

After the Taiwan Elections: Planning for the Future

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President Ma Ying-jeou's solid re-election victory on January 14 and the Kuomintang's respectable showing in the Legislative Yuan (LY) contests not only eased anxiety in Beijing and Washington, but laid a foundation for yet further progress along all sides of the triangular relationship. On the other hand, they created challenges for Ma, the opposition Democratic Progressive Party (DPP), Beijing, and the United States.

The substantially reduced margin of Ma's victory as compared with 2008, and the smaller Kuomintang (KMT) majority in the LY, reflected not only the "recovery" of the DPP from the low point of the Chen Shui-bian years, but widespread ambivalence about the Ma administration's policies and performance. Although the two major parties returned to their traditional levels of support, there were abundant warning signs for President Ma and his colleagues that they needed to pay far more attention to the issues of economic and social inequity raised by the DPP during the election or else their "legacy" would be tarnished and the chances of a DPP return to power in 2016 would be enhanced. Early indications are that Ma is taking the warning to heart.

The DPP, meanwhile, is engaging in considerable reflection on why it fared so badly, far worse in the northern and central sections of Taiwan than it aimed for or had expected to achieve based on its internal polls. Particular attention was focused on the question of the party's cross-Strait policy, and as this essay was being drafted, despite adoption of a report that finessed the question of what the party's policy toward the Mainland should be, a sharp debate had already taken place and was likely to continue between those advocating "moving to the center" and those who insisted on maintaining traditional positions on Taiwan's independence. Dr. Tsai Ing-wen, who stepped down as party chair after her defeat in the presidential contest, called for new thinking lest the DPP continue to fail to generate confidence in its handling of ties to the Mainland, but she also affirmed support for the party's basic cross-Strait policy. In the meantime, Tsai's resentment against perceived American support for Ma in the election manifested itself in her refusal to meet with some important visiting Americans, including the chairman of the American Institute in Taiwan (AIT), the "unofficial" U.S. institution handling Washington's relations with Taipei.

Beijing was obviously gratified by the election results, and reaffirmed earlier indications of its intention to enrich cross-Strait economic, cultural, and similar relations. But, contrary to the prognostication of some China-

watchers, the PRC was careful to avoid any suggestion it intended to press political and security issues, even as it made clear it wanted to continue to work on establishing a foundation of political trust that could form the basis for addressing such issues in the future. Issues of international space, however, continued to fester, and questions remained about whether efforts would be made to negotiate a peace accord—and, if so, on what terms. Meanwhile, Beijing reached out to DPP members on an individual basis, but continued to shun dealings with the party.

The United States was pleased at the success of the democratic election process and, despite DPP charges to the contrary, reaffirmed that it had remained neutral in the election. That said, American relief that cross-strait relations would continue to develop positively without disruption was clearly evident. Still, there were signs of some discontent in Washington over the level of consultation by Taipei, especially on cross-strait issues. And not only did the lingering controversy over importation of American beef remain unresolved but, amidst an effort by the Ma administration to bring it to a close, political heat in Taiwan was rising along with some signs of public resentment over perceived American pressure.

The Election

The basic facts of the election are well known. Somewhat over 74 percent of eligible voters went to the polls, two points lower than in 2008 and four lower than 2004. In the presidential election, voters handed Ma Ying-jeou a solid victory that exceeded the expectations of most poll projections except those by the KMT (which were apparently quite accurate).¹ Ma and his running mate, then-premier Wu Den-yih, captured almost 6.9 million votes, some 51.6 percent of the total, against close to 6.1 million votes—or 45.6 percent—for Tsai Ing-wen and her running mate Su Jia-chyuan. People First Party (PFP) candidate James Soong did worse than most people expected, pulling in less than 3 percent of the votes cast (under 370,000).

Though some had predicted that Soong would draw a substantial number of pan-Blue voters away from Ma,² most observers believe that concern over a possible Tsai victory led many to vote for Ma who might otherwise have supported Soong (or stayed home), in what is sometimes called “strategic voting” or the “dump/save effect.”³ While there is some circumstantial evidence that this was the case,⁴ and this doubtless contributed to Ma’s 800,000-vote margin of victory—substantially higher than the 400,000- to 500,000-vote victory most public opinion polls had projected—Ma’s impressive margin seemed to be due primarily to other factors (discussed below).

Soong’s PFP fared somewhat better in the LY election,⁵ exceeding the necessary 5 percent of the vote to form a caucus in the legislature (and winning 3 seats in the process). Another minor party, the deep-Green Taiwan Solidarity Union, got a surprisingly high 9 percent of the vote, also winning three seats. But, though it did not

keep anywhere near its three-fourths LY majority from 2008, the KMT still won a preponderance of the legislative seats (64 out of 113, down from 81), albeit with slightly under 45 percent of the vote. And the DPP gained 13 seats—up from 27 to 40, with slightly under 35 percent of the vote.

Taken altogether, the pan-Blue (including the PFP and another smaller party) won 69 seats and 51.48 percent of the LY votes (as against Ma's 51.6 percent of the presidential ballots) and the pan-Green (including the TSU) won 43 seats and 43.56 percent of the LY votes (as against Tsai's 45.6 percent of the presidential vote). In sum, it would appear that the two camps won pretty much their traditional shares of the votes in both elections despite the highly contested nature of the campaign.

Probably the most important factor in all of this was the reluctance of the voters to opt for change when things seemed to be going rather well. They may have been critical of Ma's domestic policies, or were perhaps a bit uneasy about the future of cross-Strait relations, but on the whole there seemed to be little reason to change horses at this juncture. Tsai's arguments about social and economic inequality, while sufficiently meritorious that Ma has pledged to pay greater attention to those issues in his second term, were apparently not sufficiently weighty to dislodge voters from their desire not to rock the boat. Moreover, not only the benefits brought by Ma's cross-Strait policy but also the nervousness about how Tsai would manage cross-Strait relations seems to have offset the DPP's sometimes shrill arguments that reelecting Ma amounted to starting down a slippery slope to unification.⁶

Another factor not generally recognized outside of Taiwan was the endorsement of Ma by a number of corporate CEOs. Especially important was the backing of HTC chairwoman Cher Wang, daughter of Formosa Plastics founder Wang Yung-ching, who is widely admired for going out on her own and building a highly successful smartphone business. This endorsement, and that of other senior business leaders, created for some voters even greater doubts about Tsai's ability to sustain a positive economic relationship across the Strait, which is generally recognized as crucial to Taiwan's well-being. So important was Wang's open support of Ma that after the election some leading DPP personalities openly boycotted her products—labeling them pejoratively as “Chinese phones”—and turned instead to Korean instruments.⁷

DPP Introspection

At various times during the course of the campaign, the DPP made a point of targeting specific geographic areas such as central Taiwan, and specific constituencies such as women.⁸ But Ma ended up winning handily in the central part of the island⁹ and, at least according to one poll, winning the majority of both men and women. Not only that, Tsai had aimed at winning over younger voters, and many polls during the course of the campaign suggested she was succeeding. In the end, however, Ma won in every age category as measured in 10-year cohorts.¹⁰

That said, the KMT did lose ground from 2008 in southern Taiwan, including in agricultural and fishing districts,¹¹ and even lost one LY seat in its stronghold of Taipei.¹²

As noted, most observers attributed Ma's victory to his successful cross-Strait policy and to voters' wariness over Tsai's lack of a credible policy for smoothly managing relations with Beijing. Reasonable as it is as a domestic process, Tsai's call for a "Taiwan Consensus" apparently attracted little support as an effective and reliable way to conduct cross-Strait relations. Former DPP Vice President Annette Lu said that people believed the "1992 Consensus" represented peace, while they found Tsai's "Taiwan Consensus" to be "vacuous" (一般認為內容很空洞).¹³ Criticizing Tsai, she argued that the party's 1999 Resolution on the Future of Taiwan, which was "relatively well elaborated," had been laid aside by Tsai during the campaign, resulting in the DPP's unfavorable election results.¹⁴ One poll taken the day after the election found agreement with Ma's cross-Strait policies the leading reason for his victory (as judged by 21 percent of those polled), along with clean government (18 percent), the desire for stability, and his achievements (both at 15 percent). The same poll found that Tsai's reasons for losing were chiefly her unclear policies (19 percent) and her cross-Strait policies (17 percent).¹⁵ According to another poll, almost a third of those who voted for Ma (32 percent) did so because of his cross-Strait policies. However, among those, only 4 percent did so explicitly because they supported the "1992 Consensus," whereas 29 percent cited stability in cross-Strait relations as their concern.¹⁶

In assessing her loss, Tsai argued that the DPP should proceed with structural reform of the party and streamline its election strategies and campaigns to better take the pulse of society.¹⁷ "We have to go back and face reality," she said. "And we will not win the next election unless we take time to deal with a lot of fundamental issues honestly."¹⁸

Even though we gave our all in attempting to achieve our ideals, this road will take longer than expected. We can do better in the future. Facing the results of this election, the DPP will consciously carry out self-examination and continue to remain alert.¹⁹

But she also openly acknowledged that voters did not back the party's approach to the Mainland, and starting with her press conference the day after the election she called for reflection on the party's cross-Strait policy.²⁰ Over the next month, the issue of the party's cross-Strait policy became especially contentious. In line with her argument for a "Taiwan Consensus," Tsai said that Taiwan must form an internal consensus on cross-Strait issues or else cross-Strait problems will continue to be the main source of division in Taiwan society.²¹ But the reality was that many different, and highly controversial, views were expressed.

Some prominent DPP members called for the party to move more "to the center" and to abandon the position that "one China, respective interpretations" equaled—or was a slippery slope to—unification.²² Others argued against any compromise that smacked of betrayal of the party's position on Taiwan independence and that, in any case, adherence to the party's traditional position was not the cause of its defeat.²³

In the end, in her report on the causes of defeat, adopted unanimously by the Central Executive Committee in late February, as well as at her accompanying press conference, Tsai avoided explicit discussion of a specific alternative approach.²⁴ Rather, she called on the party to gain a better understanding of the Mainland through greater interaction with it, and to find a new approach to deal with it. She said that the DPP could only win people's trust by strengthening its efforts and capability to handle cross-Strait matters. At the same time, she cautioned, "the DPP must continue to persist on its standpoints and play the role of consolidating Taiwan's sovereignty and economic independence."²⁵ Moreover, she later asserted that, when she said the DPP needed to have a better understanding of the Mainland, she did not mean that there was anything wrong with the party's current cross-Strait line.²⁶

Among the causes of the DPP's poor showing with respect to cross-Strait relations, Tsai identified what she called the "economic intimidation card." This consisted of an argument that abandoning the "1992 Consensus" would result in significant harm to Taiwan's economy. In this connection, she said the outspoken positions of several business executives supporting the "1992 Consensus" in the final stage of the campaign played an important part in determining the outcome.²⁷

The new direction in the DPP's approach was indicated by its incoming acting chair, Kaohsiung Mayor Chen Chu, who even before stepping into that role announced that she would try to increase interaction with the Mainland.²⁸ And shortly thereafter, DPP spokesman Lo Chih-cheng attended an important work conference on cross-Strait relations sponsored by the PRC State Council Taiwan Affairs Office (TAO). He did so, however, in his "academic capacity," not as a DPP official.²⁹ While the TAO reiterated that there would be no dealing with the DPP "as a party" as long as it adhered to its "pro-independence," "one country on each side" stance,³⁰ one can anticipate further efforts to engage DPP members and officials in a variety of ways.

It seems unlikely that this controversy will be resolved easily or soon, as in the minds of many DPP members it involves possible abandonment of a central element in the party's identity, even its *raison d'être*, while others have come to the conclusion that unless the DPP makes some adjustment to close the gap with the KMT—and Beijing—on this question, the party seems fated never to again succeed to power.³¹ Hence, we expect that the issue of how to approach the Mainland will be the subject of continued heated debate within the party over time, and we may well return to it in future essays.

Ma Takes Election's Lessons to Heart

On the one hand, Ma—and most commentators—shared the view of many in the DPP that a crucial element in Ma's victory was his position on the "1992 Consensus"—or, put more broadly, successfully squaring the circle of backing the ROC's claim to sovereign independence while at the same time adopting a "one China" position that allowed cross-Strait relations to prosper.³² And in the days immediately after the election he emerged with the highest "satisfaction" rating—and lowest "dissatisfaction" rating—since immediately after assuming office in 2008.³³ (Reflecting the reality of how quickly public

opinion in Taiwan can change, his numbers plummeted again a month later after controversy exploded over the administration's handling of American beef imports, an avian flu outbreak, and rising energy prices³⁴).

On the other hand, in his “victory speech” the evening of the election,³⁵ in addition to promising that cross-Strait relations would be “even more harmonious” with “even more mutual trust between the two sides of the Strait” and “fewer clashes”—all creating “an environment of enduring peace and stability”—and in addition to pledging efforts for greater participation in the international community, Ma stressed his commitment to a more robust domestic agenda.³⁶ He said that he would attach “even more importance” to justice in wealth distribution and that he would institute various reforms so as to “lay a firm foundation for fairness, justice and lasting development for Taiwan.” In the course of doing this, he also made a pledge regarding sovereignty and security of Taiwan:

I will safeguard the sovereignty of the Republic of China with my life. I will struggle for the security of Taiwan and the dignity of the people of Taiwan to the end of my life. This is my most solemn commitment to Taiwan.

Noting that while he would not face another election, he would face the judgment of history, Ma said he would use his eight years in office (counting both terms) “to bring my capability into full play. I will fulfill my promises, push for reforms and transform Taiwan . . . I will do my best to leave a legacy in society and the country's history.”³⁷ As he put it somewhat later, his first term had been about “rectifying the government and catching up with the rest of the world” following the damage done by the Chen Shui-bian administration; his second-term goals were “overhauling the country and marching toward excellence.”³⁸

Addressing the future in more political terms, Ma spoke of having done a lot of soul-searching and having been given by the people not a “blank check” but a “new mandate.” Although, as noted earlier, Ma's margin of victory was substantially larger than generally predicted, it also fell noticeably short of the overwhelming triumph he achieved in 2008. He took note of that, observing “we must remain alert to this reality. Progress can only be made through self-examination. Only progress can ensure that we remain in power.”³⁹

Acknowledging the criticisms lodged against his first-term performance, Ma emerged from the Lunar New Year's break saying he had spent the entire time at home, “considering my mistakes behind closed doors . . . My responsibilities will be even more serious because people will definitely hope that I do even better in my second term. In fact, our challenges will be greater. I think that I've prepared myself.”⁴⁰

He called on the new Cabinet sworn in on February 6 to work ceaselessly and to learn how to communicate with the people in a more complete and lively manner so as to make government policies clear.⁴¹ Following up on this, the newly installed premier, Sean Chen, convened a day-long seminar on the issue of communication—with the public, the media, and the legislature.⁴² Consistent with this requirement, Ma promised to

meet with opposition party leaders every six months and even more frequently—monthly—with civic leaders.⁴³ His first effort to reach out to the opposition with a dinner invitation in February 2012 was rebuffed, however, reportedly due to KMT refusal to forswear efforts to block reform of the LY Procedures Committee.⁴⁴ His office announced that he would try again after his May 20 inauguration⁴⁵ (and presumably after the new permanent DPP chair takes office a week later).

Meanwhile, Ma's commitment to safeguarding ROC sovereignty was challenged in late March when, in a Beijing meeting with CCP Chairman Hu Jintao, honorary KMT Chairman Wu Poh-hsiung described cross-Strait relations as coming under the rubric of "one country, two regions" (一國兩區). He, and the Ma Administration in defending him, argued that this was consistent both with previous positions articulated by Ma⁴⁶ and with the language of the ROC Constitution and Act Governing Relations between the People of the Taiwan Region and the Mainland Region (臺灣地區與大陸地區人民關係條例).⁴⁷ Moreover, the concept was never challenged either under Lee Teng-hui or Chen Shui-bian. Nonetheless, although some DPP members saw no problem in the formulation,⁴⁸ they were denounced by party acting chair Chen Chu⁴⁹ and Wu's statement was harshly attacked by Tsai Ing-wen and others as a dangerous move that compromised sovereignty.⁵⁰ Perhaps more important, public opinion also seemed to be sharply against the concept, and its use generated strong dissatisfaction with the government's cross-Strait policy.⁵¹

Although Ma defended himself against charges of selling out Taiwan's sovereignty,⁵² senior members of his administration said that they had not been consulted about Wu's statement,⁵³ and his intelligence chief reportedly said that these sorts of proposals should be left to private think tanks, and the government should not touch them.⁵⁴ In this respect, and in terms of the hubbub it created on the island, the whole affair seemed to be of a piece with Ma's surprising his team by raising the issue of a peace accord in the late stages of the election campaign, which caused such a stir that he had to retreat by imposing the requirement for a referendum.⁵⁵

After the political pot began to boil over Wu's remarks, Taiwan media reported that the honorary chairman was informed that Taipei would explain his having raised the notion of "one country, two regions" was Wu's personal idea with which Ma had nothing to do. This apparently led Wu to express dismay that it was "in black and white" so how could one retreat?⁵⁶ Moreover, he had already said in a Beijing press conference that "every sentence had [KMT] Chairman Ma's authorization" (每句話都得到馬主席的授權),⁵⁷

If Wu's formulation was meant to appeal to Beijing as a step forward in meeting the PRC's hope for greater emphasis on "one China," however, its success was questionable; when pressed, inevitably Taipei immediately defined the "one country" as the ROC.⁵⁸ In this connection, one apparently senior person said that using the expression "one country, two regions" was oversimplified and could be misunderstood and that Ma would not use it.⁵⁹ In any event, PRC media reports of the Wu-Hu meeting made no mention of Wu's formulation.

Managing the Economy in a Time of Troubles

Although Taiwan apparently managed to eke out a GDP growth rate slightly above 4 percent for 2011,⁶⁰ with the unemployment rate falling in December to its lowest monthly level since prior to the 2008 financial crisis,⁶¹ most projections for 2012 hovered below that mark, some substantially so.⁶² Weak performance in the first two quarters was anticipated due mainly to the debt problems in Europe, weak global economic recovery and slowing export growth in the PRC.⁶³ Nonetheless, on a more upbeat note, the economy was seen likely to pick up substantially in the second half of the year, at or above 5 percent.⁶⁴

In light of these overall gloomy estimates, the Council for Economic Planning and Development announced it would continue to implement the stimulus measures that were introduced in 2011. These include steps to create over 50,000 new jobs in 2012 and to provide training for over 237,000 employees. In addition, delegations were scheduled to travel to Europe to promote investment in Taiwan and to fast-growing economies such as India and Indonesia as well as the PRC to promote cooperation with Taiwan.⁶⁵

With the Mainland, in addition to completing negotiations on a cross-Strait investment protection agreement,⁶⁶ further liberalization of Mainland investment in Taiwan will go forward, and both sides will strive for more robust implementation of tariff cuts under ECFA.⁶⁷ (Surprisingly, the DPP only rather belatedly began to warn that relaxation of restrictions on PRC investment on the island could jeopardize local economic interests and to demand open public hearings.⁶⁸ In any case, the administration announced it would allow new PRC investment in Taiwan starting in March.⁶⁹)

As discussed in an earlier essay, the establishment of reciprocal trade promotion organization offices is anticipated early in the year. And Taiwan will create a “free economic model zone” on a trial basis in Kaohsiung that will be unencumbered by existing cross-Strait restrictions, further liberalizing exchanges with respect to funds, personnel, technology, and merchandise.⁷⁰

Tax reform will be a high priority for the Ma Administration, though it is clear that precisely how it will meet Ma’s criteria that taxes be fairer and that better care be provided to disadvantaged groups⁷¹ will be highly debated. Whether to impose a capital gains tax will be particularly controversial.

Cross-Strait Relations—Looking Ahead

As early as mid-December, while warning about the consequences of not adhering to the “1992 Consensus,” ARATS deputy chairman and secretary-general Li Yafei held out the vision of a much richer cross-Strait relationship if the current political foundation were maintained.⁷² He spoke of further Taiwan participation in regional and international cooperation activities; follow-up agreements to ECFA; expanded Mainland tourism to Taiwan; eased procedures for Taiwan visitors to the Mainland; building a market-oriented, institutionalized purchasing mechanism for Taiwan; opening the PRC’s

financial services market; and establishment of a cross-Strait currency settlement mechanism. He also said ARATS would help Taiwan businesses expand their market on the Mainland and that the PRC would issue more patents to Taiwan products with well-known trademarks. And he added that Beijing would ease rules for Taiwan students seeking scholarships and jobs.

Writing in the Taiwan Affairs Office's journal in the wake of the election, TAO director Wang Yi said that cross-Strait relations had gone through a "major test" and that "Taiwan compatriots in the end chose peace, rejecting instability; cooperation, rejecting confrontation; and to move forward, rejecting falling back" (台湾同胞最终选择了和平, 拒绝了动荡; 选择了合作, 拒绝了对抗; 选择了前进, 拒绝了倒退).⁷³ Reaffirming Beijing's commitment to a step-by-step approach to peaceful development of cross-Strait relations, with easy and economic things to be addressed first, he still identified the first task as maintaining the political foundation of opposing "Taiwan independence" and adhering to the "1992 Consensus." He went on to say that the essence of the "1992 Consensus" is adhering to the common ground of "one China" and setting aside political differences (about its definition). And he noted that, "of course," the PRC still looked forward to creating conditions for overcoming political and security difficulties.

Wang spoke of further improving operation of the cross-Strait Economic Cooperation Committee, fully implementing the early harvest program under ECFA,⁷⁴ and vigorously promoting cross-Strait goods and services trade liberalization talks, with the first task being to sign what he termed the "investment protection *and promotion* agreement."⁷⁵ He went on in further detail about financial services, tourism, agricultural trade, and other beneficial arrangements much along the lines of Li Yafei's remarks in December.

At her press briefing in mid-February, a TAO spokeswoman reiterated these points, adding that, in addition to a cross-Strait investment protection and promotion agreement, a cross-Strait customs cooperation agreement would be signed at the 8th SEF-ARATS meeting, which she announced would take place in Taiwan in the first half of 2012.⁷⁶ As to priorities, she said again that "economic cooperation is still this year's focus in cross-Strait relations (经济合作仍是今年两岸关系的重点), to be supplemented by cultural, educational, and other kinds of exchanges."⁷⁷

This seemed to mesh well with Taipei's economic priorities,⁷⁸ although Taipei continued to say that the time was not ripe for a cultural agreement.⁷⁹

The mid-February visit of TAO executive deputy director and ARATS executive vice president Zheng Lizhong to southern Taiwan⁸⁰—with a special focus on agricultural and fishery areas—and the mid-March visit to central Taiwan of the governor of Fujian Province⁸¹ appeared to be first steps toward implementing a more intensive policy of winning hearts and minds in constituencies that have been more reluctant to accept the value of cross-Strait relations. A DPP legislator later said he had information that the PRC planned to establish "contacts" in various localities to conduct United Front work.⁸²

Following the precedent set by outgoing vice president Vincent Siew, who attended the annual Boao Forum when he was vice president-elect in 2008, Wu Den-yih announced that he would attend this year's March 31–April 3 meeting as an “advisor” to the Cross-Strait Common Market Foundation, which sends a delegation each year.⁸³ Wu planned to meet with Li Keqiang, PRC vice premier (and presumptive premier-select). The DPP and Taiwan Solidarity Union criticized Wu's move as demeaning for Taiwan and as kowtowing to Beijing—especially in light of the fact that he was so anxious to attend that he registered for the forum even before seeking necessary permission from the Taiwan government.⁸⁴

With regard to “international space,” Li Yafei said that the two sides would have more positive interactions, citing the assistance that Beijing had provided Taipei to win its bid to host the 2017 Summer Universiade.⁸⁵ But in so doing, he implicitly reiterated Beijing's insistence that achieving more international space is a matter about which Taiwan should consult with the Mainland. This harkens back to Ma Ying-jeou's first inaugural address commitment to “enter consultations with Mainland China over Taiwan's international space and a cross-Strait peace accord”⁸⁶ (與大陸就台灣國際空間與兩岸和平協議進行協商⁸⁷), which Mainland officials have disgruntledly cited as honored more in the breach than in observance.⁸⁸

As far as international space is concerned, a brouhaha that erupted in early February over statements by Taiwan officials about deepening ties with European countries and the PRC response underscored the sensitivity of key aspects of the issue. It appears that two statements were made in the former vein, one by Taipei's vice economics minister who was promoting an economic cooperation agreement with the European Union⁸⁹ and the other by Taiwan's representative in the UK, reportedly advocating that Taiwan “dedicate itself to making official the substance of relations with countries with which it does not have diplomatic relations” (致力與非邦交國實質關係的官方化) and also that it should follow the WHA model in actively pressing for participation in international organizations and specialized agencies of the United Nations “in the name of the government” (以政府名義).⁹⁰

The foreign ministry spokesman in Beijing responded to a question about the PRC's attitude to these statements with standard language about not opposing unofficial economic, trade, and cultural activities between Taiwan and countries with which the Mainland has diplomatic relations, but objecting to any official exchanges or signing agreements of an official character. He also said that the PRC opposes Taiwan's participation in international organizations limited to sovereign states, and that the abovementioned statements by the Taiwan officials “violated and challenged” (違反和挑戰) the “one China principle” “universally recognized in the international community” (国际社会普遍承认的一个中国原则), characterizing this as “extremely wrong and harmful” (十分错误和有害的). He called on the relevant nations to continue to abide by the “one China principle.”⁹¹

Predictably, this generated a sharp reaction in Taipei. The Mainland Affairs Council responded that the ROC is a “sovereign, independent state” and that participation in

international organizations and activities “with dignity”⁹² is the common aspiration of the people in Taiwan, that Taiwan has repeatedly called on the Mainland to be pragmatic and show good intentions and to have the two sides treat each other with respect in the international arena, and that it will actively push for participation in international organizations and activities.⁹³ For its part, the foreign ministry in Taipei said, “In terms of diplomacy, China’s position has been consistent, but Taiwan will do what it should do.”⁹⁴

Doubtless in anticipation of this sort of reaction from Taiwan, the TAO spokeswoman, while affirming that the PRC foreign ministry’s statement was merely a reiteration of the Mainland’s long-standing position, including that there was no objection to non-sovereignty related, unofficial ties, added a point made by Hu Jintao in December 2008:

Under the precondition that it does not give rise to “two Chinas” or “one China, one Taiwan,” [one can reach] “fair and reasonable arrangements” with regard to Taiwan’s hope to participate in international organizations and activities.⁹⁵

Specifically on the other issue Ma had said he would consult with Beijing about, a peace accord, readers will recall that he had suddenly raised it late in the campaign—almost derailing his reelection bid⁹⁶ and reportedly causing the United States discomfort at being surprised.⁹⁷ After the election Ma seemed to return to the position he had been mulling early in 2011. That is, while saying that more discussion is required to decide how best to fulfill the government’s hopes of “institutionalizing” the peaceful status quo in the Taiwan Strait,⁹⁸ he implied this could be achieved even without a peace accord. He began to talk about how the existing 16 cross-Strait accords were part of a “broadly defined peace accord” and about how, so long as a prosperous situation of peaceful cross-Strait development is maintained, this state of affairs fully conforms to the goal of institutionalizing peace across the Strait.⁹⁹

MAC Minister Lai Shin-yuan also spoke about institutionalizing the concept of “no use of force” in Ma’s second term.¹⁰⁰ More than that, though, as we have noted before, despite President Ma Ying-jeou’s acceptance that “mutual non-denial” (of the other side’s effective jurisdiction where it exists) is accompanied by “mutual non-recognition of sovereignty,”¹⁰¹ MAC officials continue to state that the Mainland should recognize “the reality” of the Republic of China being a “sovereign country,” implying that a peace accord is not feasible until this happens.¹⁰² Lai explained her approach to this issue by saying, “On the basis of the principle of the 1992 Consensus, both sides of the Strait have entered into a substantive phase of ‘mutual non-denial of jurisdiction’ from a jurisprudential phase of ‘mutual non-recognition of sovereignty.’”¹⁰³

Some Mainland academic and media commentators have expressed frustration with Ma’s constrained approach to cross-Strait political issues, specifically including a peace accord,¹⁰⁴ while others have taken a more upbeat approach, one even pointing to the possibility of a peace accord within Ma’s second term.¹⁰⁵ One Mainland scholar urging that Ma consider not only political dialogue but specifically a peace accord, tended to

undercut the potential appeal of his argument in Taiwan when he said that while a peace accord does not mean “radical unification” (急統), the direction of a peace agreement must be clear—“It cannot be [simply] peace forever but it should develop in the direction of peaceful reunification” (不能和平萬歲，而應該朝和平統一的方向發展).¹⁰⁶

Official PRC reaction to the election, and to the prospects for political dialogue, has been couched in standard terms. Immediately after the election, the TAO stressed its willingness to advance toward a new stage of peaceful development of cross-Strait relations on the basis of opposing “Taiwan independence” and supporting the “1992 Consensus.”¹⁰⁷

A detailed commentary in the official media observed that the situation in Taiwan remains complicated. While praising Ma for his stance on cross-Strait relations, and taking note of the fact that, due to the reality of cross-Strait relations and pressure from the Taiwan electorate, the DPP tactically had to soften its rhetoric, nonetheless, it observed that “at the same time, one must face the fact that the Taiwan situation is very complicated, ‘Taiwan independence’ forces can still block the development of cross-Strait relations, it will still take a long time to settle the long-standing inherent contradictions and differences between the two sides of the Strait, and the common interests and emotional bonds between the people on the two sides of the Strait still need to be strengthened” (同时也应看到，台湾局势依然错综复杂，“台独”势力还会阻挠两岸关系发展，化解两岸之间长期存在的固有矛盾和分歧尚需时日，两岸民众共同利益和情感的联结有待加强).¹⁰⁸

An even more pessimistic view was expressed by a Mainland scholar who had gone to Taiwan to witness the elections. He observed that the force of the pro-unification camp had disappeared while the force of the independence camp was quietly rising (統派勢力不見，獨派勢力卻悄然崛起).¹⁰⁹

Specifically responding to questions about the prospects for a peace accord, the TAO spokesperson noted that ending the state of hostilities and reaching a peace accord is in the interest of all Chinese people on both sides of the Strait. If, however, discussions of political and security issues cannot be held for now “due to reasons on the Taiwan side” (由于台湾方面的原因), then everyone should work to safeguard the current good atmosphere in cross-Strait relations by adopting an attitude of seeking common ground while setting aside differences. That being said, she went on, eventually those differences will have to be faced, so both sides should ceaselessly work to create conditions necessary for ultimately negotiating their resolution.¹¹⁰

The clear implicit message was: Though our goal is unchanged, we are in no hurry, just keep things under control with respect to “one China” vs. “Taiwan independence.” This meshed well with Ma Ying-jeou’s position that the current pace of improving cross-Strait relations was just right and there was no reason to rush political dialogue.¹¹¹

High-level PRC visits to Taiwan resumed after the election, with both provincial purchasing groups and other high-level visitors coming after a six-month gap (reportedly

at Ma's request).¹¹² While Taipei denied that setting up reciprocal SEF and ARATS offices was under active review,¹¹³ despite reports that the Mainland was urging consideration of such an exchange,¹¹⁴ there were other indications that there might be some movement on this issue sooner rather than later.¹¹⁵

Meanwhile, Taiwan's top intelligence official opined that the presumptive successor to Hu Jintao, current Vice President Xi Jinping, has the best understanding of Taiwan among the PRC's top echelon of leadership. He also advised, however, that what Xi will do toward Taiwan "might fall short of the Taiwanese people's expectations" because "whoever is at the helm of China will not dare to compromise on such issues as sovereignty and territory."¹¹⁶

The United States

Two U.S.-related subjects dominated the discourse on Taipei-Washington ties in Taiwan since the time of the election: alleged American interference in the election, and importation of American beef from cattle treated with a leanness-enhancing agent, ractopamine.

On the first issue, various DPP members accused the United States of taking steps that openly promoted President Ma's reelection. The charge started with complaints over the background statement by a senior administration official to the *Financial Times* at the time of Tsai Ing-wen's September 2011 visit to Washington expressing "concern" about her lack of ability—and even willingness—to maintain cross-Strait stability.¹¹⁷ But the grievances went beyond that to the alleged bias reflected in the travel to Taiwan of several high-level American officials at the end of 2011, the announcement in December that Taiwan would be eligible for inclusion in the U.S. visa-waiver program, and statements in Taiwan on the eve of the election by a former American director of AIT supporting the "1992 Consensus" while criticizing Tsai's proposed "Taiwan Consensus" "as a way of saying [that Tsai has] no desire to reach cross-Strait agreements."¹¹⁸

When the chairman of AIT, Raymond Burghardt, visited Taiwan in late January, Tsai Ing-wen declined to see him. Although the stated reason was that her schedule did not permit it, it was obvious—and universally understood—that she was making a statement. Burghardt did meet over lunch with the head of the DPP International Department, Hsiao Bi-khim, who then held a press conference in which she reported she had expressed to her guest the DPP's "regret" that, despite repeated assurances that the United States would respect democratic development in Taiwan and take a neutral stand in the presidential election, "some incumbent and former U.S. officials" had broken that promise by making remarks in favor of a specific party. She expanded this complaint to say such behavior had raised doubts among many people in Taiwan about whether the United States could adhere to the universal principles of democracy and a fear that someday, under PRC pressure, the United States might make concessions regarding Taiwan's democracy and security.¹¹⁹

Despite this vivid rhetoric, and although some media analysis speculated that the DPP would “rethink” its “pro-American” policy,¹²⁰ Hsiao said that the DPP hopes to continue communication with the United States and strengthen U.S.-Taiwan dialogue and cooperation to ensure that Taiwan’s democracy and security were not threatened and to jointly promote regional peace and stability.¹²¹

The other issue that dominated discourse in Taiwan about the United States, while largely partisan, was far from entirely so.¹²² That was the question of adjusting the total ban now in place on American beef containing traces of the leanness-enhancing agent ractopamine. As reported in our last essay, several U.S. officials who visited Taiwan late in 2011—while generally seen as tacitly expressing American support for Ma—carried the strong message about the importance of resolving this issue.¹²³

Following a White House statement of congratulations on the elections that expressed the hope for expanded trade and investment ties,¹²⁴ Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell focused in on the issue:

We would like to see Taiwan take some of the necessary steps on beef and other issues now that the election is over that will allow us to have the kind of flourishing economic relationship that we have with many other countries in the Asia-Pacific region.¹²⁵

When AIT Chairman Burghardt visited Taiwan at the end of January, he continued to press for resolution of the beef issue “as a first step toward trade liberalization and as something vital to Taiwan’s acceptance into the Trans-Pacific Partnership (TPP).”¹²⁶ In Burghardt’s meeting with the newly reelected president, Ma acknowledged that the issue had hindered resumption of high-level trade talks under the U.S.-Taiwan Trade and Investment Framework Agreement (TIFA) and announced, “After our new Cabinet is sworn in next Monday [February 6], new Cabinet members will employ a new approach to tackle the thorny beef issue.”¹²⁷ And, indeed, the very first meeting of the new Cabinet was devoted entirely to the beef controversy,¹²⁸ followed by a series of contentious meetings with experts.¹²⁹

Although party leaders later made efforts to say it was not taking an anti-American stand,¹³⁰ the DPP charged that Ma was making a concession to the United States as repayment for American support in the election,¹³¹ but this came across to outside observers as an unsupportable charge lacking in any credibility. What was not unsupportable, or incredible, given the importance the United States has placed on the issue, was the imperative Ma felt to resolve the impasse if Taiwan hopes to move ahead with TIFA negotiations as well as the potential importance for successfully handling other aspects of U.S.-Taiwan relations.

Still, doubts about the appropriateness of any change from the zero-tolerance standard for ractopamine came from across the political spectrum. Concerns about health issues dominated the discussion, but economic issues also factored in. Local pig farmers say they oppose a change because they fear if an eased standard affected beef today,

tomorrow it would be pork, and a lifting of the ban on imports of American pork would seriously hurt their sales prospects as consumers would shy away from meat altogether.¹³² An underlying current in that argument is that they also fear the competition from imported pork.

The Ma administration insisted that, despite the intensive review process it initiated, it had made no commitment to the United States regarding lifting of the ban, and that it had made no decision about what action to take or even when to decide. Ma insisted that health concerns would come first,¹³³ and that the issue would be addressed from a scientific perspective.¹³⁴ That said, in addition to all the other factors pushing the administration toward more decisive action, including the impact of indecision of the restaurant industry,¹³⁵ officials cited the need to reinvigorate trade relations with the United States so as to offset the impact of the U.S.-South Korea (KORUS) FTA on Taiwan's economy.¹³⁶

Thus, while the KMT LY caucus seemed to be delaying action on any legislative action until the UN Codex Alimentarius Commission sets a standard when it meets in July,¹³⁷ there is some speculation Ma would like to settle the issue before his inauguration on May 20. And, indeed, although the government promised not to use an executive order to allow importation of meat containing traces of ractopamine,¹³⁸ and to forgo any Cabinet decision before the LY has a chance to amend relevant laws,¹³⁹ the controversy was given another spin when the Ma administration announced that it was leaning toward lifting the ban with four conditions: allowing only a safe level of ractopamine in beef, separating the handling of permits for importing beef and pork, clearly labeling beef imports, and excluding imports of internal organs.¹⁴⁰ While this action will hopefully focus the debate rather than, as now, simply have proponents and opponents of easing the ban take the conversation in a myriad of directions, there is no question that, whatever the outcome, it will create problems for the Ma administration and will require a more skillful level of management than has heretofore been in evidence.

Although Taiwan was not a major focus of conversation when PRC Vice President Xi Jinping met with President Obama and Vice President Biden in Washington on February 14, Xi raised it with them and in virtually every other meeting he had, and he was careful to state the standard position that “the Taiwan issue concerns China's sovereignty and territorial integrity and remains, as always, the most important and most sensitive issue in China-U.S. relations.” At the same time, according to a statement issued by Xi's delegation, the Chinese vice president said that Beijing appreciates repeated American declarations of its commitment to the “one China policy.” He urged that Washington conform to the spirit of the three U.S.-PRC joint communiqués “underpinning” bilateral relations and safeguard “with concrete action” the peaceful development of cross-strait relations “and the overall development of China-U.S. relations,”¹⁴¹ points he publicly reiterated in his speech to a luncheon the next day.¹⁴² While public statements made no specific mention of U.S. arms sales to Taiwan, that topic was obviously an important consideration for Xi and was presumably what he meant when referring to “concrete action.”

Finally, there was a spate of attention to possible procurement of submarines by Taiwan in late February. The press stories were seemingly contradictory, with one speaking of domestic development of submarines with help from international naval experts (from which American firms have reportedly been explicitly barred by the U.S. government),¹⁴³ while others spoke of Taipei's continued preference—and even a possibility—to deal with the United States.¹⁴⁴ The latter story reported that the U.S. government not only has not shut the door on selling diesel submarines to Taiwan, but that it is currently conducting an interagency review about whether to approve such sales in accordance with President George W. Bush's expressed approval of providing eight boats in April 2001.

Notes

¹ Presidential election results were published online by the Central Election Commission the day of the election. Currently they are available at Jamie Wang, "Government formally announces election results," Central News Agency (CNA), January 14, 2012.

² Alan D. Romberg, "Taiwan Elections Head to the Finish: Concerns, Cautions, and Challenges," *China Leadership Monitor*, no. 36, pp. 3–4.

³ "Mid-November poll on dump/save effect on 2012 presidential election," *United Daily News* (carried in translation by the Kuomintang News Network), November 13, 2011, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=10417>.

⁴ "Public opinion poll on the 2012 presidential election 2 days after the election" (2012總統大選選後2天民調), TVBS, January 17, 2012, http://www1.tvbs.com.tw/FILE_DB/PCH/201201/dfbroll1dv8.pdf, reports that while almost half of those who supported Ma had made up their minds at least six months earlier, 11 percent made up their minds either on election day or the day before, and over 20 percent made up their minds sometime in the last week before the election. (The numbers for Tsai are not so different: 8 percent made up their minds on election day or the day before, 17 percent decided within the final week, and 43 percent had their minds made up six months earlier.)

⁵ LY election results drawn from CEC sources are available at http://en.wikipedia.org/wiki/Republic_of_China_legislative_election,_2012.

⁶ James Lee, "Taiwan might face unification with China if Ma is re-elected: Tsai," CNA, December 23, 2012.

⁷ Sophia Wu, "Pros and cons of boycotting HTC," CNA Talk of the Day, January 18, 2012.

⁸ James Lee, "DPP targets women, grassroots in latest campaign," CNA, December 14, 2011.

⁹ "Polls reveal unexpected shifts in geographic trends," *China Post*, January 15, 2012.

¹⁰ "Public opinion poll on the 2012 presidential election 2 days after the election" (2012總統大選選後2天民調), TVBS, January 17, 2012, http://www1.tvbs.com.tw/FILE_DB/PCH/201201/dfbroll1dv8.pdf. According to this poll, Ma won every major category of voter except DPP supporters, by the following margins for each category. By gender: women (47-30), men (44-37); by age: 20–29-year-olds (45-37), 30–39-year-olds (48-37), 40–49-year-olds (48-37), 50–59-year-olds (48-31), over 60 (41-26); by ethnicity: Taiwanese (minnan) (41-39), Hakka (58-25), Mainlanders (82-8); by education: less than middle school education (36-31), upper middle school education (49-33), higher education (49-35); by party affiliation: identified with KMT (88-3), independent (35-26), and supporters of other parties (44-26).

¹¹ Yan Kuang-t'ao, "Election observation: KMT loses pretty miserably in southern Taiwan!"

(選戰/選舉觀察: 國民黨在南台灣輸得比較慘!), *Central Daily News*, January 15, 2012, http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=101792926.

¹² Enru Lin, "KMT maintains its lead but loses key stronghold regions," *China Post*, January 15, 2012.

¹³ "Ma's China policy credited as key election factor," Formosa Television News (FTVN), January 15, 2012, <http://englishnews.ftv.com.tw/read.aspx?sno=0F53972BCCEA722CB6E7CBA06996ADCA>.

¹⁴ "Annette Lu: Taiwan Consensus was too abstract to benefit the DPP in the presidential election," KMT News Network (from Taipei papers), January 30, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=10795>.

The former vice president continued her attack on Tsai's leadership, issuing her own take on why the DPP lost the election, ridiculing aspects of Tsai's management of the campaign (Lin Shen-hsu, Sophia Yeh, and Deborah Kuo, "Former VP rules out possibility of bidding for DPP leadership," CNA, February 21, 2012) and accusing her of having made several key misjudgments. (Enru Lin, "Ex-VP Lu to publish manifesto on DPP's campaign blind spots," *China Post*, February 21, 2012.) She also tended to downplay the role of the U.S. and PRC in the election, noting that these issues had existed as early as during the Chen Shui-bian administration.

¹⁵ Chang Ta-chih, "Public opinion poll: 77 percent accept Ma's victory, 56 percent have confidence in his governance," *Central Daily News* citing *United Daily News* poll, January 16, 2012, http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=101793437.

¹⁶ "Public opinion poll on the 2012 presidential election 2 days after the election" (2012總統大選選後2天民調), TVBS, January 17, 2012, http://www1.tvbs.com.tw/FILE_DB/PCH/201201/dfbroll1dv8.pdf.

¹⁷ Yang Si-ruei and Bear Lee, "Tsai presses for DPP reform," CNA, January 28, 2012.

¹⁸ Chris Wang, "Tsai wraps up thank-you tour," *Taipei Times*, February 6, 2012.

¹⁹ "The DPP's transformation and reform will not stop, my heart will always remain with the Taiwanese people," DPP presidential candidate and chair Tsai Ing-wen's concession speech, January 14, 2012, <http://dpptaiwan.blogspot.com/2012/01/tsai-ing-wens-concession-speech-january.html>.

²⁰ Full coverage of the press conference, with Tsai's response in Chinese, is available at <http://www.youtube.com/watch?v=mzQF5Ocm18c>. A summary of this comment by Tsai is available in English at FTVN (<http://englishnews.ftv.com.tw/read.aspx?sno=0F53972BCCEA722CB6E7CBA06996ADCA>).

²¹ "Contents of Tsai Ing-wen's post-election press conference," (蔡英文選後記者會致詞內容), January 15, 2012, http://www.dpp.org.tw/news_content.php?&sn=6013.

²² Frank Hsieh Chang-ting, former premier, presidential candidate, and DPP chairman, was among the most outspoken in this regard. Noting that if the DPP's cross-Straits policy was not the main reason for its defeat, it was "at the very least" one of the reasons, he called for a "review" of the party's independence platform. ("Frank Hsieh: DPP should lean towards KMT's cross-Straits policy," KMT News Network [from Taipei papers], February 8, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=10855>.)

Although Hsieh said that Taiwan identity and Taiwan independence as the status quo were fundamental DPP positions, he called on the DPP to "move to the center" in its policies toward the Mainland. In essence, he said, the party's cross-Straits policy should not be "too different" from that of the KMT. As for those who wanted to continue to advocate de jure independence, he said, let the TSU take care of that. (Lin Shen-hsu and S.C. Chang, "Former premier urges DPP to adopt 'middle way' China policy," CNA, February 7, 2012.)

Unsurprisingly to Hsieh (and everyone else), these proposals gave rise to negative reactions from others in the party. As he put it, "The first one to propose such an idea will be condemned, but the second will not." ("Frank Hsieh calls on DPP to adjust Mainland policies, defends himself from friendly fire," KMT News Network (from Taipei papers), February 9, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=10858>.) Perhaps feeling the heat more than he had anticipated, Hsieh appeared to retreat when he argued a week later that adopting Tsai's notion that "Taiwan is the Republic of China, the Republic of China is Taiwan"—rejected by Beijing as a "one China, one Taiwan" position—was consistent with his argument to "move to the center." (Lin Shen-hsu, "Move to the center, Hsieh Chang-ting again revises his statement" [往中間靠 謝長廷再修正說法], CNA [domestic], February 15, 2012, <http://www2.cna.com.tw/News/aIPL/201202150194.aspx>.)

Former DPP LY member Julian Kuo, who served as spokesman for the DPP's ad hoc working group on ECFA, spoke out in a similar vein. He said the party needed new thinking and urged that it not equate either the "1992 Consensus" or "one China, respective interpretations" with "quasi-reunification." Otherwise, he argued, the DPP would only be caught in its own trap and fail to extricate itself from the cross-Straits dilemma. Since the United States, the PRC, and the KMT had all accepted the "1992 Consensus," he asked, if the DPP disregarded that consensus, why would the Mainland pay any attention to DPP protests? Instead, he called for a "creative" solution that would amount to "Taiwan Independence without Taiwan independence," adopting a framework the PRC might not be satisfied with but could accept. To do this the DPP should recognize the Republic of China Constitution and accept the notion of

“one China constitution, different interpretations.” (“Julian Kuo: DPP self-trapped by equating ‘1992 Consensus’ with ‘Reunification’,” *United Daily News* [translated by KMT News Network], February 6, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=10843>.)

Kuo later accused the party of not thinking at all: “Everyone can see the party’s ‘brain has stopped working’ and that it is out of ideas, relying only on intuition.” He said that following Tsai Ing-wen’s loss, DPP party leadership was indecisive and lacked intellectual strength and leadership abilities, causing the party to fail to grasp the international situation and to continue its old “knee-jerk anti-China” attitude. (Chu Chen-kai, “Julian Kuo: DPP brain has stopped working, leadership vacuum,” [郭正亮: 民進黨大腦停擺 領導真空], *China Times*, March 13, 2012, <http://news.chinatimes.com/politics/11050202/112012031300129.html>.)

Former DPP chairman Hsu Hsin-liang also blamed the election outcome on the party’s policy toward Beijing—“The reason the DPP lost by nearly 800,000 votes in the election is basically because the public still has misgivings about the party’s cross-strait policy and stance”—and he called not only for a new policy but also for a new platform to replace the 1999 Resolution on Taiwan’s Future (台灣前途決議文). (Wen Kuei-hsiang and Lilian Wu, “Tsai urged to turn DPP cross-strait views into party’s new resolution,” *CNA*, January 18, 2012.)

²³ “Joseph Wu: DPP stabs its own heart after election defeat,” *KMT News Network* (from Taipei papers), March 7, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=10961>.

²⁴ “Press release of the 20th meeting of the 14th DPP Central Executive Committee,” DPP, February 22, 2012, http://www.dpp.org.tw/news_content.php?sn=6043.

²⁵ “DPP produces ‘Self-Reflection Report,’” *Democracy & Progress* (DPP Newsletter), February 2012, <http://www.scribd.com/doc/84223941/DPP-Newsletter-Feb2012>.

²⁶ Hsiao Fu-yuan, Lin Hsing-fei, and Li Hsueh-li, “Perhaps if we could act more vigorously, things would be better,” interview with Tsai Ing-wen, (如果能更積極面對, 或許更好), *CommonWealth Magazine*, March 2012, <http://www.cw.com.tw/article/articleLogin.action?id=5031458&login=true&page=1>, translated in summary by Open Source Center [OSC], CPP20120322569001. (Access to original Chinese text limited to subscribers)

²⁷ “DPP produces ‘Self-Reflection Report,’” *op cit.* See endnote 25.

²⁸ Wang Shu-fen and Sofia Wu, “DPP to increase engagement with China: incoming acting party chief,” *CNA*, February 24, 2012.

²⁹ Chris Wang, “DPP spokesperson Lo visits China as party eases policy,” *Taipei Times*, March 15, 2012.

³⁰ “Wang Yi: Beijing adopts ‘open’ attitude towards DPP,” *United Daily News* (translated in *KMT News Network*), March 6, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=10959>.

³¹ The continuing splits have been reported prominently in pro-Green media (Lee Hsin-fang, “DPP split on need for new China policy,” *Taipei Times*, March 17, 2012), with the most widely read such paper editorially warning the party “not to promote exchanges with China without good reason” and “not [to] try to win Beijing’s trust by wavering and compromising on its own stance, as doing so will risk losing the trust of the Taiwanese people.” (Y.F. Low, “Liberty Times: Be careful of losing people’s trust,” *CNA* (editorial extract), March 17, 2012.) At the other end of the spectrum, a group of DPP politicians and academics warned that the party’s policy toward the Mainland was way behind the times and out of touch with society, and one of the new DPP chief’s most urgent tasks on taking office in late May will be to lead the party to overhaul that policy. (Sofia Wu, “New DPP party chief’s mission,” *CNA* (Talk of the Day), March 24, 2012.)

³² “Ma’s China policy credited as key election factor,” *FTVN*, January 15, 2012, <http://englishnews.ftv.com.tw/read.aspx?sno=0F53972BCCEA722CB6E7CBA06996ADCA>, carries a clip of Ma speaking on the subject (in English): “. . . support rate is over 51%. Obviously, people approve of my cross-strait policy. That doesn’t mean that I will go even faster. I will control the pace to make sure that people can support it.”

³³ “Poll on Cabinet reorganization” (內閣改組民調), *TVBS*, February 9, 2012, http://www1.tvbs.com.tw/FILE_DB/PCH/201202/rx1rsv0qzf.pdf. For the first time during his tenure as measured by *TVBS*, Ma’s “satisfaction” rating (40 percent) exceeded his “dissatisfaction” rating (37 percent).

³⁴ “Poll on President Ma Ying-jeou’s support rate (American beef, avian flu controversies)” (馬總統滿意度民調 [美牛、禽流感爭議]), *TVBS*, March 13, 2012, <http://www1.tvbs.com.tw/>

[FILE_DB/PCH/201203/jsh71y1ch9.pdf](#). In this poll, Ma's satisfaction rating dropped to 28 percent (his lowest in two years), while his dissatisfaction rating rose to 50 percent.

³⁵ Reporting on Ma's speech by China Television Company (CTV) on January 14, 2012, as covered by OSC, CPP20120114004001.

³⁶ According to one post-election poll, the public identified economic development as Ma's most important policy area for his second term (50.1 percent) and reducing the wealth gap as second in importance (39.9 percent). But these were the only two issues that exceeded management of cross-Strait relations (37.9 percent). These came far ahead of social welfare (27.7 percent), education and culture (19.7 percent), clean government (15.4 percent), or other issues. ("China Post poll: 63% have confidence in Taiwan's future," translated by KMT News Network, January 16, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=114&anum=10762>.)

³⁷ Lee Shu-hua and Jamie Wang, "Ma promises to leave legacy after second term," CNA, January 15, 2012.

³⁸ Kelven Huang and S.C. Chang, "Ma promises a 'totally different Taiwan' 4 years from now," CNA, February 12, 2012.

³⁹ "President Ma reflects upon election results, saying soul-searching necessary for progress," KMT News Network (from Taipei papers), January 19, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=10783>.

⁴⁰ "President Ma Ying-jeou discusses second term plan in post-holiday greeting," FTVN, January 30, 2012, <http://englishnews.ftv.com.tw/read.aspx?sno=0E2F0E61F4E9ED11C09380AEDEF46668>.

⁴¹ "No honeymoon for new Cabinet: Taiwan President Ma Ying-jeou," *Taiwan News Online*, February 11, 2012.

⁴² Nancy Liu, "Premier underlines communication skills to ministers," CNA, February 11, 2012.

Ma made it clear that his intention is for Cabinet members to not rely solely on the media to communicate with the public, but to take their message directly to the people, including grassroots visits and even home stays in the countryside. ("Ma asks Cabinet to communicate with the grassroots in country side," KMT News Network [Taipei papers], February 13, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=10871>.)

⁴³ Kelvin Huang, Justin Su, Lin Shen-hsu, and Deborah Kuo, "President to meet regularly with opposition parties: spokesman," CNA, January 16, 2012.

⁴⁴ Shih Hsiao-kuang, "Opposition parties decline Ma's dinner invitation," *Taipei Times*, February 28, 2012. This coordinated rebuff followed on DPP efforts to form an alliance with other opposition forces to better monitor parliamentary operations. Although, according to reports ("DPP seeks opposition alliance in Legislature: CNA," *China Post*, February 12, 2012), initially this cooperation was to focus on economic and social issues, the apparently coordinated refusal to accept Ma's dinner invitation suggests that it may well have broader reach, although the DPP said Tsai declined because she had resigned as chairperson and would step down at the end of February and so this was not the right time to discuss a dialogue between the ruling and opposition parties, and the PFP said it was waiting for an official invitation before considering whether such a meeting was necessary. ("Ma's calls for dialogue with opposition parties receive negative responses," *United Daily News* [translated by KMT News Network], February 19, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=10899>).

⁴⁵ Lee Shu-hua, Lin Shen-hsu, and Hanna Liu, "Presidential Office proposes cross-party summit after May 20," CNA, March 18, 2012.

⁴⁶ In September 2008 Ma gave an interview to a leading Mexican publication in which he stated, in much the same way that Wu spoke in Beijing in March 2012, that "the two sides had a kind of special relationship, but not a state-to-state relationship" (我們雙方是一種特別的關係, 但不是國與國的關係). He also made reference during the interview to the "Taiwan region" (台灣地區) and the "Mainland region" (大陸地區). ("President receives Mexican 'El sol de Mexico' delegation headed by board chairman Mario Vázquez Raña for an exclusive interview," [transcript in Chinese], Office of the President, September 3, 2008, <http://www.president.gov.tw/Default.aspx?tabid=131&itemid=14151&rmid=514&sd=2008/09/03&ed=2008/09/05>.) Although Ma did not refer explicitly to "region-to-region" relations, his office did so in expanding on his reference to "special relations." (Elizabeth Hsu, "Taiwan presidential office says cross-Strait relations not 'state-to-state' links." BBC Monitoring International Reports, 2008, [accessmylibrary](http://www.accessmylibrary.com/article-1G1-188020072/taiwan-presidential-office-says.html). [March 25, 2012]. <http://www.accessmylibrary.com/article-1G1-188020072/taiwan-presidential-office-says.html>.)

In December of that year, when speaking before a forum on constitutional interpretation, Ma spelled it out even more clearly, saying that not only was it not a state-to-state relationship, but it was a “region-to-region” one. (Loa Iok-sin, “Ma repeats ‘region-to-region’ comment,” *Taipei Times*, December 22, 2008.)

⁴⁷ Chinese text at http://law.moj.gov.tw/Eng/news/news_detail_ch.aspx?SearchRange=G&id=763; English translation at http://law.moj.gov.tw/Eng/news/news_detail.aspx?id=763.

⁴⁸ Tung Yuan-yu, “Kuo Cheng-liang [Julian Kuo]: DPP must honestly face the Constitution” (郭正亮: 民進黨必須誠實面對憲法), *China Times*, March 23, 2012, <http://news.chinatimes.com/politics/130502/132012032301139.html>. Zheng Min-sheng and Kuan Wu-yuan, “Hong Chi-chang, One country, two regions accords with interpretation of the Constitution,” (洪奇昌: 一國兩區符合憲法解釋), *China Times*, March 25, 2012, <http://news.chinatimes.com/politics/110101/112012032500145.html>.

⁴⁹ Lee Shu-hua, Sherry Tang, and Elizabeth Hsu, “Presidential Office defines cross-Strait ties as ‘one ROC, two areas,’” CNA, March 26, 2012.

⁵⁰ “Taiwan DPP slams KMT honorary chairman’s ‘One Country, Two Areas’ comment,” *Taiwan News Online*, March 23, 2012, http://www.taiwannews.com.tw/etn/news_content.php?id=1876019.

⁵¹ A TVBS poll released within a week after Wu was in Beijing reported that over half of respondents not only did not agree with “one country, two regions” as the description of cross-Strait relations but also were dissatisfied with the government’s policy and practice of handling cross-Strait relations. (“Public opinion poll on one country two regions and unity and independence, national and ethnic identity,” (一國兩區與統獨、國族認同民調), TVBS, March 27, 2012, http://www1.tvbs.com.tw/FILE_DB/PCH/201203/0fwey3m9v1.pdf.)

⁵² Luo Yin-chung, “Ma: Of all the presidents, I have defended the ROC the most,” *United Daily News*, March 24, 2012, <http://www.udn.com/2012/3/24/NEWS/NATIONAL/NATS2/6983016.shtml>.

⁵³ Elaine Hou and Christie Chen, “DPP lawmakers pan officials over ‘one country, two areas’ concept,” CNA, March 26, 2012. This article reported that neither MAC chair Lai Shin-yuan nor NSB director Tsai De-sheng had been told about Wu’s formulation beforehand. Former Secretary-General of the National Security Council Su Chi also said he had never studied the concept nor discussed it with Ma when he was at the NSC. (Wu Ming-chieh, “Tsai Ming-de: ROC armed forces won’t know what it would be fighting for,” (蔡明憲: 國軍將不知為何而戰), *China Times*, March 26, 2012, <http://news.chinatimes.com/politics/11050202/112012032600129.html>.)

⁵⁴ Emmanuelle Tseng and Lilian Wu, “‘One country, two areas’ concept unlikely to become policy: NSB,” CNA, March 26, 2012.

⁵⁵ Romberg, “Taiwan Elections Head to the Finish,” pp. 8–15 (see endnote 2).

⁵⁶ Tsou Ching-wen, “One country two regions creates waves, government sought to cut [Wu] off, [but] Wu had it in writing,” (一國兩區掀波 府想切割 吳有白紙黑字), *Liberty Times*, March 26, 2012, <http://www.libertytimes.com.tw/2012/new/mar/26/today-fo1.htm>.

⁵⁷ Wang Ming-yi, “Wu Poh-hsiung meets Hu Jintao [and] on Ma’s behalf for the first time raises ‘one country, two regions,’” (吳伯雄會胡錦濤替馬帶話首提一國兩區), *China Times*, March 23, 2012, <http://news.chinatimes.com/focus/501010788/112012032300065.html>.

⁵⁸ Lee Shu-hua, Sherry Tang, and Elizabeth Hsu, “Presidential Office defines cross-Strait ties as ‘one ROC, two areas,’” CNA, March 26, 2012.

⁵⁹ Tsai P’ei-fang, “Party/government figure: President Ma will not use this term,” (黨政人士: 馬總統不會用這個名詞), *United Daily News*, March 23, 2012, <http://udn.com/NEWS/NATIONAL/NATS2/6981525.shtml>.

⁶⁰ Lin Hui-chun and Hanna Liu, “Taiwan 2011 economic growth rate hits 4.04 percent,” CNA, February 22, 2012. By way of comparison, one of Taiwan’s main competitors, South Korea, expanded by only 3.6 percent in 2011. (“Korean economy grows 0.4% in 4th quarter,” Yonhap [carried in *Korea Times*], January 26, 2012.)

⁶¹ Lin Hui-chun and Deborah Kuo, “Taiwan’s jobless rate drops to 40-month low in December,” CNA, January 30, 2012.

⁶² The Directorate General of Budget, Accounting and Statistics forecast 2012 GDP at 3.85 percent (down from a forecast of 4.19 percent growth last November and 3.91 percent in January; Lin Hui-chun and Hanna Liu, “Taiwan 2011 economic growth rate hits 4.04 percent,” CNA, February 22, 2012), but Merrill Lynch projected growth of only 3.2 percent (Jeffrey Wu, “Taiwan’s economic outlook still bumpy: investment banks,” CNA, January 16, 2012).

⁶³ Jeffrey Wu, “TIER trims 2012 Taiwan economic growth forecast,” CNA, January 31, 2012.

⁶⁴ “Taiwan 2012 economic growth will not reach 4%: DGBAS, TIER,” *Taiwan News Online*, January 31, 2012.

⁶⁵ Lin Hui-chun and Frances Huang, “CEPD will continue with economic stimulus measures: minister,” CNA, January 15, 2012.

⁶⁶ In his recent references to this agreement, State Council Taiwan Affairs Office (TAO) Director Wang Yi has referred to it as the “cross-Strait investment protection *and promotion* agreement” (emphasis added), suggesting that Beijing intends to follow through on earlier statements regarding acceleration of economic ties with Taiwan. (“Wang Yi’s New Year’s message on cross-Strait relations: Carry forward and write a new chapter” [王毅新年寄语两岸关系：继往开来 再谱新篇], to be published in *Cross-Strait Relations*, 2012, No. 2, January 30, 2012, http://www.chinataiwan.org/xwzx/la/201201/t20120130_2260513.htm.)

On the other hand, Taiwan’s then-premier (and now vice president-elect) Wu Den-yih said in mid-January that the two sides were still working on a mechanism to resolve investment disputes between individuals and governments. Wu made clear that Taiwan continues to argue for an option “similar to an international arbitration mechanism.” (Elaine Hou, “Investment protection pact top priority for Taiwan-China trade ties,” CNA, January 18, 2012.) In the past, Beijing has objected to this model because of its potential implications for sovereignty issues.

⁶⁷ Philip Liu, “Taiwan and China step up follow-up talks for ECFA,” *Taiwan Economic News*, February 13, 2012, http://cens.com/cens/html/en/news/news_inner_39275.html.

⁶⁸ Chris Wang, “Investment rule relaxation questioned,” *Taipei Times*, March 15, 2012.

⁶⁹ Jeffrey Wu, “Taiwan to begin allowing new Chinese investment in March,” CNA, March 20, 2012.

Reportedly, Mainland investors will be able to invest in 97 percent of business categories in Taiwan’s manufacturing sector (covering 115 types of such businesses), 51 percent of the service sector (covering 23 service businesses), and 51 percent of the public infrastructure construction industry (or 23 such businesses).

While Mainland firms would not be allowed to invest in real estate or to bid directly on construction contracts, Taipei welcomes Chinese enterprises’ investments in Taiwan construction projects. According to one report, this is to help make up for the shortfall in the government budget for such projects. (Philip Liu, “Gov’t welcomes Mainland investments in public construction projects,” *Taiwan Economic News*, February 3, 2012, http://cens.com/cens/html/en/news/news_inner_39199.html.) According to another report, the principles to be applied in making any approval decision will be that such investments not affect national security, hurt domestic industries, or produce negative images to society, and that they make a positive contribution to the development of national industries. (Lin Hui-chun, “[Minister of the Public Construction Commission] Ch’en Chen-ch’uan, : 4 principles of Mainland investment in public construction,” CNA [domestic], February 7, 2012, <http://www2.cna.com.tw/News/aALL/201202060304.aspx>.)

⁷⁰ Philip Liu, “Gov’t will push free economic exemplary zones,” *Taiwan Economic News*, February 9, 2012, http://cens.com/cens/html/en/news/news_inner_39248.html.

⁷¹ Kelven Huang and Deborah Kuo, “Government to push tax reforms, bolster care provision: Ma,” CNA, February 13, 2012.

⁷² “ARATS’s Li Yafei: Cross-Strait dialogues and consultations to be suspended without 1992 Consensus as prerequisite,” KMT News Network (from Taipei papers), December 13, 2011, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=10581>.

⁷³ “Wang Yi’s New Year’s message on cross-Strait relations” (see endnote 66).

⁷⁴ Although Taiwan industry sources complained that both non-tariff and even ECFA-illegal tariff barriers remain in place (“Cross-Strait trade barriers persist despite ECFA,” *WantChinaTimes.com*, February 4, 2012, <http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20120204000067&cid=1202>), Taiwan officials touted the significantly increased benefits of ECFA expected to be reaped in 2012, now that over 90 percent of the 539 products on the “early harvest” list are to be traded on a duty-free basis. (Judy Li, “Benefits of ECFA expected to rise for 2012,” *Taiwan Economic News*, February 1, 2012, http://cens.com/cens/html/en/news/news_inner_39181.html.) This was all to come on top of the 59 percent growth in petrochemical exports to the Mainland in 2011, 18.58 percent growth in machinery exports, and, in addition to lesser growth of other manufactures, 85.8 percent growth in agricultural products by volume, 135 percent by value. According to the Mainland Affairs Council, this means that while only a bit more than 21 percent of Taiwan’s exports to the Mainland enjoyed zero tariffs in 2011, that figure is expected to

increase to over 50 percent in 2012. (Lin Shu-yuan and Frances Huang, “ECFA expected to deliver significant benefits in 2012: MAC,” CNA, January 27, 2012.)

⁷⁵ Emphasis added. Perhaps chastened by his inaccurate earlier predictions of imminent success in these negotiations, Wang still waxed somewhat optimistic, but he worded his prediction of success carefully: “As long as the two sides walk toward each other and interact with goodwill, it is entirely possible that the signing of the investment protection agreement may occur in the first half of the year.” Nonetheless, he noted that negotiations would be “difficult,” as they would require adjustments of both sides’ interests. (“Cross-Straits investment agreement may be signed soon,” Xinhua, March 16, 2012.)

⁷⁶ Trade promotion offices were also to be established on a reciprocal basis, with the Taiwan External Trade Development Council to upgrade six of its 10 existing Mainland offices to formal “TAITRA status” throughout the Mainland, starting with a Beijing office in March and a Shanghai office in April. (Philip Liu, “TAITRA’s Beijing office to be inaugurated on March 27,” *Taiwan Economic News*, February 20, 2012, http://cens.com/cens/html/en/news/news_inner_39341.html, and Cheng Chung-sheng, Lin Shu-yuan, Chen Hung-chin, and C.J. Lin, “TAITRA to open Shanghai office in April,” CNA, February 18, 2012.

⁷⁷ “Transcript of TAO press conference” (in Chinese), February 15, 2012, http://www.taiwan.cn/xwzx/xwfbh/gtbxwfbh/fbhwb/201202/t20120215_2293415_3.htm.

With regard to culture, Lung Ying-tai, the newly appointed head of the Taiwan Council of Cultural Affairs—soon to be raised to ministerial level—is viewed by some as “incendiary” because she is not shy about making criticisms that stir up social and political debates. Lung, who had served as Ma’s first director of the Taipei City Cultural Affairs Bureau when he was mayor, is coming to the office from a seven-year stint as a visiting professor in Hong Kong. A Hong Kong writer and cultural critic familiar with Lung’s work there suggested that she would be the “most capable person” to help Ma come up with cultural strategies “to counterattack against the Mainland with Taiwan’s soft power.” (Minnie Chan, “Taiwan’s new culture tsar will shake things up,” *South China Morning Post*, February 2, 2012.)

⁷⁸ Meg Chang, “MOEA prioritizes ECFA follow-up negotiations,” *Taiwan Today*, February 14, 2012, <http://www.taiwantoday.tw/ct.asp?xItem=186268&ctNode=445>. In addition to the inherent benefit of such progress to Taiwan economic interests, Taipei looked on it as related to the possibility of a free trade agreement between the PRC and South Korea. According to Minister of Economic Affairs Shih Yen-shiang: “We are determined to finalize deals on cross-strait commodity and services trade, as well as investment protection and dispute settlement, before Beijing and Seoul make any further headway in their free trade agreement negotiations.”

⁷⁹ Lee Hin-Yin, “No cultural accord between Taiwan and China in sight: SEF,” CNA, March 9, 2012.

⁸⁰ Kuo Chi-hsuan and Sofia Wu, “China’s No. 2 negotiator visits southern Taiwan,” CNA, February 11, 2012.

⁸¹ Chen Shu-fen and Lilian Wu, “Taichung, Fujian sign tourism cooperation pact,” CNA, March 24, 2012.

⁸² Li Yu-hsin, “DPP Legislator: China plans to install contacts in townships, towns, districts around Taiwan” (立委爆料：中國在台設鄉鎮區聯絡人), *Liberty Times*, March 19, 2012, <http://www.libertytimes.com.tw/2012/new/mar/19/today-p5.htm>.

⁸³ Rachel Chan, “Vice president-elect Wu may attend Boao Forum,” *Taiwan Today*, February 14, 2012, <http://www.taiwantoday.tw/ct.asp?xItem=186263&ctNode=445>.

⁸⁴ Chris Wang and Mo Yan-chih, “DPP questions Wu’s trip to the Boao Forum,” *Taipei Times*, February 16, 2012. As one DPP legislator asked, will every vice president-elect have to meet with Chinese leaders before taking office? “If so, it would be kowtowing to Beijing and a disgrace to the nation.”

⁸⁵ “ARATS’s Li Yafei: Cross-strait dialogues and consultations to be suspended without 1992 Consensus as prerequisite,” KMT News Network (from Taipei papers), December 13, 2011, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=10581>.

⁸⁶ “President Ma’s Inaugural Address: Taiwan’s Renaissance,” Office of the President, May 20, 2008, <http://english.president.gov.tw/Default.aspx?tabid=491&itemid=16304&rmid=2355&sd=2008/05/20&ed=2008/05/20>.

⁸⁷ <http://www.president.gov.tw/Default.aspx?tabid=131&itemid=13752&rmid=514&sd=2008/05/20&ed=2008/05/20>.

⁸⁸ Interviews.

⁸⁹ Tsao Yu-fan and Jamie Wang, “Taiwan pushes for trade pact with EU,” CNA, February 22, 2012.

⁹⁰ K’ang Shi-ren, “Mainland: Oppose Taiwan participating in organizations made up of sovereign states,” CNA (domestic), February 22, 2012, <http://www2.cna.com.tw/News/aALL/201202220286.aspx>. In at least

one report on the speech at the time it was made, there was no mention of this point. (Huang Chen-chen, “Shen Lyu-shun: The Mainland should give Taiwan more international space,” CNA, February 7, 2012, <http://www2.cna.com.tw/News/aCN/201202080040.aspx>.)

⁹¹ “February 22, 2012 Foreign Ministry spokesman Hong Lei conducts regular press conference” (in Chinese), February 22, 2012, <http://www.fmprc.gov.cn/chn/gxh/mtb/fyrbt/t907569.htm>.

⁹² Undoubtedly a purposeful echo of Ma Ying-jeou’s 2008 inaugural address: “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.” (“President Ma’s Inaugural Address: Taiwan’s Renaissance,” Office of the President, May 20, 2008, <http://english.president.gov.tw/Default.aspx?tabid=491&itemid=16304&rmid=2355&sd=2008/05/20&ed=2008/05/20>.)

⁹³ Lei Kuang-han, Luo Yin-chung, and Liu Li-shan, “MAC: Mainland negative statement will affect cross-strait relations” (陸委會：陸負面言論 影響兩岸關係), *United Daily News*, February 23, 2012, <http://udn.com/NEWS/MAINLAND/MA11/6918756.shtml>.

⁹⁴ Shih Hsiu-chuan, “Taipei reaching out despite PRC: official,” *Taipei Times*, February 24, 2012.

⁹⁵ K’ang Shi-ren, “Mainland: Oppose Taiwan participating in organizations made up of sovereign states,” CNA (domestic), February 22, 2012, <http://www2.cna.com.tw/News/aALL/201202220286.aspx>.

⁹⁶ Romberg, “Taiwan Elections Head to the Finish,” pp. 8–15 (see endnote 2).

⁹⁷ Huang Wechu, “Ma tilts excessively to China, Green camp: United States is uneasy” (馬過度傾中 綠營：美方不放心), *Liberty Times*, February 20, 2012, <http://www.libertytimes.com.tw/2012/new/feb/20/today-fo1.htm>.

⁹⁸ Lee Shu-hua and S.C. Chang, “Existing cross-strait accords part of a ‘peace pact’: President,” CNA, February 8, 2012.

⁹⁹ “Ma: Cross-strait peace could still be institutionalized without a peace agreement,” *China Times* (translated by KMT News Network), February 9, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=10859>.

¹⁰⁰ “MAC Minister Lai: We should institutionalize the concept of ‘no use of force’ in four years,” KMT News Network (from Taipei papers), February 8, 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=10851>.

¹⁰¹ Romberg, “Taiwan Elections Head to the Finish,” p. 9.

¹⁰² Chen Hung-chin and Kay Liu, “Not yet time for Taiwan-China peace agreement: MAC,” CNA, February 16, 2012. On this occasion it was MAC Deputy Director Liu Te-shun who made the statement. But we have noted in the past that MAC Director Lai Shin-yuan has made similar statements on more than one occasion. (Alan D. Romberg, “Cross-strait Relations: Setting the Stage for 2012,” *China Leadership Monitor*, no. 34, p. 12 and Alan D. Romberg, “Cross-strait Relations: ‘Ascend the Heights and take a Long-Term Perspective’,” *China Leadership Monitor*, no. 27, p. 11.)

¹⁰³ “MAC Minister Lai: We should institutionalize the concept of ‘no use of force’ in four years,” KMT News Network (from Taipei papers), February 8, 2012.

¹⁰⁴ “There are more and more restrictions on Ma Ying-jeou’s thinking about cross-strait policy” (馬英九的兩岸政策思維限制越來越多), *China Review News* (commentary), November 20, 2011, <http://www.chinareviewnews.com/doc/1019/1/0/7/101910753.html?coluid=111&kindid=0&docid=101910753&mdate=1120001905>. The commentary observes that Ma has said there will be no peace accord signed within 10 years, that such a peace accord must be approved by a referendum, that there will be no meeting of leaders of the two sides in Ma’s second term, and that he has spent even more money on arms from the United States than either Lee Teng-hui or Chen Shui-bian. As a result, his policy is growing “more and more unfathomable” (越來越不可思議) and is very close to that of the DPP.

A *China Review News* commentary on remarks by Ma after the election reinforced this interpretation. It argued that Ma’s definition of the 16 cross-strait agreements as part of a “broadly defined peace accord” (廣義和平協議) showed that he had given up on signing a peace accord in his second term and, indeed, that, having decided to focus on consolidation of the KMT’s ruling power, he had abandoned any greater ambition to initiate development of cross-strait relations, and no longer dreams of the revitalization of China and the unification of the Chinese nation (對兩岸關係發展不再有更大的開創抱負,

不再有振興中華、實現未來中華民族的統一的遠大夢想; “Commentary: Deciphering Ma Ying-jeou’s theory about a broadly defined peace accord” [專論：馬英九“廣義和平協議說”之解讀], *China Review News*, February 8,

2012, http://www.chinareviewnews.com/doc/1020/2/1/4/102021441_3.html?coluid=137&kindid=7790&docid=102021441&mdate=0228002401.

¹⁰⁵ A leading Taiwan think tank specialist in Shanghai, for example, argued that Ma could, in his cross-Strait policy, “open the door” further and be a bit more audacious; he also could gradually prepare for cross-Strait political talks (馬英九的兩岸政策‘門會打得更開’, 也會更加大膽一些: (他) 也會慢慢準備兩岸的政治對話). The specialist said that if Ma did this, and if he could gain the understanding of the international community—especially the United States—then signing a peace accord in the next four years should not be a problem. (Yan Kuang-t’ao, “Yan Anlin: Ma Ying-jeou’s victory is also a victory for the 1992 Consensus” (選戰/嚴安林: 馬英九勝利也是九二共識的勝利), *Central Daily News*, January 15, 2012, http://www.cdnews.com.tw/cdnews_site/docDetail.jsp?coluid=107&docid=101792910).

¹⁰⁶ Sui Hsiao-chiao, “Li Jiaquan: Ma should consider political contacts” (家泉: 馬應考慮政治接觸), *Hong Kong Ta Kung Pao*, January 16, 2012, <http://www.takungpao.com.hk/news/12/01/16/TM-1442747.htm>.

¹⁰⁷ “Communist Party Central Committee Taiwan Affairs Office, State Council Taiwan Affairs Office spokesman comments on the results of the Taiwan region’s dual elections” (中共中央台辦、國務院台辦發言人就台灣地區兩項選舉結果發表談話), Taiwan Affairs Office, January 14, 2012, http://www.gwytb.gov.cn/wyly/201201/t20120115_2248402.htm.

¹⁰⁸ “Commentary on the Taiwan region’s dual elections,” (台灣地區兩項選舉述評), *Xinhua*, January 14, 2012, http://news.xinhuanet.com/2012-01/15/c_122587741_4.htm.

¹⁰⁹ Lin Ts’ung-ch’eng, “Mainland scholar views the Taiwan election: unification camp has disappeared,” (陸學者看台大選: 統派不見了), *Wang Pao*, February 27, 2012, <http://news.chinatimes.com/mainland/11050506/112012022700122.html>.

¹¹⁰ “Transcript of TAO press conference,” February 15, 2012, http://www.gwytb.gov.cn/xwfbh/201202/t20120215_2294256.htm.

¹¹¹ Elaine Hou, “No rush for political dialogue with China: President Ma,” *CNA*, January 14, 2012.

¹¹² Su Yung-yao, “Provincial groups from China resuming visits,” *Taipei Times*, February 5, 2012. The mayor of Beijing led such a group in mid-February and groups from Jiangsu and Hubei are due in the next couple of months. Readers may recall that in mid-2011 Ma had asked that high-level Mainland visitors refrain from traveling to Taiwan both because he wanted to avoid too close identification with the PRC and also because high-level purchasing missions often generated a backlash after promising large contracts and then failing to follow through. (Romberg, “The 2012 Taiwan Election: Off and Running,” *China Leadership Monitor*, no. 35, p. 18.)

¹¹³ Rachel Chan, “Taipei, Beijing still split on cross-Strait offices,” *Taiwan Today*, March 12, 2012, <http://www.taiwantoday.tw/ct.asp?xItem=187685&ctNode=445>.

¹¹⁴ Chiu Kuo-chiang, Huang Chi-kuan, and Elizabeth Hsu, “China pushes for talks on exchanging offices,” *CNA*, March 10, 2012.

¹¹⁵ Private conversations with knowledgeable Taiwan observers.

¹¹⁶ Chen Pei-huang and Bear Lee, “China’s next leader has best understanding of Taiwan: NSB head,” *CNA*, March 10, 2012.

¹¹⁷ Romberg, “Taiwan Elections Head to the Finish,” p. 6ff.

¹¹⁸ Shih Hsiu-chuan, “2012 Elections: Paal endorses ‘1992 consensus,’” *Taipei Times*, January 13, 2012.

¹¹⁹ A video of Hsiao’s press conference is available at <http://www.youtube.com/watch?v=E13WYDutpls>. The DPP also posted a formal statement reporting on Hsiao’s points to Burghardt on its website. (“DPP: demands U.S. observe the Taiwan Relations Act, carry out its commitment to safeguard Taiwan’s security and liberty,” [民進黨: 要求美國信守台灣關係法, 落實保障台灣安全及自由之承諾], Democratic Progressive Party, January 30, 2012, http://www.dpp.org.tw/news_content.php?sn=6021.)

¹²⁰ “China Review News analysis: DPP rethinking pro-American policy”

(新局/中評分析: 民進黨重新思考親美政策), originally accessed at *Central Daily News*, January 31, 2012; currently available at <http://news.sina.com.tw/article/20120131/5698550.html>.

¹²¹ Huang Hsiao-yun, “Hsiao Mei-ch’in [Bi-khim Hsiao]: DPP cannot afford to be anti-American,” (蕭美琴: 民進黨沒有本錢可以反美), *China Review News*, March 13, 2012, <http://www.chinareviewnews.com/doc/1020/3/8/5/102038581.html?coluid=93&kindid=4030&docid=102038581&mdate=0313005520>.

- ¹²² Grace Soong, “KMT members oppose lifting ractopamine ban,” *China Post*, February 20, 2012; Ho Meng-kuei and Ann Chen, “KMT legislator to propose outright ban on ractopamine,” CNA, February 23, 2012.
- ¹²³ Romberg, “Taiwan Elections Head to the Finish,” p. 21 (see endnote 2).
- ¹²⁴ “Statement by the Press Secretary on Taiwan’s Elections,” the White House, January 14, 2012, <http://www.whitehouse.gov/the-press-office/2012/01/14/statement-president-taiwan-s-elections>.
- ¹²⁵ Tony Liao and Y.F. Low, “U.S. hopes for progress in economic ties with Taiwan,” CNA, January 19, 2012.
- ¹²⁶ Nancy Liu, “AIT chairman presses further on U.S. beef issue,” CNA, January 31, 2012.
- ¹²⁷ Kelven Huang and Sofia Wu, “New Cabinet to address U.S. beef trade dispute: President,” CNA, February 1, 2012.
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