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CENTER FOR NORTHEAST ASIAN POLICY STUDIES

TAIWAN'S ELECTIONS AND WHAT THEY MEAN

**SESSION TWO: WHAT THE ELECTIONS SAY
ABOUT TAIWAN POLITICS**

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Session One: Opening Remarks

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Session Two: What The Elections Say about Taiwan Politics

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Session Three: Lunch Remarks

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Session Four: Implications for Cross-Strait and U.S.-Taiwan Relations

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MR. FREEMAN: I think we're going to move to the next panel, because we are just about still or starting to run a little quick. If I can ask the next panel—Alex, Emerson Niou, and Huang Ching-Lung—to please come, that'd be great. Thanks.

We're privileged to have a terrific panel to start our sessions here this morning. This is sort of the inside baseball look at the election and what it says about Taiwan politics, and a great group of folks. Way down at the end is Emerson Niou, who many of you know from Duke University, an expert on international security and international affairs generally. If you have a chance to look at his bio, you will see a list of his publications that will astound you and humble you if you're an academic. Alexander Huang from Tamkang University in Taiwan, a privilege to say a friend and a colleague senior associate in our security program at CSIS. And Ching-Lung Huang, who's a visiting Fellow here at Brookings in the CNAPS program, and in his day job is a vice president of the China Times, which as many of you is one of the top daily newspapers in Taiwan. If I can ask Dr. Niou to begin, and then I will move down to Huang Ching-Lung and then move to Alexander Huang. Thank you.

EMERSON NIOU: Okay, I'm going to use PowerPoint today in my presentation. I will focus my presentation on the impact of Ma's victory on cross-Strait relations -- let me see -- based on some empirical data I collected last month in February, because Ma's victory is an outcome of Taiwan's democratization in domestic politics, which I believe is one of four very important factors that contribute or might stabilize or destabilize the cross-Strait relations.

In the '50s through the '70s, the two factors were China's military threat to Taiwan and the U.S. security commitment to Taiwan. These two factors were basically the two only factors. But starting in the '80s, the trade between Taiwan and China and Taiwan's democratization became the other two factors that might have an impact on cross-Strait relations, all right? And what makes the study of the relations between Taiwan and China so interesting is not just because we have four factors that might affect the status quo but also because these four factors are endogenously related, all right? Each factor can individually have an impact on the status quo, but also each factor can affect the other three factors, all right? So, for example, let me show you how the first three factors co-relate with Taiwan's domestic election outcome.

Like I said, the presentation today is based on data I collected last month. I've been doing this since 2003 because Taiwan now is a democracy, so what Taiwanese think on the security issues should be—we should have a clear understanding of that, and— All right, I don't know why the data shifted, but let's use the first slide to get you oriented, all right?

There's two variables. The first one is if Taiwan declares independence, would China take over? So, the Taiwanese perception of the China threat. How real is that? And so those who believe that if Taiwan declares independence China will attack

Taiwan is 59 percent. And those who do not believe China would attack Taiwan is 28 percent. And I also included those who didn't respond—that's 13 percent. Then on the horizontal side, those who indicated they would vote for change—because the survey was conducted in February—those who indicated they would vote for Hsieh, 44 percent of them believe the China threat is real, and 47 see the China threat as not real. And those voting for Ma, 71 percent, believe the China threat is real. So, you can see that, you know, those who voted for Ma and those who voted for Hsieh, their perceptions of the China threat are different, okay?

And how about the U.S. security commitment? Again you see very different perceptions of the U.S. security commitment between those who indicated they would vote for Hsieh and those who indicated they would vote for Ma, all right?

The pan-green supporters tend to believe the U.S. security commitment is more reliable, and data I didn't prepare in my presentation that is—actually, although the pan-green supporters have stronger confidence in the U.S. security commitment, the pan-blue supporters have a warmer feeling toward the U.S. So, let's just say this is an empirical fact I would like to report here.

And the other correlation here is the preferences on the economic relation with China. Again, those indicated they would vote for Ma, 83 percent believe that Taiwan should develop a stronger economic relation with mainland China. But of those who preferred Hsieh over Ma, only 35 percent prefer a stronger economic relation with mainland China, all right? But overall, two-thirds of the respondents prefer a stronger economic relation with mainland China.

In addition to these three factors that have impact on Taiwan's domestic politics, another important variable of course is the Taiwan independence versus unification issue in Taiwan, all right? And this is a very traditional way of asking Taiwanese preferences on the Taiwan independence and unification issues, so a 6-point scale, all right? You can group 1 and 2 together, as they indicate clearly they prefer independence; 3 and 4 are those who are reluctant to indicate, to give you a clear indication of their preferences on the Taiwan independence issue; and 5 and 6 are those for unification.

The problem of this question is too many voters in group 3 and 4, and you don't know what conditions under which they would deviate from 3 and 4, under which conditions they would be more willing to give you a clear, you know, indication of whether they prefer independence or unification. So, I have designed some questions to try to induce them to indicate their preferences using costs, the price they have to pay. So, like two questions there. Independence has high costs, right? Do you support independence if it means war with China? Okay, so preferences, right? If you have to pay high price for the outcome you want, would you still support independence, all right? So, 24 percent still say yes, even at high cost, you know, they still prefer independence. And two-thirds, 65.5 percent, say no, if we have to pay high price then I prefer not to

support independence. But also, you know, we can ask them do you support independence if China would not attack Taiwan? Then it's not a typo. For some reason 65.5 percent—now we have two-thirds of the people in Taiwan say yeah, you know, if China would not attack Taiwan, then I'm for independence. So, the China threat plays an important role controlling Taiwanese preferences on the independence issue, okay? Does that mean most people in Taiwan prefer independence?

Well, then let's ask them their preferences on unification, all right? If you have to pay high price, then 71 percent say no, right? But if price is low, then China becomes more democratic, economically more developed, and becomes more like Taiwan, actually 46 percent say yes. If the price is low, they find unification an acceptable option. So, the implication of these two sets of questions is that a sizeable number of people in Taiwan can go either way. If the price is low, unification or independence both are acceptable.

So, traditionally we pick independence and unification as two opposite choices in a two-dimensional space. But actually for a sizeable number people in Taiwan, their preferences are conditional, conditional on the price they have to pay. That makes the study of public opinion and foreign policy interesting, because who sets the prices? China and the U.S. set the prices. The threat. Perception of threat. Perception of the U.S. security commitment. How reliable the U.S. security commitment is. So, these are the prices that can be set by China and U.S.A., which means Taiwanese public opinion. Preferences on the independence/unification issue can be manipulated by China's foreign policy and the U.S. foreign policy toward Taiwan. So, that's, I think, an important, interesting empirical finding.

Let's skip, you know -- that's not important.

So, the first empirical finding is that independence and unification are not necessarily mutually exclusive. For about one-third of the voters in Taiwan, they can go either way. There's one-third that would never consider unification as an option. There's about one-third who would never consider independence as an option, but you have one-third in the middle who can go either way, depending on the price they have to pay. So, that kind of conditional preference opens the door for the U.S. and China to influence Taiwan's domestic politics.

Okay, let me move onto the second point I'd like to make: the domestic politics on independence/unification. But if you ask Taiwanese if they think independence/unification can be achieved in the near future—you have preferences, but how realistic is the goal of achieving unification or independence? Very few people actually believe either independence or unification is achievable in the near future. So, it's like an 11-point scale. You know, at 10 they think it's very likely, it can be achieved. Zero means there's no chance. So, you see that the red is indicating people's estimate of the likelihood of success. Very few people have high hopes that achieving independence is likely in the near future, and very few people believe that achieving unification is

likely, and actually of those who support independence, one-half of them don't find independence a likely goal that can be achieved in the near future, all right? So, that's the second point I'd like to make—it's interesting domestic politics we're observing. It's important to note that they fight over this issue, but when you ask them how likely it is that the goal can be achieved, they don't find it very likely.

Next, I'm going to show you some correlation between those who indicated they would vote for Hsieh and for Ma and their preferences on the security issues that Taiwanese find interesting. The question is: "Some people say that Taiwan is already an independent country and its name is the Republic of China. Do you agree or disagree with this point of view?" Over two-thirds agree. And actually almost 45 percent strongly agree. So, the Republic of China—this name—is still very acceptable to more than two-thirds of the voters in Taiwan.

And 77.5 percent would support an interim agreement stipulating that Taiwan not declare independence and China not attack Taiwan. But you see that of those who indicated they would vote for Ma, 90.2 percent prefer signing an interim agreement. So, again, those who supported Ma and those who supported Hsieh have very different view on this issue, all right? Ma Ying-jeou talks about the '92 Consensus and, again, there is a very big difference. Seventy-three percent indicated they can accept that, and of those who voted for Hsieh, 43 percent indicated they could accept that as the basis for negotiation.

And arms race versus diplomacy, that is, Taiwan engaging in an arms race with China or taking diplomatic political actions to ease the tension. Again, very different opinions on that issue between those who voted for Hsieh and those who voted for Ma, okay?

There are some other questions I throw into the survey. Do you agree that China should dismantle its missiles from the coast? Should Taiwan reciprocate by reducing weapons procurement from the U.S.? Two-thirds say yes, we should reciprocate. But, again, those who voted for Ma and those who voted for Hsieh have different opinions on this issue. Okay, Taiwan's defense minister would not like to see this one, but 80 percent of the people say Taiwan is not capable of defending this island? And especially Ma supporters. Ninety percent have no confidence in Taiwan's ability to withstand an attack from China.

So there's some findings I find interesting. I'm summarizing: independence and unification are not mutually exclusive for about one-third of the voters in Taiwan; for two-thirds, yes, they will only consider either unification or independence. But for about one-third of the voters, independence and unification both can be acceptable. Okay, and that opens the door for China and the U.S. to influence Taiwan's domestic politics.

And identity, right? This title is robust national identity, and most of the

Taiwanese do not believe that achieving independence or unification in the near future is likely. And a large majority of the voters support an interim agreement. Not just that. In the presentation today I show you the difference between Ma supporters and Hsieh supporters. So Ma's victory does indicate a more, I mean, practical way of dealing with cross-Strait relation, and his supporters and Hsieh's supporters actually differ quite a lot on a lot of issues related to cross-Strait relations.

So, I will conclude my presentation here. Thank you very much.

(Applause)

MR. FREEMAN: Thank you. I can assure you, you will be given a chance to ask questions at the conclusion of all presentations, so jot them down if you have trouble remembering them. If I can ask Mr. Huang to come up next, please.

CHING-LUNG HUANG: Thank you. Okay, my presentation will focus on the election itself and try to explain the result of the election. I think we all know the result of the election as I show on the PowerPoint, and Ma Ying-jeou had a landslide victory. Is it a surprise? Well, in my view, I think this is not a surprise for me. Actually, on February 25th, four weeks before the election, I made a prediction on the website of Chinatimes.com to talk about the possible outcome of the election saying that Ma was going to win by one million votes or 8 percent to 20 percent lead.

And most polls showed a decisive gap while it was in the margin of error as before, you know, March 22nd, so such as the prediction on March 21st that Ma-Siew will be 60 percent and Hsieh-Su 40 percent, and the China Times poll on March 20th, which was unannounced, showed Ma-Siew at 57 percent and Hsieh-Su at 43 percent. So, I would say it is not a surprise, because the result is predictable.

Well, if it is predictable, what's the reason that helped Ma to win the election with such a huge gap? Of course there are many reasons. Well, I think the top three reasons are: number one reason, Chen Shui-bian; number 2, Chen Shui-bian; number 3, Chen Shui-bian.

Well, when I was in Taiwan last week, my friend told me that we have an IBM president. What's that mean, IBM president? He said it means international big mouth president—IBM, okay? Well, how big is his mouth? And he said his mouth is bigger than the Pacific Ocean. Well, because [inaudible] that anyone who disliked to live in Taiwan can swim across the Pacific Ocean.

Anyway, the election again is another referendum for a change of administration. Why? Because in his eight-year presidency, Taiwan's economy has been bad. There were more than 4,000 people who committed suicide in 2006 and 2007, and the relationship across the Taiwan Strait is very tense and also President Chen lost the trust of the U.S., which is the most important friend in the world for Taiwan. So, I

believe that it was nervous for most people in here, if not everybody. And President Chen and his family were involved in corruption and that deeply hurt his supporters, and some dark green people claim that the Chen period is a setback for the Taiwan independence movement. Because he played the Taiwan independence card mostly for the domestic political consumption. The economic issue also played an important role in the campaign. Just like the old saying, it's the economy stupid.

Mr. Ma argued that he will improve the economic development that seemed to effectively to attract people in Taiwan. According to the China Times poll on March 23rd, 66 percent of people think that improving economic conditions is the most important thing for the new government.

But the KMT's victory is questionable. Is questionable. Just like a critique [inaudible] is among the [inaudible] votes. Seventy percent of the people cast their votes to show how much they hate Chen, and only 30 percent of them are in support of the KMT, and 80 percent of that 30 percent people like Ma, not the KMT. So, there is no doubt that President Chen is the main reason of the result of the election.

The second reason is that this is the first time that the KMT has been unified in the presidential elections since 1996. We can see on the PowerPoint in 1996 there were another two tickets divided from KMT, and in 2000 the independent candidate, James Soong, was divided from the KMT. In 2004 the KMT and the PFP jointly nominated Lien Chan and James Soong, but the former chairman of KMT, Lee Teng-hui, supported Chen Shui-bian and helped him to be successful in the election. So, we can see on the PowerPoint that the pan-blue has a larger base of the votes than the pan-green, so in 2008 when the KMT was unified, it means Ma can basically be the victor with a 10 percent gap. That is one of the important reasons that Ma will win the election. And also we shouldn't forget that Ma has better popularity than the other candidates.

And the third reason is in the election there were different degrees of participation between both sides' supporters. I mean, in traditional green areas voter turnout was lower than the national average, which was 76.33 percent. For example, in Chiayi, Tainan, Penghu County, the voter turnout was only 70, 72, 74 percent. But in traditional blue areas, northern Taiwan, voter turnout was higher than the national average. Such as in Taipei City, Taipei County, and Taoyuan County, the voter turnout was more than 78 percent.

Okay, on the third, and I'm going to talk about the inference of the outcome of the election on Taiwan's politics. First of all, I believe that ethnic politics in Taiwan is more neutralized through this election. We can see Ma won by well over 2.2 million votes. If we break down the votes carefully, I think we can find out the majority group of Taiwan, the Minnan group, supported Ma more than it supported Hsieh. This is a clearly departure from the previous record. In one way we may say that Mr. Ma, who is a mainlander, was supported by different ethnic groups of Taiwan. That

is a significant sign of the end of the ethnic party in Taiwan.

Second is the localized movement has changed in Taiwan. I mean, that group supported Ma more than supported Hsieh in this election. In my view, I think one of the reason is Mr. Ma repeatedly made the following points, such as he was married in Taiwan and he is Taiwanese, too. He avoided, carefully, talking about the issue of eventual reunification, and he assumed that the future destiny of Taiwan should be determined by 23 million Taiwanese. Based on these statements, except for Taiwan independence, we don't see any difference between Ma and Frank Hsieh. So, localization is no longer an exclusive issue for the DPP. Ma is the representative of the "New Taiwanese."

And the third is the change of the impact of the China factor in Taiwan's politics. During the campaign, Frank Hsieh kept playing the anti-China card and taking on Ma's one China common market ideal. But the result of the election showed that most Taiwanese do not just view China as a threat but also an opportunity. Most of the people in Taiwan would like to face the rise of China with a positive attitude. So, I believe that we are influencing the government's amended policy in the future.

Okay, and finally, I would share an interesting way to predict the result of presidential elections, which is the outcome of one particular town. This town is located in Taipei County. There's a conventional wisdom in Taiwan that whoever wins this town will win the presidency of Taiwan. In this election, the town gave Ma 57.7 percent and Hsieh 47.2 percent, which is pretty close to the result of the election. So, on the election day afternoon, when the town's outcome was showed on TV, many people in Taiwan, including me, knelt at Ma: he will win the election with a landslide victory. I said yeah, I think this is very interesting. That is my observation on Taiwan's presidential election. Thank you.

(Applause)

MR. FREEMAN: Two excellent presentations so far, and the third—and it's really not the least—left to go. Dr. Huang.

ALEXANDER HUANG: I want to express my appreciation to Dr. Richard Bush to get me here for this panel. It is my great pleasure, because I recall that it was ten years ago that I joined CNAPS as the inaugural Visiting Fellow program. This year also marks the tenth anniversary of a not-very-good experience, because Taiwan hasn't talked to China for ten years. The last cross-Strait dialogue under government authorization was in October 1998 when C.F. Koo went to Shanghai and met with Wang Daohan. And here ten years later we have another opportunity I think, in the panel coming up this afternoon. There will be more discussion on that subject. So, I'll try very hard to focus in on my presentation on the election itself, but if it spills over a little bit into cross-Strait relations, please bear with me.

I think there are three winners in this election. The first one is the Taiwan people. Usually we have a very high turnout rate in every possible election, especially for presidential elections. The last one was 80 percent turnout four years ago, and this time it was 76 percent, and I'm extremely proud of Taiwan people, including myself, for the peacefulness throughout the process, because there were high anxieties because of negative campaigns, because of the very vicious remarks by the supporters of each camp. But on Saturday, March 22nd, as many of you sitting here in the room witnessed how Taiwan people voted and behaved, I think this is an accumulative experience since our first local election back in 1952. I think it's a non-easy achievement, but we did it. And number three is—I probably would say a small ballot, because only 36 percent of the eligible voter cast their ballots for the two referenda. They voted for the status quo; they voted for no trouble; they used their ballots in the referendum vote to vote for the status quo and not to antagonize two nuclear powers at the same time.

The second winner is our democratic institutions, because both sides played by the rules, largely. Even though we have negative campaigning, we did not see violence in general, and especially there was a very efficient the vote counting system. I have several friends in academia; we booked a restaurant and a big table of 20 and we asked the restaurant owner to offer us a big screen TV so we can wine and dine while look at the balloting. The ballots were being counted, but even before we arrived at the restaurant, we already knew who was the winner. So, the efficient vote counting system may be a reference for several states here.

(Laughter)

ALEXANDER HUANG: And number three of course is the KMT. You know, people generally considered the KMT as a political force that dominated Taiwan politics for 50 years. They were voted down eight years ago. They were not native, but this time the Taiwan voters decided to choose a person who was not born in Taiwan. Ma Ying-jeou was born in Hong Kong, as well as his wife from Hong Kong. And a non-native son won the election. A landslide victory. I think that tells something. And also because Ma Ying-jeou adopted a different kind of image for the KMT. A lot of people considered that he had done many things like going to the localities, home stay, and it's a show for campaign reasons. But if you watch, you know, Ma Ying-jeou for the past eight or ten years and since he was elected Mayor of Taipei, he had done a lot of local things and established a foundation called the New Taiwanese Foundation and had done a lot of groundwork. I believe that what I have observed is that Ma Ying-jeou since about ten years ago tried to reinvent or create a new image for the KMT. It's a very native KMT, very local KMT. And I think that has been a big plus for his victory in this campaign.

Of course, for himself, he is the big winner. As you can reference in Mr. Huang's previous slides, we have had four direct presidential elections, and Ma Ying-jeou is the highest vote getter, 58 percent, and this is not easy. Maybe it's because of Chen Shui-bian, but this is an unprecedented mandate that he got. And in the past 20 years, he

not only enjoys the high voting turnout but also he enjoys a parliament that belongs to the same party with almost three-fourths majority. And that tells us that a lot of things and responsibility will be on his shoulders.

The campaign theme for KMT of course is change. "Change" is probably is a good word in 2008. You know, I put a sign on my door four years ago when I assumed the directorship of American Studies at Tamkang University. I told my students, "You are either with me or you are against me."

(Laughter)

ALEXANDER HUANG: And recently I just put, "Yes we can."

(Laughter)

ALEXANDER HUANG: People wanted change. But for the DPP the theme would be difficult. Because of the eight years of DPP in power, there was a lot of baggage that the DPP candidate had to carry. So, Frank Hsieh used the term "renewal," and the pan-blue or Ma Ying-jeou used the word "change," the second change of government. A renewal may have some appeal, but it is difficult under the circumstances. There were campaign strategies. The focal point or the center of gravity of the KMT campaign strategy is on the policy side, although I have to admit that the policy platforms of any kind were not really appealing to people. People just look at the TV, look at the fanfare. That had frustrated many professors involved in deliberating and creating policy platforms, helping different camps. But that was not a focal point. However, I have to say that Ma Ying-jeou had been very determined, as I observed, to stay on policy debate no matter how the other side attacked or tried to pull the campaign toward the other direction, but Ma Ying-jeou continued to talk about policy and his campaign promises. Of course, anti-corruption is another main theme. But on the DPP side, they decided not to fight on policy promises but on the loyalty and character of the KMT candidate, Ma Ying-jeou.

On the green card issue, I don't know whether there will be people within the green camp today that criticize the strategy or the time that they throw out the green card issue. If they had delayed the tactic and made the attack closer to the balloting day, probably that will have a greater impact. Of course, the KMT ran a campaign promising the voters that there will be a better economy and a better relationship with China, and probably that's the majority of the Taiwan people's willingness, that they wanted to have a change. They want to have better manageable relations with China and a better economy.

Toward the very end, about three weeks before the election, it was very clear that Frank Hsieh determined that he would run the campaign with two antis: anti 1, party dominance; and anti 2, China common market. It was scary. I mean, for a lot of people, we thought that the campaign would have a turn, a change in the final vote,

because these two slogans were very efficient, especially down in the south, the southern counties in Taiwan. But, for that kind of raw assessment, I blame myself a lot, because I lost my bet on the election day, because I thought the margin between Frank Hsieh and Ma Ying-jeou would be much smaller. But I did not expect the over two million vote difference. So, I think the “two anti” strategy did not work for the Taiwan electorate.

So, what does the turnout or the election result tell us about what they can do? The phrase “one-party dominance” was used by my friends in the green camp but “one-party responsibility” was used by my friends in the blue camp. There are several things that could not be done, and many of the political elite in the policy community considered that the list here could never be done because [they thought] in Taiwan politics you can never have a three-fourths majority in the parliament; in Taiwan politics you will not have a president enjoying almost 60 percent of popular support.

And what can be done? First is easier passage of legislative bills, including the budget. There will be no excuse, anymore, for Ma Ying-jeou. If the government executive branch determines to do something, then they can deliver, and they should. And constitutional amendment. It's a long process. It's a difficult agenda, because any constitutional amendment has to go through referendum, and we have a very high threshold that 50 percent of the eligible voters, or more than eight million of Taiwanese voters, would have to cast their ballot and 50 percent of them should vote yes before we can have a passage of a constitutional amendment bill. And that's not very easy, because in the very initial phase, you have to have three-fourths majority of the parliamentarians supporting a bill. But this is now a possibility.

My friend, former DPP legislator Lin Cho-shui, taught me that, you know, in May 2005 when the former national assembly determined to abolish itself, to abolish the national assembly, that would be the end of constitutional amendment in Taiwan, because given the 50/50 blue versus green reality Taiwan would never have a constitutional amendment, but, surprisingly, there is an opportunity this time in Taiwan.

And thirdly is the electoral system reform. This is more down to earth, because I have to admit that I think average—I mean, balanced political scientists in Taiwan would agree that before any parliamentary election with the single-district voting system that the blue forces, or KMT, will have at least 11 seats' advantage before any ballot. Then it's in favor of the current constituency division, it is in favor of the blue forces. And we have to see whether a three-fourth's majority blue dominant legislature would take on this task to create a more balanced electoral system.

Government restructuring. We all witnessed in Beijing during the Liang Hui, the National People's Congress, that they tried to restructure the government, the cabinet, and government institutions. It was a difficult task even under Hu Jintao; they only reduced from 28 to 27 ministerial-level agencies. In Taiwan we have tried that for more than 37 years, but never a president or a parliament could get an agreement to restructure the cabinet and put Taiwan more competitive into the 21st century; here is

another possibility.

Probably more importantly is the next one: the LY, the Legislative Yuan, or the parliament, would have to ratify any agreement or any piece of paper that's signed with China, between two governments. And a three-fourth's majority and with a unified government can deliver that. But we are talking about only four years. Only four years.

I'm not saying that President-elect Ma Ying-jeou can enjoy only four years as the president of Taiwan, but I highly doubt that we will continue to have a three-fourths, one-party majority in the parliament beyond 2012. So, probably the next four years will be the only four years in the 21st century Taiwan politics that you have an absolute majority under a unified government. And so this is a tremendous window of opportunity for doing some real business in Taiwan governance.

Ma Ying-jeou will have a lot of changes. If you read a newspaper from Taiwan yesterday, Ma Ying-jeou admitted that he woke up at 4:30 in the morning, the morning after, because he was scared. A huge responsibility comes from the mandate, but all the deliverables, all the campaign promises—I think not only the more than five million people who did not vote for him will watch his performance closely, but also the international community and the Chinese will look at his deliverables. However, most of his campaign promises would have to rely on the reaction or policy from the other side.

I just put into three categories, because during the campaign it was a kind of choice between priorities. Frank Hsieh talked about more on the anti-one-China theme, and Ma Ying-jeou was focusing on the economy. I think both camps agree that dignity, security, and prosperity are the three vital national interests of Taiwan, but they campaign on different priorities. I think the KMT, or Ma Ying-jeou, takes prosperity as the first priority, but Frank Hsieh was leaning toward and tried to appeal to the voters with dignity, feelings, and issues.

Let's look at what Ma Ying-jeou has to deliver first. The short-term deliverables. He said that one month into his presidency he will have to see a more expanded direct air links or air charter flights between China and Taiwan and that within three months, within six months, or toward the end of this year that he had promised a lot, which all required the cooperation from the other side of the Taiwan Strait. Because the people can talk about common market 20 years later, but a lot of business must be done in the near term. Especially as Ma Ying-jeou talked about signing an agreement about a Comprehensive Economic and Cooperation Agreement, CECA, with China. All those are non-easy tasks and he has to be deliver.

Security. On one hand, Ma Ying-jeou talked about the need to engage in talks on confidence-building measures, on military issues, or military CBMs, but when we tried to end the hostility across the Taiwan Strait, how Taiwan can sustain and convene support, especially in this town that we will continue to buy arms from the United States.

I think after Professor Emerson Niou's briefing that nobody wants to be the defense minister in the Ma Ying-jeou administration, because lots of people do not support buying arms or entering into an arms race, but if you look at these slides, probably nobody wants to be the chairman of Mainland Affairs Council in the next administration either, because it is so hard that you need response from both the United States and China.

The dignity issues. The number one challenge is whether China will take away another diplomatic ally. I think in the past year we lost two more and now we have only 23 diplomatic allies. Will China take one more? Two more? Three more? Or lower the number down to less than 20? So, we joked about that. It's no easy job for the next foreign minister. So, in the transition period or the next two months we will see how many brave people will join the Ma Ying-jeou administration and take on the task.

Lastly, we waited until last Saturday to put on another picture, and this gives you a timeline that a total overlap of the term in office between Ma Ying-jeou and Hu Jintao. If Taiwan does not want to lay all the hope to the fifth generation leaders, like Xi Jinping or Li Keqiang, and consider Hu Jintao as a straw man for now and can deliver and can be flexible. The next four years will be critical for Taiwan and for China as well. Thank you very much.

(Applause)

MR. FREEMAN: Thanks to all the panelists for a set of very coherent and very excellent presentations. It's my pleasure to open it up for questions. Before I do that, I'm going to impose a question of my own, if I can, just in response to some of the presentations. I noted from Dr. Niou's points on the sort of the breakdown of society in terms of reactions towards the mainland and others, the sort of the one-third, one-third, one-third dynamic, and the DPP pretty clearly spent a lot of time during this election in particular understanding that much of this election would be essentially a referendum on President Chen and that the general dislike or distrust, or whatever you might call it in society, towards President Chen and really made an extreme effort to come towards the center and bring more people in from that middle third of the dynamic. And I wonder what the DPP does from here, whether they can internally respond and deal with the fact that that strategy didn't work particularly well, that they didn't draft that many from that middle third, and that, you know, they only pulled in seven additional percentage points on top of the core one-third that would be DPP come hell or high water. What does this mean for the future going forward of Taiwan politics? I mean, the KMT clearly responded to the last eight years of the DPP challenge to become a—the party—a party of Taiwan, and they've adjusted pretty naturally. Is this now going to be the KMT's race to win from here on out? What does the DPP do to respond? How do they come back and begin to reclaim more of that center if they will or do they get stuck with that last third? What happens to Taiwan politics going forward? I could pose that to any or all of the panelists.

DR. NIOU: Well, I think a politician's job is to create issues when you are on the losing side, and if the DPP continued to rely on just one issue, then I think DPP would only get minority support. So, for the DPP to prevail in the next election, the DPP politicians just have to create new issues or wait for the KMT to make errors. But if the DPP continues just to campaign on this one issue, then the DPP is on the minority side, all right, and clever politicians know how to create issues. I don't know—I cannot predict what issues they will create, but I'm pretty sure there are a lot of smart DPP politicians and they will create issues. You know, expand the battle into different domains otherwise you will always be a minority and several former DPP chairmen realize that. They try to become moderate on the identity issue and try to create other dimensions, so I think that is my simple response.

MR. FREEMAN: We'll open it up now. I will just say one quick thing about one party responsibility having been part of an exercise here in Washington on "one party responsibility" or "one party dominance." It's not always as easy as it's made out to be. Sometimes getting things done is a bit of challenge as the Governor and Senator knows as well. Alan? If you could stand and identify yourself.

QUESTION: Alan Romberg, Stimson Center. Actually my question to Alexander is exactly on that point. You say there will be no excuses for not passing legislation and having, by extension, an effective policy on the books. I don't know about implementation. But one would think that perhaps Ma Ying-jeou will not have total control of the KMT members in the LY, I wonder if you could talk a little bit about that.

ALEXANDER HUANG: It's extremely dangerous during the transition period to comment on the winner's side. I think this is the at least public acknowledgment that Ma Ying-jeou does not want to or hasn't been in the position to control the legislators when he was the chairman of the KMT. And it was quite interesting when the four KMT legislators stormed the DPP campaign headquarters and tried to cause an issue. I was in a conference in Seoul, Korea and sitting next to me was a friend from China. He asked me, why did your parliamentarian not seek approval from Ma before making that move?

I said, in Taiwan you can control everybody but not legislators. They run their own agenda. And I think at least, I think Ma Ying-jeou tried to keep Wu Po-hsiung as the chairman. I think Wu Po-hsiung is a person who can at least, with his seniority, have some control over them. That's number one.

Number two, is that the four loose cannon KMT legislators that made the wrong move to storm the DPP headquarters gave the KMT caucus in the parliament a kind of warning that they may derail Ma Ying-jeou's credibility. I think from today we will see that will be a positive thing for the KMT. I think I worry more about how two factors, two players would look at this three-fourths majority. One player is of course the

DPP. How the DPP would negotiate with the KMT caucus or individual LY members and work with them or cooperate with them on different issues and try to divide this three-fourths majority.

That's a minor factor. A larger factor I would say Beijing. We have since before the election a lot of discussion among academics about, you know, the possible danger that how Beijing will play the blue camp legislators given different initiative or incentives or inviting different group, giving them deliverables for their particular constituency. And that would be something that we need to watch carefully.

So I think it is not an easy task for Ma Ying-jeou. I think he is not the person who wanted to get into day-to-day operations of the parliament. He will work through proxy or his appointed man to manage the KMT's LY caucus. That would be my response.

QUESTION: My name is Frank Chen, I was a research assistant at SAIS in the '90s. I think the overwhelming victory of Taiwan election will come by every side except to Chen Shui-bian and the DPP. But it is no [inaudible] that right now none of China's top leaders say anything about the consequence of the Taiwan election. Even the Office of Taiwan Affairs of China just made a command that it justify the Taiwan independence is not welcome by the Taiwan people. And Xinhua News Agency only has a few lines to cover the result. I think Beijing's attitude is wait and see because there are still a lot of uncertain factors whether in Taiwan itself, cross-strait relations, and the Taiwan relations with the United States.

So I think the most important thing is how to identify the political status of Taiwan; without identification there is no negotiation between China and Taiwan. If you sign a document finalizing how to name Taiwan, can you use the Taiwan authority and avoid ROC? So on this issue China is still, I think, keeps thinking and hesitates to make clear. And even Mr. Ma Ying-jeou, himself, is contradictory because on one side he said he would not seek Taiwan independence [inaudible]. At the same time he said Taiwan already is a sovereign and independent state. So if he wants more international space to reach Japan, United States as an elected president so can China accept? So my question is how –

MR. FREEMAN: Is there really a question?

MR. CHEN: Yeah. So but, it is the first time when President Hu Jintao talked to President Bush he didn't use the One China as a precondition as before but used 1992 Consensus.

MR. FREEMAN: We'll have to get you up here as a panelist.

MR. CHEN: That is a very big symbol. Maybe the Chinese government are thinking about how to make the negotiation between China and Taiwan more

pragmatic. So my question is to Mr. Huang, my friend before. We have many years. So how do you think the future, mind you, how to handle this case and what a response will be Beijing take? Thank you very much.

MR. FREEMAN: Thank you.

ALEXANDER HUANG: Well we have Mr. Ma's representative here as well. Maybe during the lunch we can get a better answer, but let me take on this with several points.

Number one, I personally do not believe that Ma Ying-jeou is expecting or working on a final political relationship with China in the next four years. I think his focus was on more functional and practical issues with China. He is not shooting for an ultimate resolution in the next four years. That's not the priority.

Number two; this is a campaign also for the Taiwan electorate to vote on two different approaches. One is ambiguity, the other is clarity. Of course everybody knows Beijing cannot answer a question whether there is a real existence of the Republic of China in Taiwan they can elect their own president every four years and continue to buy arms from the United States. They cannot logically resolve or give themselves an answer. But this is an approach, a choice of approaches of election. You know, the blue forces run or Ma Ying-jeou is on the ambiguity side. You know, let's cover one left eye and you cover your right eye and let's look at the thing that we both want and do it. And that's ambiguity.

And I think the green supporters were more looking at the clarity that you have to tell me who I am before we can talk about business. And I think apparently the voters in Taiwan determined that we need get something done before a final resolution of our political relationship.

And number three, I think for international participation. Again, I would say this is not the top priority. I think Ma Ying-jeou—you know, I'm not close to Ma but as an observer I will say he will spend more time down in the South and try to look, spend more time with those five million people who did not vote for him. To try to build consensus within Taiwan would be the top priority. Get the economy back on track would be his top priority. I don't think he will spend too much time to look at those. And the final point is the 1992 Consensus. I recognize that President Hu Jintao did not use the term "One China Principle," but only talked about the 1992 Consensus.

This is the most difficult part for the past eight years for a DPP leader to spell out the 1992 Consensus, but the Taiwan electorate will ask friends in Beijing and in Shanghai whether if by May 20th, in President Ma Ying-jeou's inaugural speech, if he spells out the term 1992 Consensus, what different incentives can Taiwan get in international arena? Because Beijing has said repetitively that so long as you agree upon the 1992 Consensus everything can be discussed. Okay, of course, Hu Jintao has said

[Chinese]. For China that's the same thing, One-China Principle means 1992 Consensus. But for Ma Ying-jeou it's different. It's 1992 Consensus with different definition of "one china."

So this is the gray area. This is the ambiguity. Probably this is the beauty of the cross-strait relationship. You know, you cannot get anything if it is not ambiguous between China and Taiwan. And that has been testified by history in the past 20 years. So I think the electorate in Taiwan determined, let's be ambiguous for awhile and see how China would behave.

MR. FREEMAN: Thank you very much.

QUESTION: I'm Gerrit van der Wees of the Formosan Association for Public Affairs; a question for Alexander on the economy. My camp rather successfully portrayed the economy as being rather down and out but if you look at the objective figures, 5.7 percent growth rate is not too bad it would be the envy of the United States I would presume.

The problem was, of course, unequal distribution with the relatively rich class getting richer from investment in China. But the incomes of the middle and lower classes, the working class really been stagnating due to the fact that their jobs were disappearing in China's direction and that cheaper goods were coming into Taiwan. Wouldn't the opening of the door to China further really aggravate this inequality? Certainly if China would also be caught in a downward economic trend that we do find ourselves in at the moment.

ALEXANDER HUANG: I don't want to dominate the panel but let me quickly respond. Number one, if you look at the numbers you cannot explain why people voted differently because I think the relative feeling or conscious in Taiwan voters before they cast their ballot was that they compare their life with four years ago or eight years ago. Or they'll compare the advancement of neighboring countries like South Korea or Japan and Singapore. They look at different figures.

I admit that the economic growth rate and jobless figures were not bad under DPP rule, but for a lot of people they look at the reality that you know, the government—I mean, the bureaucracy, the government officials has not had a pay raise for three, four years down the road but the consumer price has been rising.

I think this is the down to the earth daily life feeling vis-à-vis a very beautiful economic growth number. That's how people voted. And for the future, it's not easy but the people would probably hope that further, a closer economic relationship with China would revitalize Taiwan's economy. More capital flow in and out. But this is a subject of debate, of course, I admit.

MR. FREEMAN: Professor Feldman.

QUESTION: Thank you. Harvey Feldman, former foreign service officer now at the Heritage Foundation. Alex you've answered the question on the KMT and Ma Ying-jeou. I would add to that only that the question in Taiwan these days seems to be, is he tough enough to be able to manage the KMT. But my question is this and to the panel at large, who is going to inherit the DPP side? Are they going to form their usual circular firing squad? Go through a purge, or what's going to happen there?

CHING-LUNG HUANG: Okay, I'll try it. You know actually the Legislative Yuan had its election, this year on January 12th, and most of the DPP candidates failed in their campaigns and so they lost the energy to help support Frank Hsieh. From then on fund raising was very difficult for Hsieh because the most big businessmen would not waste money for any candidate who is not a great opportunity to win.

From now and until May 20th in Taiwan for the DPP it is very difficult because from central Taiwan, Yunlin, to Taipei there is no DPP congressmen or governor. From Yunlin to Taipei. They have only some, you know, 27 members in the legislature and only less than 20 percent local representative bodies, so I think for the DPP the most important thing is now they have to rebuild, at the grassroots. And because next year, 2009, we have an election for local government and based on this circumstance of the political trend, it is not easy. And who will lead the party? Some will suggest that the new generation take over but I think it's not easy and maybe I think of Frank Hsieh or the former Premier Su Tseng-chang will be appropriate chairman for the DPP. At least for the coming two years. Thank you.

DR. NIOU: I think probably Harvey you just witnessed the reluctance on the panel to respond to your question is a direct reflection of what's happening in Taipei today. I would say two points. Number one: currently the DPP has a vertical and horizontal problem. Horizontally they have to resolve the inter-factional struggle and vertically they have to resolve the inter-generational struggle. You know, whether to give it to the younger generation, the future fighters and let them to run for offices in localities and make sure that they can accumulate experience and turn into a national leader in the future.

And beyond vertical and horizontal there is another thing, it's the Lifa Yuan, or the LY. You know because the DPP has only 27 out of 113 legislators. And what can they do? Less than one-fourth, should they be marching or combatant line or try to fight KMT on issues, a more peaceful way on the floor of the parliament? So I think it's extremely hard.

Number two, I would say that my pick would be Su Tseng-chang because he has not been badly hurt as much as Chen Shui-bian or Frank Hsieh. He was not the person who determined the campaign strategy, it was Frank Hsieh.

And if we all recall that one or two years ago there was an advocacy of a Su Tseng-chang/Tsai Ing-wen ticket. And Tsai Ing-wen continued to stay in the green camp and also the biggest plus for Su Tseng-chang was that he has been constantly supported by the New Tide Faction. The New Tide Faction is the only faction in the DPP—I'm not a member so I may be wrong—but as I see it, the New Tide Faction is the only faction within the DPP who had some people really study hard and learn on the debates about national security issues like defense affairs, foreign affairs. All other factions were street fighters. You know, campaign managers; they were not interested in ruling the country. They are very good at campaigning. So I would say with the support of the New Tide Faction was the support of Ms. Tsai Ing-wen. I think Su Tseng-chang, if not the next chairman, will be the virtual leader for DPP. That's my pick.

MR. FREEMAN: In the back.

QUESTION: Hi. Steve Rice. My question, is do you think the recent arrests in Tibet and the subsequent crackdown will have any effect domestically in Taiwan and also what effect do you think the Olympics this year will have on Taiwan domestically? Thank you.

CHING-LUNG HUANG: We saw at a press conference that Mr. Ma Ying-jeou held after the election and he said he will not invite the Dali Lama to Taiwan. I think that is very precisely decision after his election to talk about this. Yes, the Tibet issue in this campaign is a very noisy debate. But as far as I know it had no impact on the result of the election. During the two weeks there was only a two percent shift of the candidates, the gap from Ma Ying-jeou and Hsieh went from 18 percent to 16 percent.

So this, I think, is a sign that actually most people in Taiwan are not that concerned about the Tibet issue. So maybe a former president recently said because we cannot protect ourselves, I mean the national security so we don't have enough to deal with or to talk about and debate issue. Thank you.

DR. NIOU: If I could add a footnote to that. I agree with Mr. Huang that the Tibetan issue recently has played a minimal role, like two percent, in our presidential election. But if I read your question you may want us to look into the future, Taiwan politics. I would say the Tibetan card will be a constant factor at least for the next six to 18 months in Taiwan politics because the DPP has been long associated and been supportive to the Tibetan cause and I think the DPP will use the problems in Tibet to force or pull the KMT to a position that will be very difficult for Ma Ying-jeou. That is, on one hand supporting human rights and on the other hand try to get deals on the functional issues like charters or Chinese tourists to Taiwan. That will be a factor of course. I hope the Tibetan issue or the Dali Lama will not be a card between Taiwan and the United States because Ma Ying-jeou said he would not invite the Dali Lama to Taiwan. And I'll stop right here.

QUESTION: Richard Hu from Brookings. Now I notice everybody on

the panel says Ma's victory gave him a mandate but what is the mandate? Observers from outside of Taiwan's politics, we're always trying to understand Taiwan's politics from a term called mainstream opinion. So if you say Ma has the mandate, can we say Taiwan's mainstream public opinion has changed to create this mandate for Ma?

So to what extent has the mainstream idea or mainstream opinion changed, especially on the national identity issues? Because on the panel I heard Emerson talk about a lot of people, you know, favor for status quo and Alexander talk about the policy platform and Ching-Lung talk about the voting behaviors. But I want to push a little bit further for all of you to say something about in your view to what extent the mainstream idea, especially on national identity issues, have changed. Because this really has a long-term impact not just short-term policy on deliverables so that's my question for all of you. Thank you.

ALEXANDER HUANG: Well I think Ma's campaign theme is a more pragmatic approach to solve some economic—that's the main thing—economic issues. And of course, Ma will also try to protect Taiwan's security and Taiwanese dignity. So you say what's the mainstream idea? It's just more a pragmatic approach. You know, you can look at his supporters.

Their views do differ from DPP supporters' views on many, many issues related to cross-strait relations. And so I think what Ma has to do is just to deliver, but not to be labeled as selling out Taiwan, because in order to achieve economic prosperity he might be labeled as selling out Taiwan's sovereignty. So that might be linked to the Taiwanese dignity issue. So I think his first priority is just to gain, to help Taiwan gain prosperity but meanwhile he's trying to protect his own reputation, protect the KMT's, not to be heard on the identity issue because that issue is linked to many economic issues.

MR. FREEMAN: No other comments?

QUESTION: Hi, Mike Pillsbury. It's my own question, not from the Pentagon point of view. I wanted to ask all three panelists just basically yes or no, during the campaign rhetoric, during the campaign promises did Ma Ying-jeou say anything that completely rules out his saying something in the inaugural address May 20th, that comes very, very close to Beijing's bottom line for 30 years now? That he would say something like Taiwan's part of China and there's only one China and its capital is in Beijing?

Could he come close to that in some creative ambiguous way or did he at some point in some speech promise he would never say those words? Because it seems to me no matter how much ambiguity we have and how much optimism we have now—Su Chi wrote a book on Chinese negotiating strategy with the Soviet Union. And the conclusion of Su Chi's book is just how tough Beijing was on the key principles with the Soviets and they were prepared to wait ten years until the Soviets met all of the terms that Beijing had laid out.

So if Ma Ying-jeou essentially caused really bad relations to happen over the next few years because he promised he would never say Taiwan's a part of China and there's only one China, its capital is in Beijing—or has he said something ambiguous enough already that the inaugural address could help? That's my question. As I say just yes or no. All three panelists not just Alexander.

DR. NIOU: No.

MR. FREEMAN: Emerson says no. That's one for no.

DR. NIOU: I mean, I think that's unfair just asking panelists to say one word, but if you allow me to say something. Ma would never say there's only one China, it's the PRC, and the capital is in Beijing. All right. His supporters will not support that. The issue about Taiwan independence, all right it's like in Taiwan if—no Taiwanese will want to be governed by the PRC, governed by the Chinese communists. All right. There's a consensus on that. The politics about Taiwan independence is independence from what?

Everyone wants to become independent from the Chinese government, all right. But independent from the Chinese identity, independence from the Chinese culture, Taiwanese differ on that dimension. All right, so Ma would never say Taiwan is part of PRC. His supporters will not support that and he realized that. The difference between the KMT and the DPP is on the identity issue. It's, are you Chinese or Taiwanese? But they may all agree, you know, that the name of our country is ROC. But I may not call myself a Chinese, I call myself a Taiwanese but my country is still ROC. So the difference between, the Taiwan independence issue is not, no one in Taiwan will disagree hey, you know we do not want to be ruled by the Chinese government but it's whether are you a Chinese?

I mean, do you love Taiwan? Right. If you love Taiwan do you have to hate China? All right. A lot of people say hey, you know, we love Taiwan but we don't hate China, we don't Chinese culture. We don't hate Chinese as Chinese, but we hate the Chinese government. All right. So I don't think Ma will ever say something like Taiwan is part of China and the name is PRC and the capitol is in Beijing. That's committing political suicide.

ALEXANDER HUANG: Fortunately this is the Brookings, it's not the Legislative Yuan. Because in the Legislative Yuan we were allowed to only say yes or no. Nothing else. But my answer is no. He would not say that.

CHING-LUNG HUANG: My answer is I don't know.

MR. FREEMAN: We've got time for just a couple more. You've been waiting patiently. Thanks.

QUESTION: Thank you. Michael Yahuda, formerly from the London School of Economics and now George Washington University. I think Alexander Huang

MR. FREEMAN: Please speak up a bit sir.

DR. YAHUDA: Alexander Huang earlier mentioned the generational issue only with regard to the DPP. And clearly, now there are people who are 30 and under who have no personal experience of the dictatorship years. And so presumably they will begin to think in terms of the emotional side of identity in rather different ways. And I think you've brought that out to a certain extent with the DPP.

But isn't the generational issue also a question for the Kuomintang? Because there are the old, if you like, power holders in the Kuomintang who will feel that they have an entitlement now to come back in some way. And yet, a great deal of the task for the new leadership will be to carry out reforms within Taiwan, to improve the financial institutions and other institutions as well. So for them the issue of change is just not a question of relations with China, it's change within Taiwan. So isn't there a generational issue within the Kuomintang as well as within the DPP?

ALEXANDER HUANG: In the interest of time I would say this is really an issue for Ma Ying-jeou and for the KMT. There will be a generational change, I think. I mean, I don't know Ma that well but if I look at the appointments of senior staffers in his city, in Taipei City, I think he probably will turn to a younger generation and transform the KMT to a more native-related political party. I don't know how strongly he can resist the senior leaders within the KMT. I don't know. But my reading is that he will try very hard to get the generation change in process.

QUESTION: Scott Harold, Brookings and Georgetown. Dr. Niou, I wonder if we look at the research that you've done on popular opinion, if you could look ahead a little bit, one of the major issues that lies out there, it seems to me and there are a lot of observers, is a possible return to the kind of corruption, thuggery, or just general arrogance of power that characterized the KMT before it really entered into mainstream democratic politics with a multi-party system.

Certainly that was a concern that the DPP tried to bring out after the LY elections. Certainly the break-in to the DPP headquarters fueled that. I just wonder, did you see any evidence of that in your interviewing? Would you care to speculate on whether or not that's one of the possible opportunities for the DPP to kind of capitalize on a mistake by the opposition?

Then pivoting to Ching-Lung, given the problems that the Taiwanese media has with generally being very partisan, now that you have an overwhelming source of power located in the KMT is there any possibility that ethics and media reform will push the Taiwanese media to say, now we don't really have a balanced system where we

can really slam—I mean slamming the DPP now is almost meaningless. So a more pro pan-blue media outlet, it seems to me, may in fact turn a bit more attention to scrutinizing the power holders in the KMT and I wonder if you would comment on that. Thank you.

DR. NIOU: Well, my survey doesn't really address that question but I mean as a political scientist power corrupts, you know, creates arrogance. So the KMT sooner or later will lose power, you know, that's predictable. But the short answer to your question is, no. In my survey I didn't touch on that issue. Not related to your question, but just one final point I would like to make is that we talk a lot about Ma's victory, implications of that to the DPP's internal power struggle, Taiwanese politics. But I think we should also ask what Chinese leaders should be thinking.

All right, Chinese leaders should actually play a very important role. They can deter independence, deter Taiwan from becoming independent fairly easily, but to induce unification—that goal in my view is not achievable if the Chinese government itself does not try to reform. But the Chinese government doesn't feel the urgency. That's a dilemma. You know, because the economic success prohibits them to think about political reforms. All right. But when China's economy sooner or later is going to run into problems then it will be too late to carry out political reforms. All right.

So the Chinese leaders, this is the best time for Chinese leaders to carry out political reforms. Without political reform forget about unification. You know, I mean, let me just stop there. It's the best time for Chinese, you know, to win Taiwanese hearts if you continue to rely on economic leverage that's not going to win Taiwanese hearts. All right. To achieve, induce unification without political reform just forget about it.

CHING-LUNG HUANG: After the election I read an article on the internet. The writer is a famous radio anchorman, and he said from now on Ma is not his friend anymore. He just wanted to emphasize to the public that he will be the professional journalist and we are not involved in the political competition like before. And also, I find out some television talk show and they will invite different guests and not just like in the before the election, only one color, you know, blue or red or green. So it seems a good beginning, but of course we have to—and when in the Chen presidential period some said journalists or media should be the opposite party and so now we will see when the president is Ma Ying-jeou and today will still be the opposite party. Thank you.

MR. FREEMAN: I'm afraid that's going to have to be out last question. We've made these gentlemen work hard enough for their lunch and I'm sure you're all waiting as well. Please join me in a round of applause for a very excellent panel.

(Applause)

DR. BUSH: Thank you very much Charles for chairing this morning's

session. I want to thank each of the panelists for their outstanding presentations and for you in the audience for your outstanding questions.

(Recess)