see endnote 57) to 35 percent. (TVBS poll, “Popularity ratings of top political figures in Taiwan,” [國內主要政治人物聲望調查], http://www.tvbs.com.tw/FILE_DB/DL_DB/even/200906/even-20090629114748.pdf, with a KMT News Network translation at <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=6476>.) It is interesting to note that Chen Chu was not even rated in the June TVBS poll.

This success—reflected in the DPP’s own polling (“DPP poll on the 2009 World Game in Kaohsiung,” 28 July 2009, http://www.dpp.org.tw/index_en/)—was not missed by her DPP colleagues, who lavished Chen with generous praise. (Chu Chen-k’ai, “Chen Chu scores all points for Democratic Progressive Party,” *Chung-kuo Shih-pao*, 30 July 2009, translated in summary by OSC, CPP20090731100001; original article [紅回黨中央 民進黨：得分都靠陳菊] is at <http://news.chinatimes.com/2007Cti/2007Cti-News/2007Cti-News-Content/0,4521,50201329+112009073000152,00.html>.)

⁶² Jenny W. Hsu, “DPP to set up protocols for China visits,” *Taipei Times*, 29 May 2009.

⁶³ “The DPP placed ban on DPP officials from participating in the KMT-CCP Forum,” DPP website, 8 July 2009 (http://www.dpp.org.tw/index_en/).

⁶⁴ In light of the unanimous vote in the party’s central standing committee to expel the two miscreants (“DPP moves to punish cross-strait forum refuseniks,” *China Times* [carried in *Taiwan Today*], 16 July 2009, <http://www.taiwantoday.tw/ct.asp?xItem=54798&ctNode=413>), Tsai Ing-wen hinted at strong dissatisfaction with the suspension (rather than outright expulsion). (Wang Peng-chieh, “Tsai Ing-wen: Suspension of the rights of Hsu and Fan a far cry from the resolution of the standing committee” [蔡英文：許范2人停權 與常會決議有落差] *Central Daily News*, 23 July 2009; translated in summary by OSC, CPP20090724569001; original article at http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=100845749.) Former premier Su Tseng-chang shared Tsai’s view opposing the lighter punishment, having early on called for expulsion of any DPP members attending the forum. (“Su Tseng-chang criticizes Hsu, Fan for attending KMT-CPC forum,” *Tzu-yu Shih-pao*, 11 July 2009, translated in summary by OSC, CPP20090713102001.)

Interestingly, former vice president Annette Lu, though terming Hsu and Fan’s attendance at the forum as “inappropriate,” was among those counseling careful handling of the case. In the run-up to the Review/Discipline Committee’s initial meeting on the case, she cautioned that it should be dealt with on the basis of procedural justice and proportional equity (“Annette Lu calls upon DPP to deal with Hsu and Fan’s expulsion case with equity and justice,” Kuomintang News Network from Taipei newspapers, 23 July 2009; <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=6579>). Lu had previously indicated a desire to go to the Mainland herself, and although she has not yet done so, a vice chairman of ARATS, Wang Zaixi, expressed a welcome for such a visit in recent commentary. (Zeng Jia, “Wang Zaixi: If Lu Hsiu-lian wishes to visit the Mainland, there will be no obstacles from the Mainland,” ZTS, 31 July 2009, translated by OSC, CPP20090731066008; original article [王在希：如呂秀蓮有意來大陸大陸方面應無障礙] is at <http://www.chinanews.com.cn/tw/tw-twyw/news/2009/07-31/1799747.shtml>.)

⁶⁵ Jenny W. Hsu, “DPP mulls expelling members,” *Taipei Times*, 25 July 2009. There was some question about whether the second action by the disciplinary committee followed procedure, as the rules state that any decisions made by the committee are final and anyone contesting a decision must go to arbitration.

Chen Chin-de, the committee chairman, argued that the follow-up action, taken formally on 27 July, was legal. (Jenny W. Hsu, “DPP expels forum duo from party,” *Taipei Times*, 28 July 2009.)

At the same time, Chen said the expulsion showed that the DPP’s Mainland policy was inadequate. Saying that that policy should not be decided by only a few people, he called for review of the policy as a priority item for the central standing committee to take up at the forthcoming party national congress. (“Chen Chin-de: DPP’s [Mainland] China policy is inadequate,” *China Times*, 28 July 2009, translated by Kuomintang News Network, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=6604>.)

⁶⁶ Deborah Kuo, “Another opposition DPP mayor to visit China,” CNA, 3 June 2009.

⁶⁷ Beijing said that Hsu did not have to enter using a “Taiwan Compatriot Certificate,” but reportedly insisted that he had to have one. Hsu refused to apply for the certificate on the grounds that that would be tantamount to acknowledging that Taiwan is part of China. (Hsiu Rui-ying, “Refusing the Taiwan Compatriot Certificate system, Hsu Tain-tsair [Hsu T’ian-ts’ai] does not go to the Mainland,” [拒辦台胞證許添財不去大陸], *Lien-ho Pao*, 29 July 2009, translated in summary by OSC, CPP 20090729100001.)

Hsu also seemed to be trying to bolster his DPP bona fides in other ways. He was reported not only to have refused at the last minute to show up at an event for the visiting PRC State Council Taiwan Affairs Office spokesman (Liu Cheng-ch’ing, “Hsu Tain-tsair cancels meeting with Yang Yi at the last moment,” CNA, 31 July 2009, translated in summary by OSC, CPP20090731100002), but he also became more visible in criticizing the Ma administration for insisting on an ECFA that would allow the Mainland to promote the “one China” principle so as to destroy Taiwan’s WTO framework. (Chang Jung-hsiang, “Hsu Tain-tsair: China to use ECFA to destroy Taiwan’s WTO framework,” CNA, 31 July 2009, translated in summary by OSC, CPP20090801100002.)

⁶⁸ “Taiwan opposition DPP heading for public debate about China policies,” *Taiwan News*, 7 June 2009.

⁶⁹ “DPP [Mainland] China policy debate be put off [*sic*] to next meeting,” Kuomintang News Network (from Taipei papers), 11 June 2009 (<http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=6396>); “Ex-VP Lu urges DPP to have closed-door debates on China policy,” *China Post*, 13 June 2009.

⁷⁰ “Pan-Green camp to hold forum on cross-strait relations,” Kuomintang News Network (from Taipei papers), 15 June 2009 (<http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=6412>).

⁷¹ “Ah-Bian Faction to Propose Holding Debate on DPP’s [Mainland] China Policy,” KMT News Network (Taipei press), 8 June 2009, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=6377>.

⁷² “News Release of the 13th plenum of the 37th meeting of the DPP central standing committee,” 17 June 2009 (http://www.dpp.org.tw/news_content.php?menu_sn=7&sub_menu=43&sn=3821).

⁷³ See endnote 65.

⁷⁴ Chu Chen-k’ai, “DPP admits that the China issue cannot be evaded,” (民進黨坦承 中國問題不該迴避, *China Times*, 3 August 2009; <http://news.chinatimes.com/2009Cti/Common/2009Cti-News-Print/0,5201,110502x112009080300102,00.html>; KMT News Network translated part of this article, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=6655>).

⁷⁵ Yen Kuang-tao, “Exclusive Interview: Ma Ying-jeou appeals to DPP to adjust its Mainland policy,” (專訪/馬英九籲民進黨調整大陸政策, *Central Daily News*, 29 July 2009, reporting on an interview with the *United Evening News*. Translated in summary by OSC, CPP20090730569001).

⁷⁶ “Ma may do, not talk, Taiwan into unification,” *Taiwan News Editorial*, 23 June 2009; “Taiwan’s crisis of leadership,” *Taiwan News Editorial*, 13 April 2009.

⁷⁷ Romberg, “Cross-Strait Relations: First the Easy, Now the Hard,” *China Leadership Monitor*, No. 28, Spring 2009, p. 19

⁷⁸ Romberg, “Cross-Strait Relations: First the East, Now the Hard,” *China Leadership Monitor*, No. 28, Spring 2009, p. 9–13.

⁷⁹ Romberg, “Cross-Strait Relations: First the Easy, Now the Hard,” *China Leadership Monitor*, No. 28, Spring 2009, p. 10–12.

⁸⁰ A DPP poll captured the public mood when it reported that most (43.5 percent) favored use of “Taiwan” as against 15.1 percent who supported “Chinese Taipei” and 12.3 percent who backed “Republic of China;” respondents were strongly (74.2 percent) against listing Taiwan as a “province of China” on the WHO website; and 71.9 percent disagreed that Taiwan should negotiate with the Mainland for “permission” to

participate in an international organization. (DPP Survey Center, “The DPP poll on Taiwan’s participation in the WHA,” *Democracy & Progress* Monthly Newsletter of the DPP International Department, May 2009; http://www.dpp.org.tw/index_en/upload/news_letter/20090615175929_data_1.pdf.)

That being said, a different poll found that 74 percent of the people thought that participation in the World Health Assembly as an observer was helpful to Taiwan’s international status, and over 75 percent could live with the designation “Chinese Taipei” (about evenly divided between those who were “satisfied” and those who were not but nonetheless found the outcome “acceptable.” This poll found that 36.9 percent of respondents favored use of “Taiwan,” 22.3 percent backed “Republic of China,” and only 9.8 percent supported “Chinese Taipei.” (“Opinion poll on Taiwan’s participation in the WHA,” conducted by ERA TV Opinion Poll Center for the Center for Foreign Policy Studies of National Chengchi University, published in translation by Kuomintang News Network, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=6276>.)

Yet a third poll, conducted for *China Times* by the Apollo Poll Center, found that some 61.3 percent of respondents could live with “Chinese Taipei” (54.5 percent satisfied, 6.8 percent opted for “dissatisfied but acceptable”; “Survey on Taiwan’s participation in WHA,” 21 May 2009, translated by Kuomintang News Network, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=6289>).

⁸¹ Interviews with senior Taiwan officials in spring 2009.

⁸² Rachel Chan, “Foreign ministry studying how to approach U.N. bid: official,” CNA, 2 July 2009.

⁸³ Interviews with senior PRC officials, spring 2009.

⁸⁴ In mid-April, in a meeting with former ROC foreign minister Fredrick Chien at Boao, Premier Wen Jiabao said the Mainland had worked out a series of policies to strengthen cross-Strait economic cooperation and to jointly deal with the financial crisis. These included five specific aspects: encouraging Mainland enterprises to invest in Taiwan; increasing procurement of products from Taiwan; encouraging Taiwan-invested firms to develop markets in the Mainland; allowing more Mainland tourists to visit Taiwan; and promoting the establishment of a cross-Strait economic cooperation mechanism through negotiation. (“Wen Jiabao pledges to encourage Mainland investments in Taiwan in meeting with Fredrick Chien,” *P’ing-kuo Jih-pao*, 19 April 2009; translated in summary by OSC, CCP20090419569001.) Although most Mainland statements assiduously avoid raising issues that are politically sensitive in Taiwan, Wen was reported to have said, “We hope our two sides continue peaceful development and economic prosperity because we want to pursue the grand unification across the Taiwan Strait.” (Lawrence Chung, “Wen calls for warmer relations with Taiwan,” *South China Morning Post*, 19 April 2009.)

On 17 May, the day of the anti-Ma protest in Taipei, TAO Director Wang Yi reiterated Wen Jiabao’s list of measures and added three more “specific plans” at the inaugural session of the Cross-Strait Forum. The additional three items were to further open professional certification examination programs for Taiwan residents; strengthen cross-Strait agricultural cooperation; and permit Taiwan law firms to open branch offices at two locations. (Xu Xueyi, Mao Leilei, and Wang Fanfan, “Wang Yi announces specific plans to implement Premier Wen Jiabao’s five important measures toward Taiwan,” Xinhua, 17 May 2009, translated by OSC, CPP20090517072004.)

Throughout the period, the Mainland continued to announce new measures to help Taiwan businesses, and some results could be seen. In the first half of 2009, fruit exports from Taiwan grew 60 percent in volume and 28 percent in value (year-on-year), which Taiwan officials attributed largely to greater purchases by the Mainland (Lillian Lin, “Fruit farmers benefiting from warming cross-strait ties: COA,” CNA, 22 July 2009). Meanwhile, Beijing was offering greater help to tide Taiwan businesses through the financial crisis, including through a number of trade missions to Taiwan (“ARATS vows more support for Taiwan businessmen,” *China Daily*, 21 July 2009). Taiwan’s External Trade Development Council (TAITRA) projected that purchases by all of the trade missions could lead to a total of \$10 billion over the course of 2009. (Sofia Wu, “Fourth Chinese procurement mission scheduled to arrive Aug. 19,” CNA, 26 July 2009.)

⁸⁵ Conversations with PRC scholars and officials, spring 2009. The way the process has been described since then—that only after each side has made careful preparations can it be put on the agenda—appears to confirm those comments. So, too, does Ma Ying-jeou’s recent comment that all agreements involve give and take: “If we take advantage of it [ECFA], we must give something in return.” (Deborah Kuo, “Cross-Strait trade pact will not involve politics: president,” CNA, 30 July 2009.)

⁸⁶ “The Mainland side is willing to hold positive and open negotiations with Taiwan and to sign an agreement of economic cooperation framework that fits the needs of cross-Strait economic development

and has unique cross-Strait characteristics. The Mainland will accelerate its foundational research and preparatory procedure; it is also willing to use appropriate measures to begin initial exchange with Taiwan, increase mutual understanding, and work to begin official negotiation as soon as possible.” (Xu Xueyi, Mao Leilei, and Wang Fanfan, “Wang Yi announces specific plans to implement Premier Wen Jiabao’s five important measures toward Taiwan,” Xinhua, 17 May 2009, translated by OSC, CPP200905170-72004.)

⁸⁷ Anticipating such a possibility, Ma had already argued that a slight delay into 2010 would not greatly harm Taiwan economic interests. (“President confirms ECFA signing postponement,” *Commercial Times*, translated in *Taiwan Today*, 14 July 2009.)

⁸⁸ The continuing emphasis on the dangers of “Taiwan independence” is almost stunning given what this writer considers to be the political impossibility of such an occurrence. But it was part of Hu Jintao’s 31 December speech and it is part of the patter of other senior Mainland officials as they speak of the essentiality of maintaining momentum in cross-Strait relations.

⁸⁹ Ko Shu-ling, “Ma says China makes it hard to sign trade deals,” *Taipei Times*, 23 June 2009. Ma also told *Time* magazine that concluding an ECFA with the PRC would open the door to better relations with other nations. As he put it: “Many countries whom we don’t have diplomatic ties [with] come to us now and say they feel a bit relieved, that if Beijing is ready to improve relations with you, why can’t we?” (“Taiwan’s Ma reflects on his first year as president,” *Time*, 14 May 2009, <http://www.time.com/time/world/article/0,8599,1898155,00.html>.)

⁹⁰ “Taiwan can ink FTA with Singapore: President Ma Ying-jeou,” *China Post*, 10 May 2009. In the interview with two Singapore papers on which this story was based, Ma noted that he would look to signing such an FTA using the same title as used in Taiwan’s WTO membership: Taiwan, Penghu, Kinmen and Matsu Separate Customs Territory.”

⁹¹ Stuart Biggs and Stephen Engle, “China must remove missile threat to extend Taiwan thaw, Ma says, (Update 1)” Bloomberg.com, 31 July 2009 (<http://www.bloomberg.com/apps/news?pid=20601087&sid=aplKwWJc50.4#>).

⁹² In his wrap-up briefing on the 27–28 July 2009 U.S.-PRC Strategic and Economic Dialogue, Vice Foreign Minister Wang Guangya issued what was characterized as a “stern warning” that the United States should “appropriately deal” with the question of Taiwan and should not repeat its “wrong decision” on the 2008 arms sale to Taiwan. (Foster Klug, “U.S.-China talks more about future than the present,” AP (carried by boston.com), 29 July 2009 (http://www.boston.com/news/nation/washington/articles/2009/07/29/us_china_talks_more_about_future_than_the_present/).

⁹³ Personal conversations in Beijing and Washington.

⁹⁴ Alan D. Romberg, “Cross-Strait Relations: ‘Ascend the Heights and Take a Long-term Perspective,’” *China Leadership Monitor*, No. 27, p. 23.

⁹⁵ Xu Song, “China-U.S. defense ministries hold 10th defense consultative talks,” Xinhua, 24 June 2009, translated by OSC, CPP20090624073002. (Original article, 中美国防部举行第十次防务磋商, is available at <http://www.china-embassy.org/chn/xw/t569376.htm>.)

⁹⁶ Wang Yi reiterated this position when he spoke at the opening ceremony of a cross-Strait investment and cooperation conference in Tianjin in late July (Liu Yuanxu and Meng Hua, “Wang Yi: Continue to push forward progress in cross-Strait relations in conformity with the spirit of establishing mutual confidence, setting aside disputes, seeking common ground while reserving differences, and working together to create a win-win outcome,” [王毅：继续本着建立互信、搁置争议、求同存异、共创双赢的精神推进两岸关系进程], Xinhua, 29 July, http://60.190.137.3/news/china/content/2009-07/29/content_1120671.htm, translated in summary by OSC, CPP20090729074001). His Taiwan counterpart, P.K. Chiang, reiterated the “economics first” mantra at a meeting with the press several days later. (Chiang Wei-shuo, “Chiang Pin-kung, Fourth meeting with Chen Yunlin to be held in December outside Taipei,” [江丙坤：江陳會12月台北以外地點舉行], *Central Daily News*, 7 August 2009, http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=100862024, translated in summary by OSC, CPP20090809569001.)