

# Ma at Mid-Term: Challenges for Cross-Strait Relations

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In his inaugural address in May 2008, Ma Ying-jeou laid out a vision for cross-Strait relations that was at once ambitious but also grounded in the reality of Taiwan's political divisions. He set out a complex formula on the question of Taiwan's status that he felt he could both defend domestically and still use to establish common ground to bring progress across the Strait as well as greater international space. And underlying the substance, he adopted an approach that was almost assured of achieving some success, if only because it was sharply different from that of his predecessor and eschewed all ambition to "declare independence." But there was—and is—no certainty regarding how far cross-Strait relations can go based on this approach alone.

After providing some assessment of recent developments, including ECFA, Taiwan politics, and the current issues in U.S.-PRC relations regarding Taiwan, this essay steps back for a moment to assess how Ma has done with respect to his inaugural vision and to suggest some factors that will affect how much more progress he can make over the remainder of this term.

## ECFA—Struggling across the Finish Line

### *The Negotiation*

As this article was heading to the editor, it was announced that an Economic Cooperation Framework Agreement (ECFA) text had been agreed and, while some details were still being ironed out, a formal signing was scheduled to take place during the June 28–29 5<sup>th</sup> SEF-ARATS meeting between Chen Yunlin and P.K. Chiang in Chongqing, thus beating the end-of-June "deadline" set by both sides.<sup>1</sup> But as we indicated in the previous essay in this series, negotiating that agreement was not easy from the outset, and it became increasingly difficult as time went on. Given the economic importance of the issue, and the role it has assumed in Taiwan politics, as well as the lessons the process may hold for future negotiations, we want to pause to review some of the drama that has attended this negotiation over the past several months.

The basic agreement came at the third meeting of experts, in Beijing, which was originally slated for late April<sup>2</sup> but did not take place until June 13, hard on the putative mid-June deadline for the fifth SEF-ARATS meeting where ECFA was to be signed. That experts' meeting was to discuss a range of issues,<sup>3</sup> but in fact the final delays were clearly related primarily to disagreements over the "early harvest" lists.<sup>4</sup> Although one report

said that financial market access was the main focus of the negotiations,<sup>5</sup> it seems pretty clear that there was tough bargaining over a number of key industrial products, as well.

The quick result in Beijing came as something of a surprise, given that officials had said that, in light of the gap between the two sides, the experts were not even expected to exchange “early harvest” lists.<sup>6</sup> Evidently important progress was made when Taiwan’s chief negotiator went to Beijing for a “preparatory meeting” ahead of the experts’ talks to seek expansion of the list Beijing was willing to accept.<sup>7</sup>

The PRC had adopted a relatively more upbeat tone throughout, and on the eve of the latest round, while Taiwan officials were speaking in somber terms, a Taiwan Affairs Office spokeswoman indicated that a “high proportion” of the “early harvest” proposals presented by Taiwan had been accepted.<sup>8</sup> Moreover, she said, whether measured in terms of the total sum of the value of products covered or as a proportion of market, “the Chinese Mainland receives far less benefit than the Taiwan side,” and this would be obvious once the terms of ECFA are made public.

TAO Director Wang Yi gave specifics to back this up even before the experts’ meeting began, reportedly telling a gathering of executives from Taiwan-owned companies in the Mainland that 500 products worth an estimated \$13.6 billion, or 15 percent of Taiwan’s exports to the PRC, would receive tariff waivers, and that these products would include petrochemicals, machine tools, textile goods, and auto parts and components.<sup>9</sup> Although the lists initially approved by the experts reportedly fell somewhat short of these marks, in fact, by the time the negotiations were finally completed, they exceeded Wang’s estimates.<sup>10</sup>

The TAO spokeswoman acknowledged that not everything could be done at once, and she pointed out that there will continue to be further negotiations under the framework of ECFA after this round that will deal with products and services not included in the “early harvest” lists. In the meantime, separate reports indicated that the Mainland has continued to take other steps to demonstrate “sincerity” and “goodwill” as well as a willingness to open its markets to Taiwan products to relieve the island’s economic distress.<sup>11</sup>

One of the indicators of mood was discussion of the possible need for a fourth round of experts’ talks. When negotiations seemed to be bogged down in May, it was widely assumed there would be a fourth meeting.<sup>12</sup> Later in the month, as the roller coaster negotiations went through different phases, the pressure of the calendar seemed to help speed progress, obviating yet another working-level session.<sup>13</sup> But as the third session approached in mid-June, once again the tough going on the “early harvest” lists raised the likelihood of other “preparatory” sessions<sup>14</sup> and at least one further experts’ meeting.<sup>15</sup> Even after the two sides announced ECFA as a “done deal,” there was considerable back and forth about whether another round of experts’ talks would be needed.<sup>16</sup> Eventually, as the end-of-June “deadline” approached, further concessions were made and meetings in Taipei on June 23–24 finished off the “early harvest” lists and arranged for the 5<sup>th</sup> SEF-ARATS meeting early the following week.

While the difficulty of the issues should not be dismissed, posturing was an obvious part of the scene. Thus, on the eve of the latest experts' round, TAO Director Wang Yi was not only giving details of the yet-to-be concluded agreement, but he was quoted as saying he was "rather sure" ECFA could be signed at the end of June,<sup>17</sup> while Taiwan's premier, Wu Den-yih, was cautioning that a June signing was "not certain."<sup>18</sup>

As the tug-of-war over mutual concessions went on, the head of Taiwan's Straits Exchange Foundation, Chiang Ping-kun, observed wryly that while it had been agreed that easy matters would be handled first, ECFA was "the tougher element of the easier part."<sup>19</sup> And he predicted things would only get tougher as the year went by.<sup>20</sup> Despite the apparent successful conclusion of the latest talks, it would probably be useful to keep this particular comment in mind.

### *The Politics of ECFA*

While support for ECFA in Taiwan has remained reasonably steady, especially in the wake of the April 25 debate between Ma Ying-jeou and Tsai Ing-wen,<sup>21</sup> polls have also revealed broad support for holding a referendum on the matter and a pretty evenly split electorate with regard to how they would vote.<sup>22</sup> Perhaps concerned that voters would want to see the signing delayed to give the referendum process time to play out, the government offered assurances that reaching agreement would not preempt efforts to hold a referendum. Premier Wu Den-yih said that collection of signatures could go on even if that process implicitly clashed with a decision already taken by the legislature to approve the accord.<sup>23</sup> And the minister of economic affairs said that if a referendum were held and ECFA "defeated," that would mean the agreement was invalid in Taiwan. "We would then notify the Mainland, in accordance with a 'termination clause,' to have the agreement terminated within a certain period of time."<sup>24</sup>

Such concerns became temporarily moot when, by a vote of 12–4, the Executive Yuan Referendum Review Committee rejected the TSU proposed referendum on the grounds that the proposed question ("Do you agree that the government should sign an ECFA with [Mainland] China") was at odds with the justification in the supporting documentation (which said the purpose of the referendum was to determine whether the government *had the authority* to sign ECFA). Unsurprisingly, the TSU and DPP charged political manipulation of the decision, and they called for a "10-year resistance campaign."<sup>25</sup> Both the TSU<sup>26</sup> and the DPP<sup>27</sup> announced that, as part of such a campaign, they would launch new referendum efforts, and they insisted that the government should not sign ECFA until it had won approval from the people through a referendum.<sup>28</sup>

Meanwhile, the DPP maintained its drumbeat against ECFA by not attending or (as in the latest case) walking out of administration briefings to the LY on ECFA,<sup>29</sup> attacking Ma for naiveté with respect to PRC "concessions" in ECFA,<sup>30</sup> and planning a 100,000-person anti-ECFA rally under the dual themes: "the people should decide about a referendum, oppose the one China market" [人民公投作主、反對一中市場].<sup>31</sup>

Beyond the noisy demonstrations and referendum petitions, the next political conflict over ECFA was already taking shape within days of the announcement that the deal was ready to sign. The DPP made known it intended to review the agreement article by article and clause by clause, and that it would look to approving or disapproving the document item by item. The KMT caucus argued that ECFA should be handled as if it were a treaty, with the LY thus only having the power to approve or disapprove the document as a whole, not to pick it apart, adding or subtracting provisions.<sup>32</sup>

In response, the DPP LY caucus whip said that, if ECFA were not reviewed clause by clause on the LY floor, he would not rule out “radical protests,” pledging that “we will take whatever radical means necessary to safeguard the rights of the people.”<sup>33</sup> LY Speaker Wang Jin-pyng declined to take a firm position, saying that the review procedure should be determined through consultations between the parties,<sup>34</sup>

The main line of DPP attack in the LY seemed to come clear as Tsai Ing-wen criticized the government for focusing too much on what Taiwan products were on the list—especially petroleum and machine tool products—while not paying sufficient attention to what Mainland items will now receive tariff-free treatment, hurting Taiwan producers. Accusing the Ma government of deliberately hiding the facts, she said she would give the list a failing grade no matter how many Taiwan products were on it.<sup>35</sup>

However this was going to play out substantively, procedurally it appeared that the legislature would need to hold two extraordinary sessions to deal with the matter. The first session would be to review the agreement when it was submitted for review, and the second would follow a subsequent month of inter-party negotiations, which are customary in the case of disagreement between the ruling and opposition parties. The second session would thus likely be held sometime in August.<sup>36</sup>

### *The Impact on Subsequent FTAs*

As the drama on ECFA itself was playing out, a mini-tempest arose on an important related question: how Beijing would approach Taiwan’s efforts to negotiate free-trade agreements (FTAs) with other countries once ECFA was signed. A remark made by the PRC foreign ministry spokesman was widely interpreted as indicating opposition to Taiwan’s signing such FTAs. Everyone from Ma Ying-jeou on down reacted sharply that Taipei had a perfect right, as a World Trade Organization signatory, to conclude such agreements.<sup>37</sup> That said, Ma had earlier acknowledged that realism dictated that they be signed under Taiwan’s name in the WTO, that is, “Separate customs territory of Taiwan, Penghu, Kinmen and Matsu,”<sup>38</sup> and he continued to say that in any case, signing ECFA was no guarantee others would want to conclude free trade agreements with Taiwan.<sup>39</sup>

Given the importance of the issue and the heat the statement generated, it is worth noting what the spokesman actually did say. According to the transcript published on the foreign ministry’s website, in response to a question about the Mainland’s attitude toward Taiwan moving ahead with FTAs with other countries following the signing of ECFA, the spokesman responded:

We do not object to non-governmental economic and trade exchanges between Taiwan and countries having diplomatic relations with China, but we firmly oppose any forms of official contact with Taiwan.<sup>40</sup>

Taiwan's official Central News Agency reported that the wording of the original response at the press briefing actually was that the Mainland opposed "agreements of an official nature." Perhaps because Beijing sensed this phrasing implied a position beyond what was intended, the wording was changed, CNA said, when the transcript was published.<sup>41</sup> The implication of the change is presumably that while any arrangement suggesting "one China, one Taiwan" or "two Chinas" would be unacceptable, the Mainland was not saying it opposed Taiwan signing FTAs (or FTA-like agreements) on terms that did not give rise to that issue.

Lending credibility to this assessment, an anonymous source in Beijing attached to a "department that deals with Taiwan" (對台部門) suggested that agitated commentary in Taiwan that took the spokesman's comment as indicating blanket opposition to FTAs was an "over-interpretation."<sup>42</sup> The foreign ministry spokeswoman was quoted in the Taiwan press as having made similar points in her June 3 regular press briefing: "With regard to Taiwan's relations with other countries, my colleague has already expressed our principles on the matter. There is no need to read too much into his remarks."<sup>43</sup> Interestingly, however, her remarks do not appear in the briefing transcript posted on either the foreign ministry's Chinese- or English-language website.

Meanwhile, however, a number of commentators began to question the net impact of FTAs on Taiwan. Just as with ECFA, they pointed out, FTAs were a two-edged sword. They could help increase Taiwan's exports, but they also would require Taiwan to open its markets, which could harm some domestic industries.<sup>44</sup>

## Taiwan Politics—Aiming toward November

Beyond the domestic turmoil over ECFA, which obviously could have a major impact on the large municipality elections in late November, the most important political developments in recent weeks were the decisions on the KMT and DPP candidates in those elections.

The formal choices of both parties for Kaohsiung, Tainan, and Taichung, though not without controversy for either camp, were decided rather smoothly. But in the case of the DPP, signs of dissatisfaction on the part of the losing contenders for the nomination in Kaohsiung and Tainan bubbled up over subsequent weeks, with some suggestion that the losers might either run as independents and split the pan-Green vote or at least not campaign for the party's nominee, thus reducing the likely voter turnout.<sup>45</sup>

The KMT candidates in Taipei City and New Taipei (or Xinbei, formerly Taipei County) were also easily chosen: the incumbent mayor in Taipei City, Hau Lung-bin, and the popular vice premier, former Taoyuan County magistrate Eric Chu Li-luan.

As for the DPP, as we discussed in the last essay in this series,<sup>46</sup> former premier Su Tseng-chang staked out Taipei City for himself and, although this left some DPP stalwarts grumbling (especially party chair Tsai Ing-wen), once Su announced his decision there really was no issue about who would run.

That left only the question of whom the DPP would put forward in Xinbei. As we pointed out, Tsai Ing-wen had indicated she had no interest in being the nominee. But she remained under pressure from within the party as the only viable candidate against Chu. In the end, after winning reelection as party chair with an overwhelming 90 percent of the votes cast,<sup>47</sup> Tsai almost immediately announced that, buoyed by the strong support she had received, she would run in Xinbei.<sup>48</sup> As indicated in *CLM* 32, once Su Tseng-chang had announced his decision not to run in Xinbei, Tsai's polling numbers jumped significantly against Eric Chu,<sup>49</sup> and subsequent polls continued to show that it would likely be a closely contested election.<sup>50</sup>

Given Tsai's new standing in Xinbei, as well as Su Tseng-chang's competitive position in Taipei City,<sup>51</sup> the DPP began to speak in terms of sweeping four if not all five municipality elections.<sup>52</sup> At the same time, the KMT also was planning how to maximize its situation. In light of both the close polls in Taipei City and Xinbei as well as the reported splits within the DPP in Kaohsiung and Tainan, the KMT was giving hard thought to how it could preserve its lead in the north while making encroachments in the south.<sup>53</sup> Still, at this point in time (almost six months before the balloting), it seems a bit premature for anyone in either party to feel terribly confident about winning three, much less four or five, of the contests.

In the meantime, both parties claimed victory in June 12 village chief and township representative elections. The DPP pointed to the fact that 600 DPP and "DPP-backed" candidates won village chief and township representative elections, almost double the number who won in previous elections at this level.<sup>54</sup> On the other hand, the KMT and "KMT-backed" candidates won over 3,000 races.<sup>55</sup> What is important to note here is that those actually running under either party banner were a much smaller proportion of the totals than these numbers would suggest, with independents winning the vast bulk of the seats.<sup>56</sup>

## U.S.-PRC Relations Still Feeling the Effects of Taiwan Arms Sales

Although Hu Jintao came to the Washington Nuclear Security Summit in April, and in most other ways bilateral Sino-American relations seemed to be more or less back on track, there were still reverberations stemming from the arms sales decision in January.

Among the most obvious was the hostile rhetoric by PLA representatives at the U.S.-PRC Strategic and Economic Dialogue in Beijing in May, as well as the ultimate decision to refuse to receive Secretary of Defense Robert Gates in China during his recent visit to Asia.<sup>57</sup> American officials have given particular attention to the intemperate presentation by Rear Admiral Guan Youfei, deputy director of the foreign affairs office of the ministry of national defense, to a gathering of U.S. officials on the margins of the Strategic and

Economic Dialogue, as well as to the remarks of PLA Deputy Chief of Staff General Ma Xiaotian in a meeting with senior U.S. defense officials attending the dialogue.

According to an account clearly based on background briefings from U.S. officials, Rear Admiral Guan said that everything that is going right in U.S. relations is due to China, while everything going wrong is the fault of the United States. He accused the United States of acting like a “hegemon” and of plotting to encircle China with strategic alliances. Moreover, he said, U.S. arms sales to Taiwan prove that the United States views China as an enemy.<sup>58</sup>

In a similar vein, General Ma charged that, due to U.S. arms sales to Taiwan, frequent reconnaissance by U.S. naval ships and aircraft in waters and airspace of China’s exclusive economic zones, and the continued existence of American laws that limit contact with the PLA and sales of dual-use technology, the United States “should be [held] fully responsible for the prevention of the growth of China-U.S. military relations.”<sup>59</sup>

In his opening address to the Strategic and Economic Dialogue, PRC President Hu Jintao put forward five proposals for developing long-term, sound, and steady U.S.-PRC relations.<sup>60</sup> While calling for “close interactions” from the top level on down, and touting the need for fashioning win-win cooperation in bilateral relations and strengthening cooperation on regional hot-spot and global issues, Hu also drew on what has become crucially important language from the November 2009 joint statement issued during President Obama’s visit to China, saying, “we should respect each other’s core interests and major concerns.” He amplified:

Sovereignty and independence and territorial integrity are a country’s most basic rights recognized by the norms governing international relations. To the Chinese people, nothing is more important than safeguarding national sovereignty and territorial integrity. I trust it is not difficult for the American people, who went through the American Civil War in their history, to understand how important and valuable unity is to a nation.

One of the consequences of what was seen as the hectoring tone from PLA officials in Beijing, and the cancellation of the defense secretary’s visit to China, was Gates’ statement to the press traveling with him to Asia that the PLA is “reluctant to engage with us on a broad level” and that it is “significantly less interested in this relationship than the political leadership in China.”<sup>61</sup> In a speech in Singapore to the International Institute for Strategic Studies (IISS) two days later, Gates adopted somewhat more restrained language, but the importance he attaches to sustained, reliable military-to-military exchanges and his frustration that they are not happening was nonetheless quite obvious in his comment that “only in the military-to-military arena has progress on critical mutual security issues been held hostage over something [Taiwan arms sales] that is, quite frankly, old news.”<sup>62</sup>

The chairman of the Joint Chiefs of Staff, Admiral Robert Mullen, hit on similar themes in a speech several days later in Washington.<sup>63</sup> Mullen said he had grown “genuinely concerned” about China’s motives for building up its armed forces, including its “heavy investments” in sea and air capabilities and its rejection of military contacts with the United States, stating:

The question is, should China and the U.S. work together, lead together, to promote regional stability? Washington’s answer is and has been an unequivocal yes. Beijing’s answer has been sometimes yes and sometimes no.

Broadening the scope of his concern, Mullen expressed “dismay” that, despite recent statements by Chinese leaders about the seriousness of the sinking of a South Korean naval vessel in March, Beijing still had only given a “fairly tepid response” to calls by the international community for support in dealing with North Korea (which most countries other than China and Russia have agreed was responsible). In light of these shortcomings, Mullen called for resumption of military-to-military talks “to reduce tension, increase trust and foster the sort of genuine and sustainable stability that the people who live and work in Asia so very much deserve.”

General Ma Xiaotian responded to Secretary Gates’ remarks in Singapore by observing “it is not the Chinese side that has set obstacles to military-to-military ties,” pointing to Taiwan arms sales as not being “something normal.”<sup>64</sup> In any case, Ma said, Gates overstated the case: “functional exchanges” with defense officials were continuing even though high-level visits have been “temporarily suspended.”

In his speech at the same IISS conference where Gates spoke, like Gates Ma used somewhat more nuanced language than when speaking directly to the press. Even so, he charged that “a cold-war mentality still exists, as is often shown by efforts to strengthen military alliances via new technologies, the threat to use force in international relations, and interference in other countries’ internal affairs,” and, drawing on the new mantra, he called on countries to foster common security relationships that accommodate each other’s concerns and show full respect for each other’s core interests.<sup>65</sup>

As to the notion that the PLA is more intransigent than the PRC political leadership, a senior Chinese official retorted that Admiral Guan “was representing what all of us think about the United States in our hearts. It may not have been politically correct, but it wasn’t an accident.” Moreover, said a PLA general, “it’s silly to talk about factions when it comes to relations with the United States. The army follows the party. Do you really think that Guan did this unilaterally?”<sup>66</sup>

Meanwhile, Senator Dianne Feinstein, chair of the Senate Intelligence Committee, led a three-person delegation on an “unofficial” visit to Taiwan in early June after visiting the Mainland. This was the first visit to the island by U.S. senators in three years. Feinstein is widely known as a skeptic about the utility of arms sales to Taiwan, and, forewarned about this, Ma Ying-jeou took the occasion to put the issue in context,



emphasizing that advanced weapons were needed to have the confidence to negotiate peace with the Mainland.<sup>67</sup>

Ma's reasoning evidently (but unsurprisingly) proved unpersuasive, and at a hearing at which Defense Secretary Gates testified after her return, Feinstein called the sales a "substantial irritant" in U.S.-PRC relations and she pressed Gates on what steps Beijing could take that would allow Washington to reconsider future arms sales to Taiwan.<sup>68</sup>

In what was seen by many as a "veiled rebuttal" to Feinstein's argument that arms sales constituted a problem for Sino-American relations, Ma told a visiting Virginia commerce and trade delegation that those arms, designed to boost Taiwan's national defense, are a help to cross-Strait peace. "We will make Washington feel that friendship with Taiwan is not a burden, he said.<sup>69</sup>

The PRC foreign ministry spokesman, in turn, when asked about Feinstein's comments observed that Beijing had "taken note of" her comments, and he then seized the occasion to reiterate the PRC's "clear and consistent" opposition to such sales as seriously harming China's "core interests." He said China "demanded" and "seriously urged" the United States to respect its promises, stop the arms sales, and take practical actions to create conditions to improve and develop U.S.-PRC relations.<sup>70</sup> It seemed likely that a further statement of protest would be issued in response to reports a few days later that Taiwan was sending two early-warning aircraft to the United States for upgrading to a level equivalent to the quality of similar aircraft being used by the U.S. Navy.<sup>71</sup>

## Ma at Midterm<sup>72</sup>

Although our primary focus in this section is on cross-Strait relations, closely related to that is the performance of Taiwan's economy. Readers will recall that the economy was by far the most important issue in the 2008 presidential election. And with Taiwan having taken a huge hit from the global economic and financial crisis (as well as for other reasons), Ma's political standing has been seriously hurt. While other issues will also matter, Ma's ability to continue to expand the scope of cross-Strait relations will depend in important part not only on the recovery of the economy—now well under way—but also on perceptions in Taiwan that cross-Strait economic relations are a major contributing factor.<sup>73</sup> Clearly, perceptions of ECFA implementation will be among the most important indicators of the Mainland's role in the eyes of Taiwan voters.

His 2008 inaugural address is an appropriate reference point for looking back on Ma's first two years and assessing whether he has been successful in achieving what he set out to achieve in cross-Strait relations.<sup>74</sup> That speech was a very carefully crafted statement of where Ma sought to go and how he intended to get there. Our bottom-line judgment is that, although he has had to tack according to particular situations—especially in domestic politics—Ma has been remarkably consistent in his approach to the Mainland. Final judgments about the effect of what he has achieved still need time to

mature, but at this point one has to say he has gone a significant way down the initial path he laid out.

Ma did not, of course, start from a baseline of zero in cross-Strait relations, as he readily acknowledged in his inaugural. There was substantial trade and investment under way, and at least one-way travel from Taiwan to the Mainland was already significant. Yet not only was nothing institutionalized, but by the end of the Chen Shui-bian administration in spring 2008, the atmosphere in cross-Strait relations was more than just cool; it was characterized by tension edging toward dangerous confrontation.

Ironically, this gave Ma two immediate advantages. First, he was not Chen Shui-bian, and so there was virtually nowhere to go in the relationship with the Mainland but up—and he was more than prepared to go there. Second, and somewhat paradoxically, in trying to cope with Chen without being drawn into an unproductive and unnecessary conflict, the Mainland had sharply limited its definition of what activity in the realm of “Taiwan independence” would provoke its use of force.

On the latter score, Beijing had moved away from the infamous “three ifs” of the February 2000 Taiwan White Paper—with the threat to use force merely if Taiwan took too long to negotiate peaceful reunification<sup>75</sup>—to the three conditions laid out in the March 2005 “Anti-Secession Law,” all of which related to either moving to independence or blocking all possibilities for peaceful unification.<sup>76</sup> None of the three conditions was precise, and all would be subject to interpretation depending on the circumstances in which Beijing might think of invoking them. But they were a far cry from threatening the use of force simply because unification was taking too long. This last point was fundamental to Hu Jintao’s “six-point proposal” speech of December 31, 2008, which rested on the realization that it would take a long time to move to unification, and that in the meantime, the two sides needed to weave a fabric of relationships that could serve as the basis for ultimate “reunification” on terms acceptable to both.<sup>77</sup>

Ma, of course, came to office a firmly committed foe of declaring “independence,” though he staunchly defended the independence and sovereignty of the “Republic of China.” He no longer advocates the traditional KMT position on unification—as laid out in the 1991 National Unification Guidelines<sup>78</sup>—but through his embrace of the “framework of the ROC Constitution” he has adopted a “constitutional one China” position, which has permitted the transformation of cross-Strait relations that has occurred over the past two years.

One of Ma’s achievements in his inaugural was to perform an act of political legerdemain, on the one hand articulating a version of a “one China” policy for domestic audiences that is, in fact, unacceptable to the PRC, while using a different set of words on “one China” to bridge the gap across the Strait. He did this in two ways. First, he called for maintaining the “status quo” in the Taiwan Strait “as Taiwan’s mainstream public opinion holds it.” That meant he was rejecting the DPP version, which said that Taiwan and the Mainland had “nothing to do” with each other, but was also rejecting any notion that the PRC had sovereignty over Taiwan. Rather, the status quo was that, even though

constitutionally there was “one China” (i.e., the Republic of China, which covered both Taiwan and the Mainland), Taiwan existed and functioned separately from the PRC. Recognizing that Beijing held a significantly different view, for his domestic audience Ma put this concept forward under the banner of “one China, respective interpretations.”

The Mainland, however, did not accept this formulation—indeed wanted no definitions. And so, when speaking in the context of cross-Strait relations in his inaugural, Ma referred to the “1992 Consensus.” Even though this formulation was vague, the fact that its central tenet is that there is “one China” was good enough for Beijing. And it was on this basis that SEF-ARATS negotiations resumed in mid-2008 after a 10-year hiatus, leading by late 2009 to the 12 agreements and various other understandings with which readers are familiar.

We know that negotiations have fallen short in some areas and that implementation of the agreements reached has had its problems. But this is not surprising. After all, just because the two sides agreed that they would address “easy” questions first, and economic questions first, that doesn’t mean that there are not vested economic interests involved on both sides that are not simply susceptible to government fiat.

Even—or perhaps especially—with regard to ECFA, we have seen from the very beginning that, despite the PRC’s strong motivation to help Taiwan’s economy and to win hearts and minds on the island, and despite Taipei’s desire to strike an early agreement in order to avoid falling behind competitors in the Mainland market and to—hopefully—open the door to Taiwan’s greater involvement with other regional economies, real domestic interests are at stake on both sides, and the going has been tough. Recall that putting the agreement on the agenda of the fourth SEF-ARATS meeting was not easy,<sup>79</sup> getting experts together was very difficult, keeping them together proved hard,<sup>80</sup> and, as we discussed earlier in this essay, bringing them together again to reach closure was highly problematic. But, also as indicated elsewhere, it seems clear that both sides saw overwhelming advantage to bringing ECFA to realization by mid-year and so they have now made sure that this will happen.

Ma’s inaugural focus on gaining more “international space” for Taiwan has achieved only modest success so far. Recall what he said in 2008:

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

Under this approach, Ma called for both sides to pursue “reconciliation and truce” in both cross-Strait and international arenas. While both sides have heeded his call for a “diplomatic truce,” that is, refraining from trying to steal each other’s diplomatic partners, not much “reconciliation” has taken place in the broader international arena.

The one major achievement in that area has been the invitation to Taiwan for two years in a row to be an “observer” at the annual World Health Assembly meeting.

Although invitations will be issued one year at a time, unless there is a major setback in cross-Strait relations due to “independence” activity by some future administration, there is no reason to anticipate that Taiwan will not be asked back on a regular basis. And this has contributed to its ability to participate more actively not only in a range of WHA activities, but also in some more activities of the World Health Organization itself.<sup>81</sup>

But the Ma administration’s hope of expanding its participation to other international organizations has not met with great success. Last fall, Taipei for the second time forewent its traditional fruitless effort to gain UN membership, announcing instead that it was focusing on “meaningful participation” in UN specialized agencies. It identified the International Civil Aviation Organization (ICAO) and the UN Framework Convention on Climate Change (UNFCCC) as priority targets.<sup>82</sup> In fact, however, Beijing has shown no inclination to support such participation, and without that, Taipei has no prospect of success. Indications are that the Ma administration will make another push this coming fall, but so far the PRC has not given any indication that its reluctance to cooperate has softened.

Finally, there is the issue of a peace accord. In his inaugural, Ma referred to entering into consultations with Beijing not only about international space but also “a possible peace accord.” This is something he had talked about a lot as a candidate, and something to which he obviously attached considerable importance. That said, no one ever thought it was going to be easy, and, as we have discussed before, after about a year in office, Ma faced up to the political reality within Taiwan that it would be too difficult to pursue a peace accord—or any other “political” dialogue—during this term of office.<sup>83</sup> It took some time after that for Beijing also to grasp the fact that pressing for political dialogue was actually counterproductive in Taiwan, but as of late 2009 both sides seemed satisfied to allow unauthorized Track II conversations to go on about such issues, while reserving any official blessing, much less more direct dialogue, for a later time.

Even so, it is worth noting that a major sticking point for a peace accord, and possibly even for confidence-building measures, is how to handle the issue of “one China.” In his inaugural address, Ma observed: “In resolving cross-strait issues, what matters is not sovereignty but core values and way of life.” This conveyed several messages at the same time.

To people in Taiwan it said that Ma was not sacrificing ROC sovereignty in cross-Strait dealings, but neither was he going to push the sovereignty issue as Chen Shui-bian had in seeking a greater role in the international community. To Beijing it said that Ma would not challenge the PRC on sovereignty issues in the international community—in effect they would be taken off the table—but also that this was not an issue Beijing should seek to push.

As we’ve said, the issue will not come up during the coming two years. But already some serious “unauthorized” Track II discussions have begun to address the question.<sup>84</sup> How far they can go in light of Taiwan’s political realities is an open question. It is hard to see how Ma could move beyond the “1992 Consensus” to accept a definition that more

unequivocally implies a commitment to ultimate unification. But clearly that is what many in Beijing have in mind.

This means that, assuming both sides really see the establishment of a long-term framework for peaceful development of cross-Strait relations to be in their interest, as I believe they do, some hard thinking lies ahead. Fortunately, there is ample time for that.

Meanwhile, there is every reason to believe that Ma will continue to be guided by the principles he laid out in his inaugural address, principles that he has long held. He summed those up again in his remarks observing the second anniversary of his inauguration. In speaking of how he intended to protect the country by promoting peace he said:

Peaceful means should be used to establish order in the Taiwan Strait. The objective of cross-strait relations is reconciliation between the two sides of the Taiwan Strait to create a foundation upon which Taiwan can expand room for itself in the international arena and operate in a peaceful environment. This in turn will enable Taiwan to focus its attention on carrying out domestic reforms. [Therefore, he reiterates, his government] will adhere to the principle of “no unification, no independence, and no use of force” under the framework of the Constitution of the ROC. In addition, the 1992 Consensus with mainland China will serve as the foundation for cross-strait relations. We will first promote reconciliation, followed by cooperation, and lastly the establishment of peace.<sup>85</sup>

He went on to observe that these goals cannot, and need not, be achieved overnight. But finding means to address the various cross-Strait issues step by step would be beneficial to both sides.

So Ma’s intention is clear. But how far politics in Taiwan—and in the Mainland—will allow the two sides to go in this direction, consolidating and expanding upon what has already been achieved, remains to be seen.

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## Notes

<sup>1</sup> Liu Cheng-ching and Sofia Wu, “Fifth Chiang-Chen meeting to open June 28 in Chongqing,” Central News Agency (hereafter CNA), June 24, 2010.

<sup>2</sup> “3rd Round of Taiwan-China ECFA talks to take place in China in late April,” *Taiwan News*, April 11, 2010. In an apparent effort to show continuing momentum, Beijing went to some lengths to deny that a meeting had been scheduled, so “how can we say it has been postponed?” (“Transcript of PRC State Council Taiwan Affairs Office News Conference,” May 12, 2010, translated by Open Source Center [OSC], CPP20100512046001. Original transcript at [http://www.gwytb.gov.cn/xwfbh/xwfbh0.asp?xwfbh\\_m\\_id=132](http://www.gwytb.gov.cn/xwfbh/xwfbh0.asp?xwfbh_m_id=132))

<sup>3</sup> According to the Mainland Affairs Council in Taipei, the meeting was to address not only the precise wording of the preface and text of the agreement, but also other issues regarding trade in goods and services, temporary certificates of origin, investments, trade remedies, dispute settlement, and economic

cooperation. (“Date set for third round of ECFA negotiations,” *China Times* [translated in *Taiwan Today*], June 11, 2010, <http://www.taiwantoday.tw/ct.asp?xItem=106739&ctNode=445>.)

<sup>4</sup> Taiwan officials indicated in mid-May that the PRC was “not amenable” to including some machinery sectors or some areas in the petrochemical industry, arguing that such items were protected only for less-developed countries. (“Early harvest lists put ECFA talks on ice,” *Commercial Times* [translated by *Taiwan Today*], May 11, 2010, <http://www.taiwantoday.tw/ct.asp?xItem=102480&ctNode=445>.) In fact, it was reported that 90 percent of Taiwan’s petrochemical products would be left off the “early harvest” list. (Ch’en Yu-chen, “90 percent of petroleum products will not be on the ECFA early harvest list,”

(“9成石化產品 未列ECFA早收清單”), *China Times*, May 26, 2010,

<http://gb.chinatimes.com/gate/gb/news.chinatimes.com/mainland/0,5245,50503758x112010052600208,00.html>.)

Some of those items were on what was identified as the PRC’s list of 34 highly sensitive industries, which it did not fully open even during talks with ASEAN. (Wang P’eng-chieh [composite dispatch], “ECFA/[LY Member] Chung Shao-ho: Very difficult to include a number of sensitive items on the ECFA early harvest list,” [“經濟協議/鍾紹和: ECFA早收多項敏感項目困難度高 ”], *Central Daily News*, May 20, 2010, [http://www.cdnews.com.tw/cdnews\\_site/docDetail.jsp?coluid=107&docid=101168963](http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=101168963), translated in summary by OSC, CPP20100521569001.)

This also was consistent with a statement by the TAO spokesman in late May that while the Mainland was working to prevent ECFA from negatively affecting vulnerable Taiwan industries, and indeed was giving such industries and businesses preferential treatment to help them sell products and services on the Mainland, “on the other hand, some industries in Taiwan are very competitive. We should also consider this in the talks.” (“我想这方面的因素在商谈中也应加以综合考量”). (“Chinese mainland, Taiwan busy preparing for economic pact,” *Xinhua*, May 26, 2010, [http://news.xinhuanet.com/english2010/china/2010-05/26/c\\_13316637.htm](http://news.xinhuanet.com/english2010/china/2010-05/26/c_13316637.htm). Original Chinese-language transcript of the TAO May 26 press briefing is at [http://www.gwytb.gov.cn/xwfbh/xwfbh0.asp?xwfbh\\_m\\_id=133](http://www.gwytb.gov.cn/xwfbh/xwfbh0.asp?xwfbh_m_id=133).)

On the eve of the third round of experts’ talks, Premier Wu Den-yih acknowledged the importance of domestic pressures on the Mainland: “We want China to offer tariff concessions for our weak industries to compete with other ASEAN countries in the Chinese market, but China also has to take care of the interest of its industries. This is exactly where the negotiations are stuck.” (M.C. Lee and Flor Wang, “June signing of ECFA uncertain: premier,” *CNA*, June 12, 2010.)

Nonetheless, TAO Director Wang Yi reportedly said that many of these items would be on the “early harvest” list, though there was no indication what proportion of them would be included. (*China Times*, June 13, 2010, cited in Sofia Wu, “Talk of the day: Will ECFA be signed by end of June?” *CNA*, June 13, 2010.)

<sup>5</sup> After the talks, *Commercial Times* reported that an agreement was reached allowing Taiwan banks to handle PRC yuan-denominated deposits and loans two years after they set up branches in the Mainland and have posted profits in at least one of those years. Taiwan had hoped banks would be allowed to conduct yuan-denominated business immediately after opening branches in the Mainland. While Beijing rejected this proposal, it did agree to reduce the requirement for engaging in such activity from three years’ prior operation to two. (Sofia Wu, “Talk of the Day: Will ECFA be signed by end of June?” *CNA*, June 13, 2010.)

<sup>6</sup> Lin Shu-yuan and Lilian Wu, “No exchange of ‘early harvest’ lists in upcoming ECFA talks,” *CNA*, June 10, 2010.

<sup>7</sup> Lin Shu-yuan and Sofia Wu, “Negotiators meet in Beijing on ECFA ‘early harvest’ list,” *CNA*, June 10, 2010.

<sup>8</sup> “对台湾方面提出的早收项目，大陆方面采纳的比例将相当高。” (“TAO press conference” [国台办新闻发布会] [transcript], June 12, 2010, [http://www.gwytb.gov.cn/xwfbh/xwfbh0.asp?xwfbh\\_m\\_id=134](http://www.gwytb.gov.cn/xwfbh/xwfbh0.asp?xwfbh_m_id=134).)

<sup>9</sup> *China Times*, June 13, 2010, cited in Sofia Wu, “Talk of the day: Will ECFA be signed by end of June?” *CNA*, June 13, 2010.

<sup>10</sup> The originally approved list only included some 500 Taiwan products worth \$12 billion and 200 PRC products. (Philip Liu, “ECFA Early-harvest list excludes auto and machine tool,” *Taiwan Economic News*, [http://cens.com/cens/html/en/news/news\\_inner\\_32607.html](http://cens.com/cens/html/en/news/news_inner_32607.html).) By the time supplemental negotiations were completed over the following week, Taiwan’s list had expanded to 539 items valued at \$13.84 billion, or about 16.1 percent of Taiwan’s exports to the Mainland, and the Mainland’s list had expanded to 268 items worth \$2.92 billion, or about 10.8 percent of the Mainland’s exports to Taiwan. (“Draft ECFA early harvest

lists: A summary,” compiled by KMT News Network from data made available by Taiwan’s Industrial Development Bureau, Ministry of Economic Affairs, June 14, 2010, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=8247>.)

The tariff reductions will be implemented in three stages within two years, with 108 of the items on Taiwan’s list enjoying zero tariffs as soon as ECFA takes effect. (Tsai Su-jung and Bear Lee, “Zero tariffs in 2 years for Taiwanese goods on ‘early harvest’ list,” CNA, June 24, 2010.) The actual date of implementation will depend on many things, including the legislative process within Taiwan. In the agreement itself, no date for implementation is specified—briefers have spoken in terms of completing the process “as soon as possible” (Lin Shu-yuan and Bear Lee, “No schedule for trade liberalization in ECFA: negotiator,” CNA, June 14, 2010)—but it was reported that the goal is to have the agreement in effect at the beginning of 2011. (“New model for cross-Straits negotiations,” *Economic Daily News*, as reported by Sofia Wu, CNA, June 14, 2010.)

Among the Taiwan products covered are 18 agricultural items, 88 petrochemical items, 107 machinery items, 136 textile items, 50 transport equipment items, and 140 items in various other categories. Among the PRC items covered are 42 petrochemical items, 69 machinery products, 22 textile items, 17 transport equipment items, and 117 items in other categories. (Tsai Su-jung and Bear Lee, “Zero tariffs in 2 years for Taiwanese goods on ‘early harvest’ list,” CNA, June 24, 2010.)

Premier Wu Den-yih defended the approval of the PRC list by noting that most items on it fell into categories of raw materials Taiwan needs, downstream industrial products that Taiwan does not mass-produce, or product areas where Taiwan enjoys a competitive advantage, such as petrochemicals, machinery, and transportation gears. Wu said that, in addition to allowing no further Mainland agricultural goods into Taiwan, there will be no lowering of tariffs for PRC agricultural and low-end industrial goods already allowed in, including garments, towels, shoes, and bedding. (He Meng-kui and Bear Lee, “‘Early harvest’ list includes 539 Taiwan goods: premier,” CNA, June 24, 2010.)

Following loud grouching in Taiwan about the absence of certain key products from the list, after the initial announcement it was later reported that some Taiwan petrochemical products and machine tools were “sure to be added.” (Lin Shu-yuan and Maubo Chang, “Petrochemicals, machine tools to be put on ‘early harvest’ list,” CNA, June 17, 2010.) And, in fact, one major petrochemical export—polypropylene—appears to have been among the products added at the last minute. (S.Y. Lin and Flor Wang, “Taiwan, China to exchange ‘early harvest’ lists,” CNA, June 22, 2010.)

That said, only 60 to 70 percent of Taiwan’s petrochemical products appeared to be covered (“Vice President sees early harvest list expanding,” *China Times* [translated in *Taiwan Today*], June 22, 2010, <http://www.taiwantoday.tw/ct.asp?xItem=107687&ctNode=445>), and it appeared doubtful that some other important export products such as polyethylene and polyvinyl chloride would be included. (Philip Liu, “Over 10 kinds of machine tools to enter ECFA early-harvest list,” *Taiwan Economic News*, June 18, 2010, [http://cens.com/cens/html/en/news/news\\_inner\\_32645.html](http://cens.com/cens/html/en/news/news_inner_32645.html).) Moreover, although auto parts were included, assembled automobiles were not, due among other things to testing and local content certification issues. (Philip Liu, “ECFA early-harvest list excludes auto and machine tool,” *Taiwan Economic News*, June 14, 2010, [http://cens.com/cens/html/en/news/news\\_inner\\_32607.html](http://cens.com/cens/html/en/news/news_inner_32607.html); Lee Ming-chung and Sofia Wu, “ECFA to be signed late June or in early July: premier,” CNA, June 14, 2010.)

As noted, the Mainland did agree to include on the early harvest list 18 out of the 27 agricultural products proposed by the Council of Agriculture. (“Vice President sees early harvest list expanding,” *China Times* [translated in *Taiwan Today*], June 22, 2010, <http://www.taiwantoday.tw/ct.asp?xItem=107687&ctNode=445>.) Of those 18 items, 13 are farm produce and five are fishery products. No livestock was included at the first stage because Taiwan has not yet been removed from the list of areas stricken by foot-and-mouth disease. Those included items, which currently are subject to average duties of 13.3 percent on the Mainland, will benefit from declining tariffs over the next few years until the tariffs are cut to zero. (Yang Shu-min and Sofia Wu, “18 agricultural items to be on ‘early harvest’ list: COA,” CNA, June 23, 2010.)

In addition, Taiwan’s 10 service sector industries were expected to operate in the Mainland after ECFA was signed. These included the conference sector, computer services, medical services (including hospitals in areas with high concentrations of Taiwan businesses), architecture and fashion design services, and civil aviation equipment maintenance and repair. Taiwan films will still be limited to 10 per year. (Lin Su-yuan and Y.L. Kao, “ECFA to include Taiwanese service industries: official,” CNA, June 18, 2010.)

The possibility of revisiting the list in six months was offered as a way of easing the disappointment for those whose products did not make the cut this time. (“Taiwan opposition parties move ahead with protest after ECFA talks,” *Taiwan News*, June 14, 2010.) In this regard, President Ma personally pleaded with local industries not to give vent to their displeasure, noting some products might still be added in this round and, in any case, “the list is the thin edge of the wedge and more could follow” in later negotiations. (Lee Shu-hua and Maubo Chang, “President: More items could be added to ‘early harvest’ list,” CNA, June 15, 2010.)

In addition to the “early harvest” lists, the agreement outlines principles and items requiring further negotiation, and it calls for the two sides to cooperate on intellectual property rights protection, financial services cooperation, trade facilitation, and industrial cooperation. It also stipulates relief measures in the event of trade disputes as well as procedures for the agreement to take effect and for termination. (“ECFA with China ready for signing,” *China Post*, June 14, 2010.) Much of this activity is to take place in a “cross-strait economic cooperation committee” (CECC) composed of representatives from both sides who are to meet every six months. MAC Chair Lai Shin-yuan likened this to the U.S.-Taiwan Trade and Investment Agreement (TIFA) approach in that it envisaged “building blocks” to advance relations step by step, filling in a framework with content as time goes on. (“Taiwan, Mainland China to set up ECFA committee,” *United Daily News* [translated by *Taiwan Today*], June 14, 2010, <http://www.taiwantoday.tw/ct.asp?xItem=106854&ctNode=445>.) Explaining that bodies similar to the CECC exist under many trade agreements around the world, Lai rejected DPP charges that this was the same as the “steering committee” mechanism under the Hong Kong–PRC CEPA (Closer Economic Partnership Arrangement). Taiwan and the Mainland, she said, will deal as equals on the committee, whereas under CEPA the arrangement is one between a central government (Beijing) and a local one (Hong Kong). (Liu Cheng-chiang and Bear Lee, “MAC head defends establishment of cross-strait economic body,” CNA, June 15, 2010.)

<sup>11</sup> “Chinese Mainland orders soak up fruit surplus in Taiwan: Spokeswoman,” *Xinhua*, June 12, 2010.

<sup>12</sup> Premier Wu Den-yih had referred to a fourth meeting almost as a routine matter in early May (Pan Chi-i and Fanny Liu, “ECFA could be signed in June: premier,” CNA, May 4, 2010), and in late May it was still part of the discussion (Liu Cheng-ching and Sofia Wu, “More rounds of talks might be needed before striking ECFA deal: MAC,” CNA, May 20, 2010). As late as May 27, Taiwan officials were talking about how “early harvest” negotiations were going slowly and they were even implicitly threatening to abort the talks: “If the negotiations fail to produce even a barely acceptable outcome, we would rather delay the signing,” said the vice minister of economic affairs. (Su Lung-chi and Y.F. Low, “ECFA signing will not be rushed: vice minister,” CNA, May 27, 2010.)

<sup>13</sup> Suddenly, all seemed well. A high-ranking Taiwan official revealed that talks on “early harvest” lists had entered the “final phase,” with only one or two items still under negotiation. Although this official indicated that, as talks bogged down, thought had been given to postponing the 5<sup>th</sup> SEF-ARATS talks until July, the two sides had apparently worked out their differences and a June signing was once again anticipated. (“Fifth Chiang-Chen talks expected to be held in mid-June,” KMT News Network [from Taipei papers], May 31, 2010.)

<sup>14</sup> “ECFA preparatory talks underway in Taipei, Beijing,” *Lien-ho Pao* (translated by *Taiwan Today*), June 10, 2010, <http://www.taiwantoday.tw/ct.asp?xItem=106574&CtNode=414>.

<sup>15</sup> Ko Shu-ling, “ECFA talks to be held Sunday,” *Taipei Times*, June 11, 2010.

<sup>16</sup> “Taiwan opposition parties move ahead with protest after ECFA talks,” *Taiwan News*, June 14, 2010. Premier Wu Den-yih was cited as believing a fourth round of experts’ talks would be needed. On the other hand, Taiwan’s chief ECFA negotiator, Bureau of Foreign Trade Director-General Huang Chih-peng, said that he thought a fourth round might not be necessary. (Chou Yung-chieh and Elizabeth Hsu, “Fourth round of ECFA talks may not be needed: trade official,” CNA, June 15, 2010.)

<sup>17</sup> *China Times*, cited in Sofia Wu, “Talk of the day: Will ECFA be signed by end of June?” CNA, June 13, 2010.

<sup>18</sup> M.C. Lee and Flor Wang, “June signing of ECFA uncertain: premier,” CNA, June 12, 2010.

<sup>19</sup> Chris Wang, “Taiwan-China negotiations to enter a tough year: SEF,” CNA, May 26, 2010.

<sup>20</sup> The double taxation agreement that had at the last minute been taken off the list of documents to be signed at the fourth SEF-ARATS meeting in December 2009 will once again not be included at the fifth meeting (Feng Chao and Fanny Liu, “Taxation agreement not in next cross-strait talks: MAC,” CNA, June 8, 2010). Although officials denied that negotiations had broken down. (“Minister denies cross-strait tax



agreement aborted,” *China Post*, June 2, 2010), it was reported that there were five major issues blocking the agreement, including something as fundamental as the legal basis for the agreement within Taiwan. (Philip Liu, “Talk on cross-Strait taxation agreement bumps into deadlock,” *Taiwan Economic News*, May 18, 2010.)

<sup>21</sup> According to a poll commissioned by the Mainland Affairs Council and carried out by the Election Study Center of National Chengchi University in late April and early May, nearly 60 percent of respondents said ECFA would be conducive to Taiwan’s economic growth. Fifty-three percent supported the ECFA negotiation (vs. one-third who did not), and 69 percent supported the notion that systematic consultations between the two sides of the Strait were conducive to peace and stability. Almost 38 percent thought the pace of cross-Strait engagement had been “too fast,” while almost 41 percent found it “just right” and another 12.2 percent thought it had progressed too slowly. (Liu Cheng-ching and Deborah Kuo, “Majority of Taiwan people support ECFA: MAC,” CNA, May 5, 2010.)

A TVBS poll showed support holding steady at 41 percent (vs. 34 percent opposed) at the end of May, virtually unchanged since just after the Ma-Tsai debate on April 25. (TVBS, “ECFA公投民調,” May 31, 2010, [http://www.tvbs.com.tw/FILE\\_DB/DL\\_DB/doshouldo/201006/doshouldo-20100601201132.pdf](http://www.tvbs.com.tw/FILE_DB/DL_DB/doshouldo/201006/doshouldo-20100601201132.pdf).)

A DPP poll in early May came up with different results. According to that poll (“May 6–7 Public opinion survey on ECFA,” DPP, distributed by email from the DPP Department of International Affairs on May 12, 2010), opinion was evenly split between those supporting ECFA and those not. (At the start of the survey, 40.5 percent approved while 39.5 percent did not, and at the end of the survey 45.5 percent approved while 46 percent did not.) Compared with a DPP poll several weeks earlier, before the April 25 debate, however, this was a substantial shift in favor of ECFA, even by DPP measurement. According to one account of that earlier poll, 45.8 percent of respondents were against signing ECFA, while 34.9 percent were in favor. (Vincent Y. Chao, “DPP poll reveals majority opposed to signing of ECFA,” *Taipei Times*, March 26, 2010.)

In the May DPP poll, 51.8 percent of respondents expressed concern that ECFA would increase Taiwan’s unemployment problem (vs. 31.9 percent who saw it increasing job opportunities). But, again, this seemed to reflect a sharp decline over a short period of time. Only a week earlier, immediately after the debate, the DPP reported that 60 percent of respondents thought ECFA would hurt Taiwan’s industries and that negotiations should be suspended (“DPP conducts public opinion survey on ECFA,” *Democracy & Progress*, April 2010, [http://www.dpp.org.tw/index\\_en/upload/news\\_letter/20100501102033\\_data\\_1.pdf](http://www.dpp.org.tw/index_en/upload/news_letter/20100501102033_data_1.pdf)).

<sup>22</sup> The DPP poll referred to above (endnote 21) revealed that if a referendum were held at the time (early May), 42.3 percent would support ECFA while 45.9 percent would oppose. The TVBS poll of late May (endnote 21) came up with a similar result (42 percent would support ECFA, 44 percent would oppose). TVBS also asked whether respondents thought a referendum should be held, and by 55 to 30 percent they thought it should.

<sup>23</sup> “Taiwan referendum for ECFA with China should go after signing: premier,” *Taiwan News*, May 5, 2010.

<sup>24</sup> Y.F. Low, “ECFA would be scrapped if vetoed in referendum: minister,” CNA, May 5, 2010.

<sup>25</sup> Vincent Y. Chao and William Lowther, “Opposition vows ‘10-year’ ECFA fight,” *Taipei Times*, June 5, 2010.

It was announced by the DPP that the “10-year campaign” would focus on three aspects. First, a protest movement launched in the wake of the rejection of the latest referendum; all DPP party officials were to participate in that. Second, if the PRC were to attempt to obstruct Taiwan’s attempt to sign FTAs with other nations and, as the party spokesman put it, try to incorporate Taiwan into a “one China market,” this would give rise to a second wave of public indignation. And third, after the early harvest list is announced, people in Taiwan would understand the “real impact” of ECFA on Taiwan’s industries and jobs, and the DPP would unite with other groups to oppose ECFA. (Yan Kuang-t’ao [editor], “ECFA referendum rejected/DPP draws up 10-year war of resistance,” [ECFA公投遭駁/民進黨擬10年抗戰], *Central Daily News*, June 4, 2010, [http://www.cdnews.com.tw/cdnews\\_site/docDetail.jsp?coluid=107&docid=101184378](http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=101184378), translated in summary by OSC, CPP20100605569001.)

<sup>26</sup> “TSU launches new ECFA referendum campaign,” *Taiwan News*, June 10, 2010.

<sup>27</sup> Vincent Y. Chao and Ko Shu-ling, “DPP plans anti-ECFA rally, referendum,” *Taipei Times*, June 10, 2010.

<sup>28</sup> “Taiwan opposition parties move ahead with protest after ECFA talks,” *Taiwan News*, June 14, 2010.

<sup>29</sup> “Taiwan opposition renews boycott of China trade pact,” Agence France-Presse (hereafter AFP), June 15, 2010, <http://www.nanyangpost.net/2010/06/taiwan-opposition-renews-boycott-of.html>. When administration briefers reported on ECFA to a closed-door session of the LY but did not turn over the (as yet unfinished) “early harvest” list, opposition members walked out of the meeting. They suggested that the administration’s failure to provide the lists was a show of “disrespect” for the LY that would lead to the same disastrous results the U.S. beef agreement had suffered. (Yang Yi, “Pan-Green says that if one can’t see the early harvest list, ECFA will replicate the U.S. beef issue,” [看不到早收清單 綠營嗆ECFA將為美牛案翻版], *Economic Daily News* [carried by the *Lien-ho Pao*], June 15, 2010, <http://udn.com/NEWS/NATIONAL/BREAKINGNEWS1/5666945.shtml>.)

<sup>30</sup> Having once raised alarms that Beijing would demand too much of Taiwan, Tsai Ing-wen now saw a hidden PRC agenda in Beijing’s excessive generosity to Taiwan: “We have reasons to worry that China has yielded concessions to benefit Taiwan . . . to the extent that no one can rule out the possibility of an unrevealed plot by China.” (Lee Shu-hua, Wang Hung-kuo, and Bear Lee, “KMT official urges rational examination of ECFA,” CNA, June 14, 2010). “No matter whether . . . economic or political compensations, if the other side makes sacrifices, we will have to pay them back eventually,” she said. (“Government oversimplifying ECFA with China: Taiwan DPP,” *Taiwan News*, June 13, 2010.)

<sup>31</sup> “DPP to hold ECFA protest Saturday,” FTVN, June 21, 2010, <http://englishnews.ftv.com.tw/read.aspx?sno=2C020694F5A1DF7114C7838C8D295F70>.

<sup>32</sup> He Meng-kui, “Before ECFA is signed, opposing parties in the LY are arguing about how to review it,” (“ECFA還沒簽 立院朝野先吵怎麼審”), CNA, June 16, 2010, (<http://www.cna.com.tw/ShowNews/Detail.aspx?pNewsID=201006160163&pType1=CD&pType0=aIPL&pTypeSel=&pPNo=1>). OSC translated the article in summary, CPP20100617100001.

<sup>33</sup> He Meng-kui and Bear Lee, “DPP wants ECFA be carefully screened in legislature,” CNA, June 17, 2010.

<sup>34</sup> Huang Ming-hsi, “How to consider ECFA? Wang Jin-pyng: decide through consultations” [“如何審ECFA? 王金平: 協商決定”], CNA (domestic service), June 17, 2010, <http://www.cna.com.tw/ShowNews/Detail.aspx?pNewsID=201006170077&pType1=CD&pType0=aIPL&pTypeSel=&pPNo=2>.

<sup>35</sup> Wen Kuei-hsiang, “Tsai Ing-wen: ECFA early harvest list receives a failing grade,” (“蔡英文: ECFA早收清單不及格”), CNA (domestic service), June 23, 2010, <http://www.cna.com.tw/ShowNews/Detail.aspx?pNewsID=201006220280&pType1=PD&pType0=aIPL&pTypeSel=&pPNo=1>.

<sup>36</sup> Chou Yung-chieh and Elizabeth Hsu, “Lawmakers expect to review ECFA in two additional sessions,” CNA, June 15, 2010.

<sup>37</sup> Garfie Lee and Bear Lee, “Taiwan entitled to sign official pacts with other countries: Ma,” CNA, June 2, 2010.

<sup>38</sup> “Ma: ECFA is no CEPA, much less a first step to reunification,” KMT News Network (from Taipei papers), April 28, 2010 (<http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=7978>).

<sup>39</sup> Ko Shu-ling, “ECFA talks to be held Sunday,” *Taipei Times*, June 11, 2010.

<sup>40</sup> “Foreign Ministry spokesperson Ma Zhaoxu’s regular press conference on June 1, 2010,” <http://www.fmprc.gov.cn/eng/xwfw/s2510/t705556.htm>. (The Chinese version, available at <http://www.fmprc.gov.cn/chn/gxh/tyb/fyrbt/t705299.htm>, reads:

“我们对我建交国同台湾开展民间经贸往来不持异议，但坚决反对同台湾发展任何形式的官方往来。”)

<sup>41</sup> Martin Williams, “Spat over ‘official’ ties hits Taiwan-China trade deal,” *Kyodo*, June 2, 2010 ([http://www.breitbart.com/article.php?id=D9G33MR81&show\\_article=1](http://www.breitbart.com/article.php?id=D9G33MR81&show_article=1)).

<sup>42</sup> “你們解讀過分了” (Huan Chi-k’uan, “FTA storm—Mainland: You have overinterpreted,” [FTA風波大陸: 你們解讀過分了], CNA, June 2, 2010. (<http://www.cna.com.tw/ShowNews/Detail.aspx?pNewsID=201006020312&pType1=EM&pType0=aCN&pTypeSel=&pPNo=1>).

The same source also reportedly said that Beijing did not insist that ECFA be described as “normalizing” cross-Strait economic and trade relations, a point of difference we have referred to before. (Alan D. Romberg, “All Economics is Political: ECFA Front and Center,” *China Leadership Monitor*, no. 32, Spring 2010, endnote 8.) However, a week later, a Xinhua story on the negotiations still described the purpose of ECFA as being to “normalize” cross-Strait relations and to bring the two economies closer,

(“Chinese Mainland, Taiwan to hold third expert-level talks on economic pact,” Xinhua, June 10, 2010), so this bears watching.

<sup>43</sup> “Mainland’s foreign ministry: Don’t overinterpret Ma Zhaoxu’s remarks,” KMT News Network (from Taipei papers), June 4, 2010,

<http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=8163>.

<sup>44</sup> Y.F. Low, “FTAs for Taiwan,” *Economic Daily News* (editorial extract), CNA, June 19, 2010.

<sup>45</sup> “Tsai vows to do her best to nip poll mutinies in the bud,” *Taipei Times*, June 22, 2010.

<sup>46</sup> Alan D. Romberg, “All Economics is Political: ECFA Front and Center,” *China Leadership Monitor*, no. 32, Spring 2010, pp. 8–9.

<sup>47</sup> Jenny W. Hsu, “DPP chair re-elected in landslide, announces Xinbei candidacy,” CNA, May 23, 2010.

<sup>48</sup> “Taiwan DPP Chair Tsai says party unity moved her to run in local election,” *Taiwan News*, May 24, 2010.

<sup>49</sup> Romberg, “All Economics is Political,” *CLM* 32, endnote 77.

<sup>50</sup> A TVBS poll on May 24 showed Tsai leading Chu by one point, and, among the crucial independent voters, actually leading him by 12 points. (“新北市長選舉民調（蔡英文宣佈參選,”

[http://www.tvbs.com.tw/FILE\\_DB/DL\\_DB/rickliu/201005/rickliu-20100526170004.pdf](http://www.tvbs.com.tw/FILE_DB/DL_DB/rickliu/201005/rickliu-20100526170004.pdf).)

A *China Times* poll taken the same day showed Chu ahead by almost five points. (“本報最新民調新北市藍綠旗鼓相當 朱立倫33% 蔡英文28%,”

<http://news.chinatimes.com/focus/0,5243,50105459x112010052500107,00.html>, translated in tabular form by KMT News Network,

<http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=8117>.)

<sup>51</sup> In a TVBS poll on May 26, Su trailed Hau by only five points overall, and led the KMT mayor by 10 points among independents. (“台北市長支持度選前半年民調,”

[http://www.tvbs.com.tw/FILE\\_DB/DL\\_DB/yijung/201005/yijung-20100527184915.pdf](http://www.tvbs.com.tw/FILE_DB/DL_DB/yijung/201005/yijung-20100527184915.pdf).) Interestingly, according to that poll, Su led Hau by substantial margins among younger voters (20–39 years of age), but Hau led by equally impressive margins among voters over 40.

<sup>52</sup> “DPP could win all seats in year-end elections: Tsai,” *Taiwan News*, May 26, 2010.

<sup>53</sup> Garfie Lee, Lee Ming-chung and Elizabeth Hsu, “KMT leaders gather at Ma’s residence as elections tighten,” CNA, June 19, 2010.

<sup>54</sup> Wen Kuei-hsiang and Deborah Kuo, “DPP head calls for greater efforts to win grassroots elections,” CNA, June 13, 2010.

<sup>55</sup> “KMT scores big victory in grassroots elections,” *Lien-ho Pao* (translated in KMT News Network), June 13, 2010 (<http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=8202>).

<sup>56</sup> As tabulated by the KMT News Network from the *Lien-ho Pao* article cited in endnote 55, election results looked like this:

<b>2010 Grassroots Officials Election in Counties/ Cities</b>		
	<i>Village/ sub-district chiefs</i>	<i>Rural township/township representative</i>
Total	4,077	2,322
KMT	1,029	723
DPP	49	170
Independents and other parties (among them, KMT-backed independents)	2,999 (959)	1,429 (464)

<sup>57</sup> The decision not to invite Gates apparently came as something of a surprise. U.S. officials came away from the Strategic and Economic Dialogue in Beijing anticipating an invitation. As one official put it to reporters traveling with Secretary Clinton on her way back from the dialogue: “I think you will see one of the take-aways over the course of the next couple of weeks, that suddenly Chinese friends might have time for Secretary Gates’ visit.” (Craig Whitlock, “Secretary of Defense Robert Gates doesn’t get hoped-for invite from China,” *Washington Post*, June 3, 2010.)

<sup>58</sup> John Pomfret, “In Chinese admiral’s outburst, a lingering distrust of U.S.,” *Washington Post*, June 8, 2010.

<sup>59</sup> “Arms sales to Taiwan remain ‘biggest’ obstacle to China-U.S. military ties: Chinese military official,” Xinhua, May 25, 2010.

<sup>60</sup> “Endeavor to build a positive, cooperative and comprehensive China-U.S. relationship for the 21<sup>st</sup> century,” <http://www.china-embassy.org/eng/zt/sed/t696955.htm>. Chinese-language text of Hu’s speech is at [http://news.xinhuanet.com/world/2010-05/24/c\\_12134989\\_3.htm](http://news.xinhuanet.com/world/2010-05/24/c_12134989_3.htm).

<sup>61</sup> Craig Whitlock, “Gates criticizes Chinese military for blocking talks in Beijing,” *Washington Post*, June 3, 2010.

<sup>62</sup> Robert M. Gates, “Strengthening security partnerships in the Asia-Pacific,” speech to the 9<sup>th</sup> IISS Asia Security Summit, June 5, 2010, <http://www.iiss.org/conferences/the-shangri-la-dialogue/shangri-la-dialogue-2010/plenary-session-speeches/first-plenary-session/robert-gates/>.

<sup>63</sup> Viola Gienger, “U.S. concern over China’s military intent growing, Mullen says,” *Bloomberg*, June 10, 2010 (in June 13 issue of *BusinessWeek*).

<sup>64</sup> Gienger, loc. cit.

<sup>65</sup> Ma Xiaotian, “New dimensions of security,” speech to the 9<sup>th</sup> IISS Asia Security Summit, June 5, 2010, <http://www.iiss.org/conferences/the-shangri-la-dialogue/shangri-la-dialogue-2010/plenary-session-speeches/second-plenary-session/ma-xiaotian/>.

<sup>66</sup> John Pomfret, “In Chinese admiral’s outburst, a lingering distrust of U.S.,” *Washington Post*, June 8, 2010.

<sup>67</sup> Li Ming-hsien and Ch’eng Chia-wen, “Ma sees Feinstein: Seeks arms transfers to ‘give confidence in cross-Strait peace’” (馬見范士丹：爭取軍售「兩岸和平有信心」), *Lien Ho-pao*, June 6, 2010, <http://udn.com/NEWS/NATIONAL/NATI/5646107.shtml>. For her part, Senator Feinstein cautioned that with the United States occupied in Afghanistan and Iraq, it would be difficult to come to Taiwan’s aid in case of conflict in the Strait.

<sup>68</sup> Adam Entous and Jim Wolf, “Senator questions arms sales to Taiwan,” Reuters, June 16, 2010. In his response, Gates essentially “punted,” calling any determination on Taiwan arms sales “fundamentally a political decision” that was up to Congress and the White House. Although apparently only relating it indirectly to arms sales, Gates did, however, note that he was “very concerned” by the PRC’s growing anti-ship cruise missile and ballistic missile capabilities.

<sup>69</sup> Lee Shu-hua and Maubo Chang, “President: U.S. arms sales boost Taiwan’s national defenses,” CNA, June 17, 2010.

<sup>70</sup> “June 17, 2010, Foreign Ministry Spokesman Qin Gang holds routine press conference” (in Chinese), <http://www.fmprc.gov.cn/chn/gxh/tyb/fyrbt/t709545.htm>.

<sup>71</sup> Dan De Luce, “Taiwan sends early warning aircraft to US for upgrade,” AFP (published on ASDNews), June 23, 2010,

[http://www.asdnews.com/news/28718/Taiwan\\_sends\\_early\\_warning\\_aircraft\\_to\\_US\\_for\\_upgrade.htm](http://www.asdnews.com/news/28718/Taiwan_sends_early_warning_aircraft_to_US_for_upgrade.htm).

<sup>72</sup> Much of the material in this section draws on a presentation the author made at a conference sponsored on May 18, 2010, by the Freeman Chair at CSIS, the Center for Northeast Asia Policy Studies, and the Thornton Center at the Brookings Institution to assess the performance of the Ma administration after two years.

<sup>73</sup> Major indicators of economic performance including industrial production, employment and unemployment levels, trade (exports and imports), and projected growth throughout 2010 were all moving in the right direction. The connection to the Mainland seemed irrefutable, as combined exports to the Mainland and Hong Kong in May grew by 65.8 percent (year-on-year), contributing importantly to the overall growth of 58 percent since the PRC/Hong Kong shipments equaled 43.8 percent of all Taiwan exports. (Audrey Wang, “Taiwan’s May exports hit all-time high,” *Taiwan Today*, June 8, 2010, <http://www.taiwantoday.tw/ct.asp?xItem=106164&ctNode=445>.) Moreover, China rose to become the second largest export market for Taiwan’s agricultural products, surpassing Hong Kong and the United States, and trailing only Japan. (“China No. 2 market for Taiwanese farms good,” *China Post*, June 19, 2010.)

Nominal unemployment in May fell to 5.14 percent (5.22 percent on a seasonally adjusted basis), down 0.21 percent from April, the ninth straight monthly decline. Moreover, 130,000 job opportunities were created in April, up by two-thirds year-on-year and the largest increase since the financial crisis broke out in late 2008. The number of people who became jobless because of business closure or downsizing also fell

for the 10th straight month, and the number of unemployed people aged 45–60 was down 10,000 from March, bringing the total to 129,000, the lowest level since February 2009. Long-term unemployment also edged down. The number of employed people rose to nearly 10.46 million, almost back to the level during the initial stage of the financial crisis in September 2008. (Hsieh Chun-wei and Bear Lee, “Taiwan jobless rate continues to decline,” CNA, June 22, 2010.) And the number of first-time applicants for unemployment benefits fell to the same level as existed before the financial meltdown in late 2008. (Chen Shun-hsi and Bear Lee, “Number of unemployment benefit applicants falls greatly,” CNA, June 13, 2010.) At the same time, it was anticipated that as many as 200,000 graduates would enter the job market over the summer, raising the unemployment rate again, and Ma vowed to continue fighting the jobless problem despite the significant improvement in recent months. (“Ma pledges to continue fighting unemployment,” *China Times* [translated by *Taiwan Today*], May 26, 2010, <http://www.taiwantoday.tw/ct.asp?xItem=104727&ctNode=445>.)

With all of these positive developments, and with industrial production rising 31.38 percent year-on-year in April, the sixth consecutive month of year-on-year growth of over 30 percent (Lin Shu-yuan and Frances Huang, “April industrial production hits record high: MOEA,” CNA, May 24, 2010), it is not surprising that forecasts for overall GDP growth in 2010 were also adjusted upward. Forecasts were now generally ranging up to and over 7 percent (Ted Yang, “Barclays raises GDP forecast to 7.5 percent,” *Taipei Times*, May 25, 2010; Cheng Yun-hsuan and Frances Huang, “Citibank raises forecast for Taiwan’s economic growth to 7 percent,” CNA, June 8, 2010.)

Pointing up the connection with the PRC, Cathay Financial Holdings also said that GDP growth would likely surpass 7 percent in 2010, but Cathay added that, with the boost in domestic investment and consumption that would come from ECFA, if the agreement were to go into effect in the third quarter, annual GDP growth could exceed 8 percent. (Ted Yang, “Economic growth could top 8%: Cathay,” *Taipei Times*, June 8, 2010.)

<sup>74</sup> “President Ma’s Inaugural Address: Taiwan’s Renaissance,” Office of the President, May 20, 2008, [http://www.president.gov.tw/en/prog/news\\_release/document\\_content.php?id=1105499687&pre\\_id=1105499687&g\\_category\\_number=145&category\\_number\\_2=145](http://www.president.gov.tw/en/prog/news_release/document_content.php?id=1105499687&pre_id=1105499687&g_category_number=145&category_number_2=145).

<sup>75</sup> “The One-China Principle and the Taiwan Issue,” released by the Taiwan Affairs Office and the Information Office of the State Council, People’s Republic of China, February 21, 2000, [http://www.gwytb.gov.cn:8088/detail.asp?table=WhitePaper&title=WhitePapersOnTaiwanIssue&m\\_id=4](http://www.gwytb.gov.cn:8088/detail.asp?table=WhitePaper&title=WhitePapersOnTaiwanIssue&m_id=4).

<sup>76</sup> “Full text of Anti-Secession Law,” *People’s Daily*, March 14, 2005, [http://english.peopledaily.com.cn/200503/14/eng20050314\\_176746.html](http://english.peopledaily.com.cn/200503/14/eng20050314_176746.html). The first paragraph of Article 8 reads: “In the event that the ‘Taiwan independence’ secessionist forces should act under any name or by any means to cause the fact of Taiwan’s secession from China, or that major incidents entailing Taiwan’s secession from China should occur, or that possibilities for a peaceful reunification should be completely exhausted, the state shall employ non-peaceful means and other necessary measures to protect China’s sovereignty and territorial integrity.”

<sup>77</sup> Hu’s proposal is discussed in detail in Alan D. Romberg, “First the Easy, Now the Hard,” *China Leadership Monitor*, no. 28, Spring 2009.

<sup>78</sup> “Guidelines for National Unification,” adopted by the National Unification Council on February 23, 1991, and the Executive Yuan on March 14, 1991, <http://www.wulaw.wustl.edu/Chinalaw/twguide.html>.

<sup>79</sup> Alan D. Romberg, “Cross-Strait Relations: Weathering the Storm,” *China Leadership Monitor*, no. 30, Fall 2009, pp. 8ff.

<sup>80</sup> Alan D. Romberg, “All Economics is Political: ECFA Front and Center,” *China Leadership Monitor*, no. 32, Spring 2010.

<sup>81</sup> Taiwan’s Health Minister, Yaung Chih-liang, may have been caught up in the excitement of the moment when he said that the invitation to him in his capacity as “health minister” indicated Taiwan was viewed as a “country,” but his further statement that the next step is to take part in WHA using the official title “Republic of China” suggested substantial overreach. (M.S. Huang and Flor Wang, “Taiwan given due status in WHA: MOFA official,” CNA, May 6, 2010.) Moreover, his statement that Taiwan aims for “full membership” in WHO (which is a UN specialized organization made up of sovereign states), also suggests the need for more careful reflection in Taipei. (Lin Yu-li and Sofia Wu, “Taiwan aims to be WHO member: minister,” CNA, May 16, 2010.)

<sup>82</sup> Romberg, “Weathering the Storm,” *CLM* 32, pp.17–18.

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<sup>83</sup> Romberg, “Cross-Strait Relations: A Confederacy of Skeptics,” *China Leadership Monitor*, no. 29, endnote 48 and pp. 10ff.

<sup>84</sup> One such discussion took place in early April among about 40 participants from both sides of the Strait meeting under neutral auspices in Japan. There, some concepts such as “shared sovereignty”—raised many years ago by former Shanghai mayor Wang Dao-han—resurfaced. Mainland scholars seemed to be looking for a “post-1992 Consensus” formulation that could express the “one China” principle somewhat more directly through creative formulations that could be accepted by both sides. (Luo Hsiang-hsi, “Motosu Talks: New approaches to handling difficult cross-Strait political issues,”

[“本栖會談：處理兩岸政治難題有新解”], China Review News Agency, April 9, 2010, <http://www.chinareviewnews.com/doc/1012/8/3/9/101283999.html?coluid=7&kindid=0&docid=101283999>.)

<sup>85</sup> “President Ma and Vice President Siew hold press conference to mark second anniversary of inauguration,” Office of the President, May 19, 2010,

[http://www.president.gov.tw/en/prog/news\\_release/print.php?id=1105500191](http://www.president.gov.tw/en/prog/news_release/print.php?id=1105500191).