

Following the 18th Party Congress: Moving Forward Step-by-Step

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The 18th Party Congress laid out a “steady on course” approach to cross-Strait relations, continuing to emphasize economic, cultural and educational exchanges in the near term while seeking to lay a foundation of political trust for future political and security dialogues, including a peace accord. In a Taipei conference with both Kuomintang and Democratic Progressive Party representatives in mid-December, People’s Republic of China officials reiterated this patient approach while also calling for step-by-step progress. DPP participants, however, challenged the sincerity of PRC assertions of patience, charging that Beijing was shifting the agenda toward political issues to step up the pace and narrow the options to one: unification.

Hu Jintao’s Report to the 18th Party Congress

In his report to the 18th Communist Party Congress,¹ outgoing General Secretary Hu Jintao reiterated the basic elements of the cross-Strait policy of the People’s Republic of China (PRC), albeit with a couple of interesting insertions and omissions. Hewing closely to the points he has made over the past several years, including in his landmark December 31, 2008 speech,² Hu gave pride of place to the “irresistible historical process” of complete reunification. But to achieve success, consistent with the often-stated emphasis on moving in an orderly fashion, he noted that “above everything else” (首先) one needs to ensure peaceful development of cross-Strait relations.

Obeisance to the “one China principle” remains a central requirement, Hu said, stressing that China’s territory and sovereignty have always been indivisible and no division would be tolerated. Accordingly, both sides should scrupulously oppose “Taiwan

independence,” persist in their common position on the 1992 Consensus, and more strongly uphold their common adherence to the “one China framework,” seeking common ground on that basis while reserving differences.

This was the first reference made to the “1992 Consensus” in a document as authoritative as this. Part of the explanation might be that this is the twentieth anniversary of the Consensus. But more to the point, Taiwan Affairs Office (TAO) Director Wang Yi noted that writing this point into a formal document of the congress demonstrates the degree of seriousness with which it is taken as a constituent part of the political foundation of the peaceful development of cross-Strait relations.³

Whether mention in Hu’s speech signals that the “1992 Consensus” will be good enough as a basis for progress in all areas of cross-Strait relations, including political relations, is an open question, but the use here is certainly suggestive. What is clear, however, is that the core element remains “one China.” This is demonstrated by the next sentence when, addressing the Democratic Progressive Party (DPP), Hu said: “We are ready to conduct exchanges, dialogue and cooperation with any political party in Taiwan as long as it does not seek Taiwan independence and recognizes one China” (对台湾任何政党, 只要不主张“台独”, 认同一个中国, 我们都愿意同他们交往, 对话, 合作).⁴

Hu adopted an explicit—and instrumental—approach in saying *why* China should build on existing relationships. It should deepen economic cooperation to increase common interests, expand cultural exchanges to enhance a common sense of national identity, and further people-to-people contacts to cultivate mutual goodwill.

Turning to the more sensitive aspect of Beijing’s cross-Strait agenda, he called for “jointly exploring” cross-Strait political relations and making “fair and reasonable arrangements” (合情合理安排)⁵ for them under the “special condition that the country is yet to be unified.” He expressed the hope that the two sides would discuss the establishment of a cross-Strait military security trust mechanism, stabilizing the situation in the Strait, and reach a peace agreement through consultation, opening new prospects for peaceful development of cross-Strait relations.

PRC efforts to temper reactions in Taiwan

Although Hu attached no timetable to such efforts, the fact that he raised them at all gave rise to considerable speculation that Beijing will press the political and security agenda during Ma’s second term. After seeing the initial nervous reaction in Taiwan, TAO Deputy Director Ye Kedong explained that what Hu laid out was not a blueprint for tomorrow, but the Mainland’s policy toward the island over the coming 5–10 years. Furthermore, Ye added, Beijing would maintain consistency and continuity in policy, moving step-by-step to consolidate and deepen cross-Strait relations in accordance with the formula of “first the easy, then the hard.”⁶

The TAO spokesman followed with similar comments a few days later, adding a point that wasn’t new but was intended as a reminder that Beijing is looking not for stasis but continuing progress: “Political issues in cross-Strait relations are a reality and we will have to deal with them sooner or later” (两岸政治议题是客观存在的, 迟早要面对).⁷

Despite the Taiwan media reporting that prompted these “explanations,” Taipei’s formal reaction to Hu’s comments on political and security talks came only belatedly. Speaking some four weeks after Hu’s report was delivered, the recently appointed head of the Mainland Affairs Council (MAC), Wang Yu-chi, said that Hu’s remarks and other commentary surrounding the 18th Party Congress indicated that the Mainland would step up pressure for political talks, especially on signing a cross-Strait peace accord. Wang pushed aside any notion of such an accord, observing that it was not a priority for Taipei. In any case, he said, Beijing would eventually need to clarify what kind of peace accord it was looking toward. It could not be in the form of an armistice pact or a mutual non-aggression treaty, he said, as those models would not fit current circumstances. Moreover, he said, if it meant something related to unification, this would not be acceptable to people in Taiwan.⁸

President Ma Ying-jeou also noted that political negotiations were “not the most urgent issue” at this point, but went beyond that to voice a cautionary note that “pushing the envelope is not helpful for strengthening bilateral [i.e., cross-Strait] ties.” Rather, he said, “it is our goal to build a solid and long-lasting cross-Strait exchange structure, so that future administrations can continue to promote peace across the Taiwan Strait.”⁹

Ma supplemented these statements several days later in an interview with a local paper, picking up many of the same arguments Wang Yu-chi had used to question the purposes of a peace accord. Seeming to deny the logic of a point he made in October suggesting that Taiwan would need to “cautiously consider” at some point in the next decade whether to conclude a peace treaty,¹⁰ Ma reverted to a question he appeared to be asking in the spring of 2011:¹¹ in light of the fact that an accord was not needed to bring about a cease-fire or armistice or to jump start a productive relationship, and in light of all the other cross-Strait relationships that already contribute to consolidating peaceful development of cross-Strait relations, “do we still need a peace accord?” (還需要... 和平協議?).¹²

As he had in the run-up to the 18th Party Congress,¹³ TAO Director Wang Yi devoted several articles, speeches, and interviews to laying out at great length the rationale and particulars of Beijing’s consistent cross-Strait policy going forward. He stressed the critical relationship between the peaceful development of cross-Strait relations and the overall national strategy of China’s peaceful development, noting that, as the Taiwan issue relates to China’s core interests, Taiwan-related work holds an important strategic place in the overall work of the party and state.¹⁴ Based on “an objective analysis of Taiwan-related issues,” he said, it is important to maintain determination and patience in cross-Strait work¹⁵ and, while not losing sight of the ultimate goal of reunification, it is necessary to move step-by-step in accordance with reality. On this last point, as he put it, it is necessary to “effectively grasp the relationship between keeping in mind the long-term goal and basing ourselves on reality; between comprehensive improvement and breakthroughs in key areas; and between accomplishing positive results and advancing in an orderly manner.”¹⁶

Wang Yi also made an argument that could easily resonate with policymakers in Washington as they think about the importance of a strong domestic base for effective

external policies. He said that, in the final analysis, the factor that will affect and determine cross-Strait relations the most is what happens in terms of the Mainland's continuous growth and progress.

Along with the further enhancement of the Mainland's comprehensive strength, we will have greater qualifications and capabilities to continuously consolidate and deepen the peaceful development of cross-Strait relations and lay a more solid foundation for the ultimate realization of the nation's complete reunification.¹⁷

Now, however, with the discussion in Taiwan focused on concerns over possible Mainland pressure to step up the pace and move quickly to political dialogue, Wang, as he had done so often in the past,¹⁸ decided it was necessary to put matters in perspective. In particular, he apparently felt compelled to respond to MAC Chairman Wang Yu-chi's comments about likely PRC pressure to engage in political talks by clarifying not only what the Mainland's policy *was* but also what it *was not*. He seized the occasion of a visiting Taiwan delegation with Taiwan press in attendance to place the issue in context.

We have said many times that, first of all, our policy toward Taiwan seeks to maintain continuity, orderliness, and consistency. On the basis of the development of the situation and the needs of cooperation and exchanges, naturally it will also change with the times. But this requires discussion and consultation between the two sides...

Let's not presume there are problems that have not been discussed, OK? These are all questions that, if everyone wants to discuss in the future, we can discuss...

Our position hasn't changed. Our focus now is on economic cooperation. We want to deepen economic cooperation. There are many things we need to do, for example Economic Cooperation Framework Agreement (ECFA) follow-on discussions. We still have much to do regarding cooperation in the areas of industry, investment, culture, education and so forth...

Other questions exist, that's an objective reality. And we can't turn a blind eye to them. But we want to go through an appropriate process of continuously exchanging views so as to create conditions [for handling them].¹⁹

As long as the two sides oppose Taiwan independence and uphold the "1992 Consensus," he said, peace and stability can be maintained in the Taiwan Strait and the people of Taiwan can continue to pass their days quietly.²⁰

Red, Blue and Green all meet at the Taipei Forum

Readers may recall that a large cross-Strait conference on “Strengthening Identification and Mutual Trust and Deepening Peaceful Development” was originally to be held in Taipei in June but was aborted when the Ma administration denied visas for a number of Mainland participants.²¹ The conference was eventually rescheduled for December and attended by a delegation of over 40 people from the Mainland (minus the former People’s Liberation Army officer whose inclusion had been a proximate cause of the visa denials in the summer). The conference turned out to be an important opportunity, especially for a senior Mainland delegation, to lay out the PRC’s approach directly to a Taiwan audience.

Attending in his capacity as director of the Research Center on Cross-Strait Relations, TAO Deputy Director Sun Yafu put great stress on the issue of upholding “one China” and the “1992 Consensus.” He emphasized that, while the two sides did not read “one China” in the same political way, they agreed that theirs is not a state-to-state relationship, and argued that they should develop cross-Strait relations on that basis, seeking common ground while reserving differences. While praising the fact that such a conference could at least talk about politics, including reference to “one China,” Sun sought to allay concerns about a radical shift in Beijing’s approach by stressing continuity of policy and describing the PRC’s goal at present as consolidating and strengthening mutual trust.²²

Although he encouraged work by the two sides on the content of a peace accord (a TAO spokeswoman suggested this could be done through academic and other non-governmental discussions²³), Sun echoed Hu’s report by observing that prospects for a peace accord were also tied up with “making fair and reasonable arrangements” (做出合情合理的安排) regarding overall political relations and establishing a military mutual trust mechanism, and that these efforts would take a long time. For now, Sun argued, the basic focus should be on seeking to resolve political differences and making arrangements for further development of cross-Strait relations.²⁴

In light of this approach, Sun dismissed as an “over-interpretation” (過度解讀) the notion popular in Taiwan that the Mainland was anxious about a peace accord and wanted to use this conference to apply pressure on Taiwan.²⁵

Some DPP members raised questions about holding such a seminar at all, implying that the MAC’s decision to allow it to take place was an example of pandering to the TAO and that the conference was “obviously” designed to lay the foundation for a cross-Strait peace agreement and political consultations.²⁶ Nonetheless, a number of senior DPP members attended the meeting, among them Joseph Wu Jaushieh, executive director of the party’s policy research committee, who formally wore an academic hat for the occasion but described himself to the press as attending in his party capacity.²⁷ He and others in the party identified a series of policies and steps Beijing had taken that offended people in Taiwan and had contributed to a heightened sense of “Taiwanese” identity and support for independence.²⁸

Moreover, Wu charged that Hu Jintao's report to the 18th Party Congress revealed a shift in the PRC's Taiwan policy away from using economic interest as the motivating force to promoting three political issues: forming a pre-unification political framework, establishing a military trust-building mechanism, and negotiating a peace accord. This strategy, he said, is designed to create an irreversible framework for unification and make unification the sole option.²⁹ (Sun responded that these long-standing issues are complex but the Mainland has the patience to talk them over in working toward what he hoped would be a gradual consensus. The important point, he said, is that no one should set "preconditions," otherwise it would be difficult to continue discussions.³⁰)

The passport issue

Among the offending items Wu and others raised were PRC passports that were issued starting in May.³¹ Not only did they have images of the Chinese version of the Sino-Indian border and the (in)famous "nine-dashed line" around the South China Sea, which upset many countries concerned, but that latter line was extended by a tenth dash along the east coast of Taiwan.³² Moreover, the passport contained images of two popular tourist sites in Taiwan.³³

According to one Taiwan press report, a PRC official explanation was that these images showed "scenic spots in our country's Taiwan province" (我國台灣省的山水名勝).³⁴ While avoiding the provocative reference to "Taiwan province," the TAO tried to downplay the significance of the images. As the TAO spokesman put it, the Mainland's consistent position has been that the Mainland and Taiwan both belong to one China (大陸和台灣同屬一個中國).³⁵ The Mainland's policy of continuing to improve and develop cross-strait relations has not changed, he said; "regarding this particular matter [the passports] a question does not exist along the lines of what the Taiwan side has said about 'stirring up a dispute' or 'changing the status quo.'" (這件具體事情並不存在台灣方面所說的「挑起爭議」,「改變現狀」的問題).

From Taiwan's perspective, however, the new passport implied that the PRC was asserting, in the quintessential document reflecting sovereignty, that Taiwan and the area of the South China Sea belong to the PRC. The PRC explanation not only conflicted with the ROC's claim to the South China Sea area, but even more insensitively, appeared to claim that Taiwan is part of the PRC. This handling not only raised cries of outrage in Taiwan, but ran directly against the position frequently articulated by senior PRC officials, that in a cross-strait context, Beijing only talks about "China" and not "the PRC," leaving open to future agreement between the two sides how one might structure relations between Taiwan and the Mainland and what the unified entity would be called.

On instruction from President Ma,³⁶ the Mainland Affairs Council issued a formal statement about the inclusion of the map and images of the Taiwan tourist sites. Observing that the latter were parts of the ROC and "not under Mainland China's authority to govern," the MAC said that their inclusion "entirely ignores existing facts and provokes controversy, while at the same time not only harms the foundation of mutual trust established through efforts by the two sides over the recent years, but also hurts the feelings of Taiwan's 23 million people. The Mainland's action is absolutely

unacceptable to the ROC government.” It then continued with a statement about the status quo.

The ROC is a sovereign and independent country. Under the ROC Constitution, the ROC’s territory has its existing national boundaries. The mainland Chinese authorities should squarely face the fact that the two sides are divided by the sea and governed separately, thus pragmatically and objectively face up to the ROC. It is believed that the Mainland side must “shelve disputes and face realities” on the existing foundation, and resolve disputes with wisdoms of self-restraint. Therefore, the MAC sternly reiterates that mainland China should avoid giving the outside world the impression of making a unilateral change to the status quo, which undermines the hard-earned achievements of cross-Strait relations, and thereby hinders and sets back developments of cross-Strait interactions.³⁷

As for Ma’s own views about the passport issue, his spokesman said that the president hopes the Mainland will not take “inappropriate action” to upset the hard-earned stability across the Strait.³⁸

Meanwhile, accusing the Ma administration of “doing nothing” in response to the Mainland’s action, the DPP arranged to hand out 10,000 passport stickers that would go over the entire cover of Taiwan passports, with the slogan “Taiwan is my country” and a map highlighting Taiwan’s territory and its geographical position.³⁹ To boot, the Taiwan Solidarity Union burned and spray-painted large images of the PRC passport.⁴⁰

The head of MAC said Taipei would decide by late December how to treat the new passports.⁴¹ In the meantime, however, Association for Relations Across the Taiwan Strait (ARATS) responded to the MAC’s complaints about the passports by saying those complaints were “invalid” and that the passport design had only become an issue because pro-independence activists had made a big fuss. Without specifying any consequences for Beijing’s dismissive response, SEF termed ARATs handling “unacceptable.”⁴²

International Space—Hu doesn’t mention it, Ma does

Hu’s report made no mention of Taiwan’s “international space,” including his statement to Lien Chan at the APEC Leaders Meeting in Vladivostok in September that he would “seriously study” whether there was an “appropriate way” for Taiwan to participate in the International Civil Aviation Organization (ICAO).⁴³

At the time of the Vladivostok meeting, Taiwan officials expressed optimism that they would be able to participate in the ICAO Council meeting in 2013.⁴⁴ After the 18th Party Congress, however, there were reports that national security officials in Taipei were concerned and looking into whether Hu’s failure to mention the issue reflected any change or readjustment of Beijing’s policy.⁴⁵

Ma Ying-jeou nonetheless seized the occasion of his speech on the 20th anniversary of the “1992 Consensus” to raise the issue⁴⁶ and to observe that Hu had discussed it with Lien. In this case, however, Ma went beyond his National Day general reference to Lien Chan having received a “positive response” (正面回應).⁴⁷ This time he openly stated that Hu had said that “the two sides could discuss an appropriate way for letting Taiwan participate in ICAO” (双方可以讨论让台湾参加国际民航组织的适当方式), suggesting that the Taiwan leader is not as averse to the image of such consultations as some of his associates.⁴⁸ Nonetheless, it remains to be seen what steps Beijing might take to follow up Hu’s APEC remarks.⁴⁹

As it considers the future, one point Beijing might do well to note in Ma’s speech was his statement that the “1992 Consensus” “amply reflected the government’s principle that the parties to negotiations must interact as equals and treat each other with dignity.” Mainland officials frequently speak about talks on the basis of equality, but rarely mention dignity. It is a point Ma made in his first inaugural address that continues to matter to him as well as to people in Taiwan.

Taiwan’s accession to the WTO Government Procurement Agreement is often cited as an achievement of the Ma administration. The apparent recent downgrading of Taipei’s status under the agreement underscored the sense of insult Taiwan often feels at the hands of the Mainland.⁵⁰

Other Aspects of Cross-Strait Relations

Other Taipei-Beijing ties continue to develop—but slowly

At the time of the 18th Party Congress, Ma Ying-jeou sent parallel messages to Xi Jinping and Hu Jintao. Like his Mainland counterparts, Ma stressed the critical importance of upholding the “1992 Consensus” and said that, on the basis of the existing “good foundation,” he looked forward to “remarkable results in matters of consequence” such as expanding and deepening exchanges and the establishment of reciprocal offices by organizations from the respective sides (i.e., Straits Exchange Foundation (SEF) and ARATS). In closing,⁵⁰ Ma talked about future cooperation.

Going forward, in an international arena that’s complicated and unpredictable, the two sides of the Taiwan Strait need to enhance mutual trust and cooperate sincerely to cope with the new challenges, and to create more peaceful dividends that benefit people on both sides.⁵¹

Statements from both sides indicate that concerted efforts are being made to conclude a cross-Strait services trade agreement in the near term. In October, indications were that an agreement was expected to be signed by the end of 2012, though perhaps only covering priority items rather than all services.⁵² By late November, Wang Yi signaled some delay, speaking in terms of hoping to sign it before the lunar New Year (which comes during the second week of February 2013).⁵³ As of early January 2013 no firm date had been set.

At the same time, Wang identified three other “main points of focus” for deepening cross-Strait economic relations now and in the future: fully implementing the Cross-Strait Investment Guarantee Agreement, pushing ahead on cross-Strait cooperation on financial services, and moving ahead steadily (but gradually) on reciprocal establishment of SEF and ARATS offices.⁵⁴ (This last is addressed in more detail below.)

These points seemed to parallel Ma’s agenda, though implicit in Wang Yi’s points was an expression of concern that financial ties were not balanced. Perhaps anticipating such concerns, some weeks earlier Ma Ying-jeou made clear that he is looking to liberalize controls on foreign investments in Taiwan, including from the Mainland. Although most investment will come in under the principle of “normal opening and exceptional control,” with post-notification rather than advance permission being the norm, Mainland investment will still require advance approval. That said, Taipei’s minister of economic affairs said it was the government’s intention to speed up approvals of Mainland investment, lifting existing restrictions on a basis that would not affect national security and other national interests. In the process, he said, the ministry is reviewing a fourth round of liberalization for Mainland investments, expanding on the current rules that already allow investments in 97 percent of manufacturing industries and 51 percent of both service industries and infrastructure.⁵⁵

Another aspect of cross-Strait relations related to economic relations as well as international space is Beijing’s attitude toward Taiwan signing Free Trade Agreements or economic cooperation agreements. In a backhanded way, there was a somewhat encouraging development. The PRC minister of commerce made clear that Taiwan’s ambition to participate in regional free trade associations or the Trans-Pacific Partnership (TPP) would have to be addressed under the “one country” or “one China” concept, with Taiwan approaching these possibilities in its capacity as the “Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu” (its designation in the WTO).⁵⁶ This is perhaps not ideal from Taipei’s perspective, but it would seem to be an endorsement of the Ma administration position toward such trade agreements. While the PRC minister’s comments are a warning not to touch on sovereignty questions, in fact Ma has been careful to avoid those topics, so the minister’s remarks also signal an implicit green light for Taiwan to go ahead as planned.⁵⁷

A similar line emerged in connection with the PRC foreign ministry reaction to the question of a possible Taiwan-Japan fishing agreement in the area of Diaoyu/Senkakus. The ministry spokesman said any such negotiations would need to be handled “scrupulously” within the framework of the “one China” principle,⁵⁸ but, again, there was no suggestion that an agreement that avoids sovereignty issues would be a problem.

On the issue of establishing reciprocal offices, after almost two years of consideration, with several indications over the past year that they were “just about to be established,” Taiwan’s leading trade promotion agency opened offices in Shanghai and Beijing in December (with more to come in other cities in future months), and its PRC counterpart was actively seeking a site in Taipei.⁵⁹

But the question of reciprocal SEF and ARATS representative offices is still moving slowly. Discussion of such offices goes back at least a year and a half,⁶⁰ and the topic

continued to garner substantial attention in the summer and fall of 2012.⁶¹ Once again, in his National Day address, Ma raised the issue as one of the key points of focus for cross-strait relations in the period ahead.⁶² He did so again in his letter to Xi Jinping in early November⁶³ and yet again at a KMT central standing committee meeting in early December.⁶⁴

In October, the recently-appointed SEF chairman, Lin Join-sane, said that the two sides had agreed to “fast-track talks” on establishing reciprocal representative offices, but also acknowledged that they were still at the stage of conducting separate studies with no agreement yet on timetable or functions.⁶⁵ For his part, while endorsing the goal in principle, as indicated above, TAO Director Wang Yi signaled a go-slow approach in describing how the two organizations would, through consultations, “steadily push” for the establishment of the offices, while their functions expanded gradually, step-by-step. Considering the practical needs for establishing the offices, he also prescribed that to achieve these goals the mantra of addressing easier issues before difficult ones should be followed.⁶⁶

Speaking about the issue some weeks later in response to Ma’s mention of it in his letter to Xi Jinping, the TAO spokesman reiterated the Mainland’s view that the reciprocal establishment of offices would benefit people on both sides in handling practical questions. He further expressed the hope that both sides could complete their research and planning as soon as possible so as to reach a common understanding.⁶⁷

While these kinds of statements apparently continue to reflect a positive attitude in Beijing as well as Taipei, they also seem to indicate that there is still some distance to go before the two sides can come to an agreement on arrangements, including on functions the offices are to perform. Indeed, MAC head Wang Yu-chi said in late December that his office would work toward the goal of establishing reciprocal representative offices *over the next three years*.⁶⁸

Is “mutual benefit” to replace concessions?

Observers in Taiwan listened carefully to remarks by Mainland officials in recent weeks and thought they heard hints that the days of one-sided deals (in Taiwan’s favor) may be over. While both sides have been talking in terms of concluding a merchandise trade agreement in 2013, and indeed that all ECFA follow-on negotiations should be completed before the end of 2013, Taiwan observers have paid great attention to Mainland officials’ references to conducting those talks on the basis of “mutual benefit, balance and high standards.”

Chen Deming, PRC minister of commerce, made such references in mid-November—the first time such language had been used in this context, analysts said, taking it as a sign that Beijing probably would not make one-sided concessions in the upcoming negotiations.⁶⁹

Calls for balance and reciprocity by Mainland interests are not new. They became especially prominent after the signing of the ECFA agreement in June 2010, which seemed to significantly benefit Taiwan. However, the rationale for treating Taiwan well has not changed. As discussed earlier with respect to Hu Jintao’s political report, it is part

of a strategic effort by the Mainland to create a greater sense of common economic interests, common national identity, common destiny, and mutual goodwill. Even as Hu spoke in his report about promoting the “common well-being” (共同福祉) of people on both sides of the Strait, he made special mention of preserving the rights and interests of people in Taiwan.

In fact, this comment followed Wang Yi’s late October article in *People’s Daily* noting that in recent years, the Mainland has paid more attention to orienting Taiwan-related work to the people and more concrete services for Taiwan compatriots (especially at the grassroots), and that it has more actively implemented beneficial measures for the people there.⁷⁰

In mid-November, the TAO spokesman proclaimed: “We will as always take care of the concerns of ordinary Taiwan people and try our best to look after the interests of small enterprises, traditional business and common people, especially those in the southern and central part of Taiwan.”⁷¹

So while Chen Deming’s words merit attention,⁷² one must believe that the thoughts Wang Yi has expressed regarding the strategic importance of Taiwan work⁷³ will dictate a continuation of the general effort to win hearts and minds on the island through appealing to the people’s interests, including their pocketbooks.

The DPP Wrestles with Itself over Cross-Strait Issues

Former DPP chairman, premier, and presidential candidate Frank Hsieh Chang-ting traveled to China in early October, ostensibly to attend a bartender’s competition and to visit his ancestors’ graves, but clearly his goal was to open a new line of communication with the Mainland. Predictably, the visit was highly controversial within DPP circles, bringing out both detractors and supporters, and party officials went to great lengths to describe Hsieh’s visit as “private” and to make clear he was not carrying any messages.⁷⁴

In the run-up to the visit, the TAO made no direct statement about how Hsieh would be received but, when asked about the senior DPP member’s possible visit, reiterated the PRC’s “consistent policy” that “DPP personnel, coming in an appropriate capacity, are welcome to come and look around the Mainland.”⁷⁵ In the end, not only did Hsieh meet with Chinese scholars who are cross-Strait experts, but also got together with a broad swath of senior PRC officials responsible for Taiwan policy including TAO Director Wang Yi, State Councilor Dai Bingguo, and ARATS Chairman Chen Yunlin, and was the guest of a PLA-sponsored think tank.

Upon his return, Hsieh sought to promote a number of variants of his idea regarding “respective interpretations of constitutions,” hoping the Mainland could accept them as “good enough” to meet the “one China” requirement for beginning party-to-party dialogue, while at the same time the DPP would be able to assert it had, in fact, not embraced “one China.” (In reality, neither is likely to be the case, which Hsieh

presumably realizes, but his proposals have stirred debate within the party about what might be possible.)⁷⁶

One upshot of all of this was that, although the party finally announced it would set up a policy-level “China Affairs Committee” by mid-December, not only was its mandate to be restricted to “studying” or “researching” various matters pertaining to the Mainland⁷⁷ (rather than being charged with coming up with a policy as Hsieh had hoped), but DPP Chairman Su Tseng-chang took on the role of “convener” of the committee rather than inviting Hsieh to do so as had been planned. Moreover, because of difficulty in getting senior DPP leaders to sign up as members, actual establishment of the committee was delayed.

We will look at these issues in some detail our next essay.

Notes

¹ The Congress met November 8-14, 2012. The full text of Hu’s report is available at http://news.xinhuanet.com/18cpcnc/2012-11/17/c_113711665.htm. The section on Taiwan (Chapter X) is at http://news.xinhuanet.com/18cpcnc/2012-11/17/c_113711665_11.htm. An official (Xinhua) English-language translation of the full report is at http://news.xinhuanet.com/english/special/18cpcnc/2012-11/17/c_131981259.htm and translation of Chapter X is at http://news.xinhuanet.com/english/special/18cpcnc/2012-11/17/c_131981259_11.htm. The Xinhua translation is somewhat problematic in a number of places. For the most part we have nonetheless adopted it, although we have taken the liberty of translating 和平发展 as “peaceful development” rather than adopting Xinhua’s choice of “peaceful growth.”

² See discussion of the continuing salience of Hu’s speech in Alan D. Romberg, “Shaping the Future, Part II: Cross-Strait Relations, *China Leadership Monitor*, Issue 39, pp. 4-6, <http://media.hoover.org/sites/default/files/documents/CLM39AR.pdf>.

³ “Wang Yi’s speech at the seminar commemorating the 20th anniversary of the ‘1992 Consensus’” (王毅在“九二共识”20周年座谈会上的讲话), Taiwan Affairs Office, November 26, 2012, http://www.gwytb.gov.cn/wyly/201211/t20121126_3391669.htm.

⁴ Hu’s discussion of the requirement regarding the issue of “Taiwan independence” is a bit confusing. Here, Hu adopts a somewhat softer formulation of not “advocating” (主张) Taiwan independence. (Xinhua’s English translation says “not seek”). In most cases the requirement is stated as the need to “oppose” (反对) independence. Since the basic requirement is to accept “one China” that includes both Taiwan and Mainland, it seems unlikely that any substantive change was intended. This also seems clear from a later statement in the same section of Hu’s report: “We resolutely oppose any separatist attempt for Taiwan independence. The Chinese people will never allow anyone or any force to separate Taiwan from the motherland by any means.” (我们坚决反对“台独”分裂图谋。中国人民绝不允许任何人任何势力以任何方式把台湾从祖国分割出去。) We take note of it, however, because some colleagues from Taiwan seem to see in the language a degree of possible flexibility.

⁵ Wang Yi later amplified what is meant by “fair and reasonable.” Fair (合情), he said, means to take care of each other’s concerns and not forcefully impose measures on the other party (就是照顾彼此关切, 不搞强加于人); reasonable (合理) means to abide by legal principles and not to engage in “two Chinas” or “one China, one Taiwan” (恪守法理基础, 不搞“两个中国”、“一中一台”). (“Wang Yi’s speech at the seminar commemorating the 20th anniversary of the ‘1992 Consensus,’” op. cit.)

According to analysis in Taipei, this is the first time “fair and reasonable” has been so clearly defined. (Chiu Kuo-chiang, “Wang Yi explains for the first time the saying “fair and reasonable arrangements” (合情合理安排說 王毅首度表態), CNA (domestic), November 26, 2012, <http://www.cna.com.tw/News/aCN/201211260257-1.aspx>.)

- ⁶ Chen Dong-hsu and Lin Ke-lun, “TAO: Political consultations with Taiwan will proceed step-by-step” (國台辦：對台政治協商 循序漸進), *United Daily News* (hereinafter UDN), November 13, 2012, <http://udn.com/NEWS/MAINLAND/MAIN1/7495074.shtml#ixzz2C7Hf0Wmy>.
- ⁷ Transcript of TAO press conference, November 16, 2012, http://www.gwytb.gov.cn/xwfbh/201211/t20121116_3376966.htm.
- ⁸ Kelven Huang and Lilian Wu, “China will step up pressure on Taiwan for political talks: MAC,” CNA, December 5, 2012.
- ⁹ Mo Yan-chih, “Non-political issues key in China policy: MAC,” *Taipei Times*, December 6, 2012.
- ¹⁰ Alan D. Romberg, “Taiwan elections head to the finish: concerns, cautions, and challenges,” *China Leadership Monitor*, January 2012, No. 36, pp. 8ff, <http://media.hoover.org/sites/default/files/documents/CLM36AR.pdf>.
- ¹¹ Alan D. Romberg, “The 2012 Taiwan election: off and running,” *China Leadership Monitor* 35, September 2011, p. 20, <http://media.hoover.org/sites/default/files/documents/CLM35AR.pdf>.
- ¹² Lu Hsueh-hui and Ts’ui Tzu-t’I, “Regarding a cross-Strait peace accord, the Mainland needs to first put forward the contents” (兩岸和平協議 陸應先提內容), *Commercial Times*, December 10, 2012, <http://news.chinatimes.com/focus/501012448/122012121000396.html>.
- ¹³ In September, in discussing how the Mainland would give impetus to the institutionalization and mechanization of cross-Strait relations, Wang had stressed four “constant directions” in the Mainland’s cross-Strait policy: the fundamental principle of insisting on the peaceful development of cross-Strait relations; the fundamental position of insisting on opposing Taiwan independence and recognizing the 1992 Consensus; the fundamental stance on insisting on easy things first and proceeding step-by-step; and the basic concept of putting people first and serving the people. (“Wang Yi: ‘Four no changes’ of cross-Strait relations,” *China Times* (carried in translation by Kuomintang News Network), September 24, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=11908>.) (Hereafter KMT News Network)
- ¹⁴ Wang Yi, “Practical achievements and theoretical innovations of the past 10 years in Taiwan work” (十年來對台工作的實踐成就和理論創新). (*Qiu Shi*, October 16, 2012, No. 20, http://www.qstheory.cn/zxdk/2012/201220/201210/t20121012_186040.htm).
- ¹⁵ “Mainland official voices determination to realize national reunification,” Interview with Wang Yi, Xinhua, October 23, 2012, http://news.xinhuanet.com/english/china/2012-10/23/c_131925228.htm.)
- ¹⁶ Wang Yi, “Peaceful development, broad prospects—across the decade” (王毅：和平發展 前景廣闊 (跨越十年)), *People’s Daily*, October 25, 2012, <http://tw.people.com.cn/n/2012/1025/c14657-19379217.html>.
- ¹⁷ Ibid.
- ¹⁸ Romberg, “Shaping the future, part II,” op cit., p. 14.
- ¹⁹ Tsai Su-rong, “Regarding the Mainland pressing for political talks, Wang Yi: Our policy is consistent” (陸政治促談說 王毅：政策一貫), CNA (domestic), December 6, 2012, <http://www.cna.com.tw/News/aCN/201212060368-1.aspx>.
- ²⁰ “Director Wang Yi’s remarks at the reception to welcome the members of the visiting joint village, town and city citizens delegation” (王毅主任在歡迎台灣鄉鎮市民代表會聯合總會參訪團招待會上的致辭), Taiwan Affairs Office (TAO), December 7, 2012, http://www.gwytb.gov.cn/wyly/201212/t20121207_3429888.htm.
- ²¹ Romberg, “Shaping the Future, Part II,” op. cit., p. 12.
- ²² Chai Szu-chia, “Sun Yafu: With one China as the foundation, seek common ground and reserve differences” (孫亞夫：以一中基礎求同存異), CNA (domestic), December 10, 2012, <http://www.cna.com.tw/News/aIPL/201212100095-1.aspx>.
- ²³ “Mainland-Taiwan peace pact discussion could begin in academic circles: Spokeswoman,” Xinhua, December 12, 2012, <http://english.cri.cn/6909/2012/12/12/2561s738017.htm>. The full transcript of the TAO press briefing (in Chinese) is at http://www.gwytb.gov.cn/xwfbh/201212/t20121212_3444350.htm.
- ²⁴ “Sun Yafu: It’s great to be able to talk about ‘one China’ in Taiwan,” *China Times* (carried in translation by Kuomintang News Network), December 12, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=12290>.
- ²⁵ The foregoing discussion of Sun’s comments is drawn from a number of press reports, but the discussion of a peace accord came especially from Lin Ke-lun, “Sun Yafu says the idea of using a peace accord to promote unification is an over-interpretation,” (和平促統 孫亞夫：過度解讀), UDN, December 11, 2012,

<http://udn.com/NEWS/MAINLAND/MA11/7557648.shtml#ixzz2EklyObNe> and from Hsieh Ai-zhu, “TAO says ‘we have been continuously studying’ a cross-Strait peace accord” (兩岸和平協議 國台辦：一直在研究), *Commercial Times*, December 11, 2012, <http://money.chinatimes.com/news/news-content.aspx?id=20121211000073&cid=1208>.

²⁶ Chen Hui-p’ing, “TAO Deputy Director Sun Yafu gets permission to come to Taiwan”

(國台辦副主任孫亞夫獲准來台), *Liberty Times*, December 6, 2012, <http://www.libertytimes.com.tw/2012/new/dec/6/today-p8.htm?Slots=P>.

²⁷ Although Wu formally attended as a research fellow of the Institute of International Relations at National Chengchi University (NCCU), the written text of his speech at the conference stated clearly that he is also executive director of the party’s policy research committee and the (newly-named) DPP representative in the United States. In an interview after the seminar he said he used the NCCU title to “show respect” for the conference organizer. (Su Lung-ch’i, “At the Taipei Forum, Green cadres and Mainland officials are at the same table,” CNA (domestic), December 11, 2012, <http://www.cna.com.tw/News/aIPL/201212110377-1.aspx>.)

²⁸ “DPP scholar: Beijing hurts Taiwan’s feelings, Beijing scholar: Beijing never begs questions,” KMT News Network (from Taipei papers), December 12, 2012,

<http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=12287>.

²⁹ Zou Liyong, Wang Zongming and Zou Qiaoyun, “Wu Jaushieh: Let cross-Strait relations keep moving ahead” (吳釗燮：讓兩岸關係繼續往前走往上疊), *China Review News*, December 12, 2012,

<http://www.chinareviewnews.com/doc/1023/4/0/7/102340743.html?coluid=7&kindid=0&docid=102340743&mdate=1212003050>.

³⁰ Ch’en Hui-p’ing, “Wu Jaushieh: The popular will of Taiwan people runs counter to what China expects”

(吳釗燮：台灣民意 與中期待背道而馳), *Liberty Times*, December 12, 2012,

<http://www.libertytimes.com.tw/2012/new/dec/12/today-fo1-3.htm>.

³¹ A number of reports from various sources suggested that these passports had been issued by the Ministry of Public Security, not by the Ministry of Foreign Affairs.

³² A rather faint photograph of a page with the line is at <http://gulffnews.com/news/world/other-world/taiwan-protests-chinese-passports-1.1109020>. One should note that a number of official PRC maps include this “tenth dash,” but the important point here is that it now appeared in PRC passports for the first time.

³³ These can be seen at

<http://iservice.libertytimes.com.tw/IService3/newspic.php?pic=http://www.libertytimes.com.tw/2012/new/ov/23/images/bigPic/141.jpg>.

³⁴ “China’s passport includes Taiwan, our response slow and weak” (中國護照納台灣 我反應慢半拍), Formosa Television News (FTVN), November 23, 2012,

<http://news.ftv.com.tw/NewsContent.aspx?ntype=class&sno=2012B23P07M1>.

³⁵ Ch’en Dong-hsu, “Regarding the disturbance over the new passport, TAO: The two sides of the Strait belong to one China” (新版護照風波 / 國台辦：兩岸同屬一個中國), UDN, November 27, 2012, accessed November 27, 2012 at <http://udn.com/NEWS/MAINLAND/MA11/7526045.shtml>, currently available at http://www.fyjs.cn/bbs/htm_data/254/1211/837603.html.

³⁶ Kelven Huang and Lilian Wu, “China should not break cross-Strait stability: president,” CNA, November 23, 2012.

³⁷ “MAC issues a stern statement on the Mainland’s new passport,” November 23, 2012 (English translation issued November 30), Press release No. 100,

<http://www.mac.gov.tw/ct.asp?xItem=103648&ctNode=6256&mp=3>. The original Chinese text is at <http://www.mac.gov.tw/ct.asp?xItem=103619&ctNode=6409&mp=1>.

³⁸ Kelven Huang and Lilian Wu, “China should not break cross-Strait stability: president,” CNA, November 23, 2012.

³⁹ Chris Wang, “DPP’s passport stickers to show Taiwan, not China,” *Taipei Times*, December 5, 2012, <http://www.taipeitimes.com/News/taiwan/archives/2012/12/05/2003549409>. The foreign ministry in Taipei warned that use of the stickers would be a violation of current regulations and could cause trouble for tourists when clearing customs and entering foreign countries, but the DPP countered that the interiors of the passports would not be affected. (Chris Wang, “DPP’s passport stickers to show Taiwan, not China,” *Taipei Times*, December 5, 2012.)

⁴⁰ Enru Lin, “Opposition TSU burns image of Chinese passport,” *China Post*, December 8, 2012, <http://www.chinapost.com.tw/taiwan/national/national-news/2012/12/08/363430/Opposition-TSU.htm>.

⁴¹ “Taipei to make decision on controversial PRC passport,” *WantChinaTimes.com*, December 14, 2012, <http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20121214000116&cid=1101>.

Although people traveling directly from the Mainland to Taiwan use special entry permits issued by Taipei, passports are required to obtain such documents, so handling the passports is an issue for Taiwan. Moreover, some overseas Chinese traveling to Taiwan use PRC passports. (Chen Hui-p’ing, “Passport controversy, China refutes our protest, MAC says unacceptable” (護照爭議 中國駁我抗議 陸委會不能接受), <http://www.libertytimes.com.tw/2012/new/dec/28/today-fo1.htm>.)

⁴² Scarlett Chai and Y.F. Low, “MAC reiterates objections to China’s new passport design,” CNA, December 27, 2012.

⁴³ Romberg, “Shaping the future, part II,” p. 10.

⁴⁴ Elaine Hou, “Taiwan expecting progress on ICAO bid next year,” CNA, October 8, 2012.

⁴⁵ Wang Ming-yi, “In discussing Taiwan policy the 18th Party Congress report did not raise the question of international organization space” (十八大報告對台政策 未提國際組織空間), *China Times*, November 22, 2012, <http://news.chinatimes.com/mainland/11050506/112012112200185.html>.

Although Yu Keli, director of the Chinese Academy of Social Sciences Taiwan Research Institute, said at the mid-December Taipei forum that the Mainland kept an “open-minded attitude” on the issue of Taiwan’s international space (“DPP scholar: Beijing hurts Taiwan’s feelings, Beijing scholar: Beijing never begs questions,” KMT News Network (from Taipei papers), December 12, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=12287>), attendees at the forum also no doubt noticed that another speaker from the TAO suggested that a lack of mutual trust lay at the heart of the international space issue. (Hsieh Ai-zhu, “TAO says “we have been continuously studying” a cross-Strait peace accord” (兩岸和平協議 國台辦：一直在研究), *Commercial Times*, December 11, 2012, <http://money.chinatimes.com/news/news-content.aspx?id=20121211000073&cid=1208>.) If the implication of this latter remark is that forward progress will only come with the establishment of mutual trust, that would not be good news for Taiwan.

⁴⁶ Ma continues to underscore the importance of Taiwan’s participation on various occasions, as he did in a meeting with visiting diplomats in mid-December. (“Ma: If Taiwan does not participate in ICAO it will be harmful to international civil aviation” (馬：未入ICAO不利國際民航), CNA (domestic), December 13, 2012.)

⁴⁷ President Ma Ying-jeou’s National Day Address—“Forging Ahead Together with Composure in the Face of Adversity,” Office of the President, Republic of China (Taiwan), October 10, 2012, <http://english.president.gov.tw/Default.aspx?tabid=491&itemid=28271&rmid=2355>. The Chinese-language text of the speech is at <http://www.president.gov.tw/Default.aspx?tabid=131&itemid=28272&rmid=514>.

⁴⁸ The quote is from Ma’s oral remarks on the video posted on the presidential website. (“President attends the symposium on the 20th anniversary of the “1992 Consensus” [總統出席「九二共識」20週年學術研討會], Office of the President, Republic of China (Taiwan), November 9, 2012, <http://www.president.gov.tw/Default.aspx?tabid=131&itemid=28520&rmid=514>.) The video makes it appear that Ma was saying U.S. Secretary of State Hillary Clinton talked about consultations regarding ICAO, but the Chinese-language text and especially the English-language text make it clear this was not the case. (“As for the International Civil Aviation Organization (ICAO), mainland leader Hu Jintao stated to Lien Chan during the APEC meetings this past September that the two sides could discuss the possibility of letting Taiwan participate appropriately in ICAO activities”) The English text is available at <http://english.president.gov.tw/Default.aspx?tabid=491&itemid=28543&rmid=2355>). The president seems to have skipped over some text in his prepared remarks, but the proper attribution of the ICAO remark to Hu is obvious.

⁴⁹ Taiwan did make some progress in other areas of international space where Beijing has no role. It has officially become a member of the South Pacific Regional Fisheries Management Organization, the latest in a series of fishing organizations to which it has gained access. (Grace Kuo, “Taiwan joins South Pacific fisheries body,” *Taiwan Today*, September 24, 2012, <http://www.taiwantoday.tw/ct.asp?xItem=196570&ctNode=445>.) Taiwan also will join the Pharmaceutical Inspection Convention and Cooperation Scheme (PIC/S) in 2013, which will assist it in obtaining the latest drug data and sharpen local manufacturers’ global competitiveness, by among other things speeding up the time required to obtain certification from Canada, Europe, and the United States. (Meg Chang, “Taiwan set

for PIC/S membership in 2013,” *Taiwan Today*, October 4, 2012, <http://www.taiwantoday.tw/ct.asp?xItem=197012&ctNode=445>.)

Taiwan was also elected as deputy presider for 2013 in the Early Transition Countries (ETC) Fund under the European Bank for Reconstruction and Development (EBRD), the first time a non-member of the Bank has been elected a deputy presiding position of one of the Bank’s multi-donor funds. (Y.F. Low, “Taiwan elected deputy president of Early Transition Countries Fund,” CNA, December 7, 2012.)

Meanwhile, Taipei has launched a high-profile public relations to demonstrate its qualifications to participate in the UN Framework Convention on Climate Change (UNFCCC). It not only has issued a colorful brochure entitled “When all hands need to be on deck, Taiwan: Ready, Willing and Able,” (“Taiwan touts UNFCCC credentials,” *Taiwan Today*, November 27, 2012, <http://www.taiwantoday.tw/ct.asp?xItem=198983&ctNode=445>), it has even released a short film on YouTube in English with Chinese subtitles. (Elaine Hou, “Taiwan releases film on UNFCCC bid,” CNA, November 29, 2012.) Oddly, the film refers to the island during eleven of its twelve minutes as “Formosa” even though it uses “Taiwan” in the title [Taiwan, Green wonderland, 臺灣-綠色奇境]. It can be viewed at <http://youtu.be/S-iGaC7wJVA>.)

⁵⁰ Shih Hsiu-chuan, “Resolution condemning WTO downgrade passed,” *Taipei Times*, December 19, 2012, <http://www.taipeitimes.com/News/taiwan/archives/2012/12/19/2003550505>.

⁵¹ “Hu Jintao and Xi Jinping separately reply to KMT Chairman Mao Ying-jeou” (胡锦涛、习近平分别复电中国国民党主席马英九), Xinhua, November 12, 2012, <http://news.xinmin.cn/rollnews/2012/11/17/17217952.html>.

⁵² “Cross-Strait services trade agreement to be signed by year-end,” *UDN* (carried in translation by Kuomintang News Network), October 5, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=11972>. Services identified as likely to be covered in the first wave of liberalization include cultural innovation (such as pop music, cinema and talent agencies), logistics, financial services, and perhaps medical cosmetology and physician check-ups.

⁵³ “Wang Yi: We will do our utmost to conclude cross-Strait services trade agreement,” KMT News Network (from Taipei papers), November 23, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=12201>.

⁵⁴ “Wang Yi: Cross-Strait comprehensive offices to be established gradually on a reciprocal basis,” KMT News Network (from Taipei papers), October 25, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=12068>.

⁵⁵ Philip Liu, “Gov’t will greatly liberalize foreign and Chinese investments,” *Taiwan Economic News*, October 11, 2012, http://cens.com/cens/html/en/news/news_inner_41691.html.

⁵⁶ “Mainland official: ECFA follow-up consultations to be based on principle of mutual benefits,” KMT News Network (from Taipei papers), November 12, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=12143>.

⁵⁷ In this connection, one might note that Taiwan-New Zealand trade negotiations are apparently proceeding smoothly and an economic cooperation agreement could be signed either by the end of 2012 or early in 2013, ahead of an agreement with Singapore. (Chen Hsiu-lan, “Taiwan-NZ trade pact making unexpectedly good progress,” *WantChinaTimes.com*, December 7, 2012, <http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20121207000086&cid=1101>.)

⁵⁸ “October 8, 2012 foreign ministry spokesman Hong Lei holds regular press briefing” (2012年10月8日外交部发言人洪磊主持例行记者会), <http://www.fmprc.gov.cn/chn/gxh/tyb/fyrbt/t977147.htm>.

⁵⁹ “TAITRA sets up representative office in Beijing,” *UDN* (carried in translation by Kuomintang News Network), December 28, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=12365>.

As this process was in train, the TAO spokeswoman spoke enthusiastically about it as “a new development in cross-Taiwan Strait economic relations.” (Huang Chi-kuang and Lilian Wu, “Trade offices in Taiwan, China to begin operating soon: official,” CNA, December 12, 2012.)

She also indicated a positive view about Taiwan Culture Minister Lung Ying-tai’s idea about establishing cultural offices. However, the fact that the TAO spokeswoman spoke of doing this on a reciprocal basis led Minister Lung to say that she would continue internal discussions, consultations, and coordination with the Mainland Affairs Council and National Security Council, as setting up Mainland

cultural centers in Taiwan was likely to be politically sensitive. (“Mainland TAO favors establishing cross-strait cultural offices on reciprocal basis,” KMT News Network (from Taipei papers), December 13, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=12296>.)

⁶⁰ “SEF and ARATS negotiate establishing reciprocal offices,” KMT News Network (from Taipei papers), March 3, 2011, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=9293>.

⁶¹ Romberg, “Shaping the future, part II,” op. cit., pp. 8-9.

⁶² President Ma Ying-jeou’s National Day Address, op. cit.

⁶³ “Hu Jintao and Xi Jinping separately reply to KMT Chairman Mao Ying-jeou,” op. cit.

⁶⁴ Philip Liu, “Gov’t will revise statute for relationship between Taiwanese and Mainland Chinese people,” *Taiwan Economic News*, December 6, 2012, http://cens.com/cens/html/en/news/news_inner_42267.html.

⁶⁵ Rachel Chan, “SEF, ARATS push for reciprocal rep offices,” *Taiwan Today*, October 17, 2012, <http://www.taiwantoday.tw/ct.asp?xItem=197582&ctNode=445>.

⁶⁶ “Wang Yi: Cross-strait comprehensive offices to be established gradually on a reciprocal basis,” op. cit.

⁶⁷ “Transcript of TAO news conference” (国台办新闻发布会辑录[2012-11-16]), November 16, 2012, http://www.gwytb.gov.cn/xwfbh/201211/t20121116_3376966.htm.

⁶⁸ Scarlett Chai and Y.F. Low, “MAC reiterates objections to China’s new passport design,” CNA, December 27, 2012.

⁶⁹ “Mainland official: ECFA follow-up consultations to be based on principle of mutual benefits,” op. cit.

⁷⁰ Wang Yi, “Peaceful development, broad prospects—across the decade,” op. cit.

⁷¹ “Mainland calls for efforts in cross-strait political issues” (reporting on TAO press briefing), Xinhua, November 11, 2012, <http://english.peopledaily.com.cn/90785/8023125.html>.

⁷² Chen left the door open to special treatment of agricultural issues. While he repeated his previous call for Taiwan to open its agricultural markets to the Mainland to the same degree it does for others as a member of the WHO, he also said that, in consideration of the sensitivity of Taiwan farmers, agricultural trade would be handled separately from other issues when discussing the ECFA follow-on agreement on merchandise trade. (“Mainland official: ECFA follow-up consultations to be based on principle of mutual benefits,” op. cit.)

⁷³ Wang Yi, “Practical achievements and theoretical innovations of the past 10 years in Taiwan work,” op. cit.

⁷⁴ Justin Su and S.C. Chang, “DPP official won’t try to please China while in Beijing: Chairman,” CNA, October 1, 2012.

⁷⁵ Ch’iou Kuo-ch’iang, “Regarding Frank Hsieh’s visit, Mainland: Welcome to come in an appropriate capacity” (謝訪問陸：歡迎以適當身分來), CNA (domestic), October 1, 2012, <http://www.cna.com.tw/News/aCN/201210010230.aspx>.

⁷⁶ “DPP’s ‘China Affairs Committee’ not yet set up,” *China Times* (carried in translation by Kuomintang News Network), December 13, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=12291>.

⁷⁷ “DPP passes guidelines to establish China Affairs Committee,” *Democracy & Progress* (DPP monthly newsletter), November 2012, <http://www.scribd.com/doc/115268556/DPP-Newsletter-Nov2012>.