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**CHINA FACES THE FUTURE**

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ANDERSON COURT REPORTING  
706 Duke Street, Suite 100  
Alexandria, VA 22314  
Phone (703) 519-7180; Fax (703) 519-7190

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### **Richard C. Bush III**

Senior Fellow and Director, Center for Northeast Asian Policy Studies  
The Brookings Institution

### **Tuan Y. Cheng**

Director, Institute of International Relations  
National Chengchi University

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### **Lai Shin-Yuan**

Minister, Mainland Affairs Council  
Executive Yuan of the Republic of China

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#### **Kenneth Lieberthal**

Visiting Fellow, The Brookings Institution

### *Panelists*

#### **Arthur Ding**

Research Fellow, Institute of International Relations  
National Chengchi University

#### **David Finkelstein**

Vice President and Director, CNA China Studies  
The CNA Corporation

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Associate Professor and Chair, Department of Political Science  
University of Richmond

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**Richard C. Bush III**  
Senior Fellow and Director, Center for Northeast Asian Policy Studies  
The Brookings Institution

## PROCEEDINGS

RICHARD BUSH: Ladies and gentlemen, why don't we go ahead and get started? My name is Richard Bush. I'm the Director of the Center for Northeast Asian Policy Studies here at the Brookings Institution, and it's our great pleasure to collaborate with the Institute for International Relations of Chengchi University in Taiwan on the 38th Taiwan-U.S. Conference on Contemporary China. This is one of the longest running annual conferences on China in the world, and I think I don't know if this is the first time that Brookings has done it, but we're very proud to on this occasion.

I'm sure that most of you are eager to hear Minister Lai give our keynote address, so I'm not going to consume a lot of time now, but I do want to welcome all of you and those in the next room for joining us. I think that today and tomorrow are going to be very productive days.

At this point, I would like to invite Professor Tuan Cheng of Chengchi University to come to the podium and make a few remarks and introduce Minister Lai.

*(Applause)*

TUAN Y. CHENG: Thank you, Dr. Bush.

Honorable Minister Lai, distinguished scholars, professors, ladies and gentlemen, good morning. It's really my great honor and pleasure to be invited and attend the 38th Taiwan-U.S. Conference on Contemporary China. On behalf of the Institute of International Relations of National Chengchi University and the Taiwan delegation, I would like to express my sincere thanks and appreciation to the Center for Northeast Asian Policy Studies of the Brookings Institution for your hospitality, strong support and excellent arrangement in organizing the conference. We are deeply grateful for what you have done for us, and also it's really our great honor to co-sponsor the conference with you.

As we know, this year marks the 38th anniversary of the conference. Even though we don't like to emphasize too much about the number of years that have past, it is an achievement itself for continuing to run the conference series for such a long period of time. The conference has served as the platform for both Taiwan and the U.S., to engage in dialogue on mutual concerns. It has been, I think, very successfully building up the network and exchange cooperation between American and Taiwan academic community. So I would like to take this opportunity to express my deep thanks and gratitude for the efforts made by all the people over the years, for such a conference series. Thank you very much indeed.

The theme of this year's conference is "China Faces the Future." I think this is surely an important and significant issue concerning the many countries of the world, but also China itself, as you see the rise of China, which was an academic issue for discussion not long ago, but it's now a part of the international reality. I think very few people today would question the validity of this phenomenon.

But with the rise of China, the following question is: As a big power, how is China supposed to act and will it be a responsible stakeholder as called by the former Bush Administration or will it be a positive, comprehensive and cooperative partner as called by the Obama Administration?

I think until now not too many of us, probably including China herself, are aware of what China will become and what China needs to face the future and face the world. A peaceful rise of China, as claimed by Beijing, I think is a concept with good will but unclear of its contents, what China likes to achieve and how could she achieve that and on what basis.

An international and world harmony, again claimed by Beijing, I think is a little bit too idealistic to be taken seriously by the international community. Moreover, how will a rising China deal with relations with the established powers such as the United States and Japan? How will it cope with the changing environment of the Asian political landscape including cross-strait relations? And, how will it meet the rising demands of its own people in China?

In other words, a rising China comes along with the rising power, but power can be, as we know, both positive and negative, and the power cannot run itself. It needs to go along with responsibility, management and wisdom. Is China ready for that? And, how will China face the world and face herself?

I think these are not easy questions that can be answered. So that is why we need a conference like this to explore the issues and to find out some answers, and I'm looking forward to hearing your view and observation.

Finally, I think I would like to say it's always my great pleasure to come back and visit Washington, D.C., the magnificent and beautiful city, as well as Brookings, the distinguished institution, and I'm happy to be here. I hope we have a very, very successful conference. Thank you very much.

*(Applause)*

RICHARD BUSH: Thank you very much, Professor Cheng.

It's now my great pleasure to introduce a dear friend and important official in today's Taiwan government, Minister Lai Shin-Yuan, the Chairperson of the Mainland

Affairs Council. The Mainland Affairs Council is the leading policymaking body for cross-strait relations, and we are tremendously fortunate to have Minister Lai speak to us.

Minister Lai?

*(Applause)*

MINISTER LAI: Thank you, Richard. Director Bush, Dr. Cheng, Distinguished Participants, Ladies and Gentlemen:

I am greatly honored to be invited to attend today's 38<sup>th</sup> Taiwan-U.S. Conference on Contemporary China, jointly hosted by the Center for Northeast Asian Policy Studies of the Brookings Institution and the Institute of International Relations of National Chengchi University.

This past year has brought unprecedented change in cross-strait relations. This change has profound and far-reaching implications for Taiwan and mainland China, as well as for the Asia-Pacific region. It also imbues this conference with special significance. My talks today address the current state of cross-strait relations and the ROC government's cross-strait policy, a subject that is of high concern to many of you.

In his speech at AIT-hosted banquet to celebrate the 200<sup>th</sup> anniversary of Abraham Lincoln's birth in February this year, President Ma Ying-jeou remarked that America's arduous defense of freedom and democracy amidst division and strife in the history has enormously inspired a newly established democracy like the Republic of China on Taiwan. He emphasized that, as America's experience has shown, we must seek consensus and build institutions in a spirit of tolerance and conciliation, as the only true way to establish a national identity. While praising President Lincoln's contribution to America's tradition of freedom and democracy, President Ma also expressed the fullest of his pride and confidence in the successful establishment of Taiwan's democratic system.

The Republic of China is a very young democracy. Taiwanese people enjoy an atmosphere of freedom that is unfettered by politics. Political parties with different stances can compete under the same set of rules to decide who is to be in charge of the political power. In less than a decade, Taiwan has experienced two peaceful transitions of power. Our experience serves as a successful model of democratization in Asia, which is a testament to the values of freedom and democracy.

In the "*Freedom in the World*" report issued by New York-based Freedom House in 2009, Taiwan is given a top-notch rating for the state of its democratization. Former President Bush has also praised Taiwan as a beacon of democracy to Asia and the world. Taiwan's democratic achievements reflect the core values of international league of democracies. Moreover, in the process of improving

cross-strait relations, it enables the mainland to gain a deeper understanding of Taiwan's democratic pluralism, thereby may help catalyze the mainland's potential democratic development. I personally believe that a mainland China gradually coming to recognize the values of freedom and democracy will generate more active and positive driving force for elevating peace and well-being both regionally and globally.

It goes without saying that cross-strait relations are the lifeline of Taiwan's survival and development. They are also vitally connected to prosperity and stability in the Asia-Pacific region. During the DPP administration, the conflict and hostility in cross-strait relations not only imperiled Taiwan's economy with marginalization, but also posed a major threat to the collective security of the Asia-Pacific region.

The outcome of the presidential election in March last year, was a vote by Taiwanese people for a second transfer of political power, and also fundamentally changed the cross-strait situation. In his inaugural address, President Ma expressed the hope that the two sides of the Taiwan Strait would be able to grasp the present historic opportunity to open a new chapter of peace and co-prosperity in cross-strait relations. He emphasized that the principle of "facing reality, pioneering a new future, shelving controversies, and pursuing a win-win solution," would be the key to seek a balance point in the common interests of the two sides.

On this basis, over the past year, Taiwan has taken up a brand-new approach, vigorously pursuing improvement and breakthroughs in cross-strait relations under a globalization framework:

- In the international community, particularly in the protection of regional collective security, Taiwan has taken up a constructive role as "peacemaker" and "responsible stakeholder," and is no longer a "troublemaker."
- In cross-strait relations, Taiwan adheres to advocacy of "no unification, no independence, and no use of force," to maintaining the cross-strait status quo, and thereby to preserving peace in the Taiwan Strait and stabilizing cross-strait relations.
- In the foreign relations sphere, the new administration has unveiled a strategy of "flexible diplomacy" and adopted a "diplomatic truce," as means to substantially alleviate malignant competition and senseless internal friction between the two sides of the Strait in the diplomatic arena, and instead allow Taiwan to concentrate on strengthening ties with friendly countries and expanding participation in international organizations, so that it can play a greater role in the international community.

Pursuing cross-strait peace and development is Taiwan's forward-

looking and pragmatic strategy for facing up to mainland China's rise and creating a win-win situation for both sides. A peaceful external environment will enable Taiwan to secure its free and democratic political system, and optimize its beacon effect to catalyze the mainland's potential democratic development. At the same time, Taiwan can also take advantage of the mainland's economic rise, to create an environment favorable to the global deployment of business enterprise, to raise our international competitiveness and achieve our goal of national sustainable development.

We believe that the opening of cross-strait consultation and dialogue is the key to our objectives. The past impasse in cross-strait relations was mainly due to each side's preoccupation with the sovereignty dispute. Because of this, we maintain insistence on the ROC's status and Taiwan's dignity in domestic and international contexts, and seek to make this the basis for pursuing cross-strait reconciliation. In our handling of cross-strait relations, we are strongly advocating that both sides put aside political controversies, and pursue cross-strait negotiations on the basis of mutual non-denial. This will enable us to step up exchanges in the economic, cultural and social spheres, to pragmatically handle and solve the various problems emanating from cross-strait contacts, and to gradually build up mutual trust. In our estimation, this is the right and best approach for promoting benign cross-strait interaction and advancing the normalization of cross-strait relations.

From start to finish, the ROC government's engagement in cross-strait talks adheres to the highest principle of "putting Taiwan first for the benefit of the people." We have never made any concession in our insistence that all talks be conducted on a basis of equality and with due respect for our national dignity.

As to the sequencing of the cross-strait negotiation agenda, we are adopting the three-prioritizations strategy of addressing the easy ahead of the difficult, the urgent ahead of the non-urgent, and the economic ahead of the political, with the normalization of cross-strait economic and trade relations and the maintenance of law and order in cross-strait contacts as our primary considerations in the prioritization of issues.

After the new administration took office, the SEF-ARATS channel for institutionalized cross-strait talks was speedily restored and secured, and three rounds of "Chiang-Chen talks" successfully staged within a year. The three rounds of talks, involving all-out endeavor aimed mainly at advancing the normalization of cross-strait economic and trade relations, resulted in the signing of nine agreements with the mainland – on mainland tourists visiting Taiwan, weekend charter flights, cross-strait air and sea transport, postal services, food safety, scheduling of regular flights, financial services, and joint crime-fighting and judicial mutual assistance – as well as the achievement of an important consensus on mainland investment in Taiwan. These significant achievements have laid firm foundations for advancing the normalization of cross-strait economic and trade relations and establishing a sound state of law and order in cross-strait contacts.



Economic and trade relations are the most important facet of cross-strait relations. They also encompass the issues of cross-strait interaction that have the greatest bearing on our people's interests and the smallest element of controversy. Therefore, for the foreseeable future, cross-strait talks will continue to center on economic and trade issues, with sights set on bringing about the comprehensive normalization of cross-strait economic and trade relations.

At the third round of Chiang-Chen talks, the two sides reached preliminary consensus on the shaping of the agenda for the next round of talks. The issues at the top of the list include cooperation in fishery labor affairs, agricultural product inspection and quarantine, cooperation on industry standards testing and certification, avoidance of double taxation, and – with particular importance for our businesses operating in the mainland – an investment protection agreement, IPR protection, a mechanism for resolving economic and trade disputes, and facilitation of merchandise customs clearance.

Furthermore, in preparation for a step that has drawn a lot of attention in Taiwan and internationally – the negotiation and signing of an Economic Cooperation Framework Agreement, or ECFA – the two sides have also come to concurrence that each will first undertake pertinent studies and preparatory work, to facilitate communication on the technical side, so that once the two sides have established a certain consensus on the content of the agreement, it can be formally incorporated into the cross-strait negotiating agenda.

Taiwan's intent to negotiate and sign an ECFA with the mainland is due to the current trend of fast-moving East Asian economic integration, and is based on the need to ensure a fair footing to compete in export markets and avoid being economically marginalized. An ECFA is not at all like an ordinary FTA, and will not solve every problem at one stroke; but it will furnish the means for gradually building a set of rules for normalizing cross-strait economic and trade relations, and can be spoken of as a roadmap for the normalization of cross-strait economy and trade.

Here, also, I would like to especially emphasize that the ECFA is purely concerned with matters of cross-strait economic and trade activity. It does not touch on sovereignty or political issues. Nor will it make Taiwan's economy more dependent on markets in mainland China. On the contrary, Taiwan's signing of an ECFA with the mainland should prompt the governments of many of our trade partners to actively consider negotiating FTAs with Taiwan. It will enable Taiwan to participate in regional economic integration, and strengthen our alignment with global markets.

I believe that the ECFA is a key step for Taiwan's return to the world economic stage, and will be supported by the majority of Taiwan's people and the countries that are friendly to us.

Despite the recent big improvement in cross-strait relations,

mainland China's military deployment targeting Taiwan is still the biggest obstacle to the development of cross-strait relations, and needs to be removed. Although studies on the issues of cross-strait military confidence building measures and cross-strait peace agreement are being conducted, the conditions are not yet ripe for addressing these highly political issues.

Here I must emphasize that maintaining sound defensive capabilities is essential for enabling Taiwan to pursue the peaceful and stable cross-strait relations free from worry for its own security. As the two sides of the Strait proceed with reconciliation and closer interaction, Taiwan is willing to express bona fide intention not to provoke dispute and to act as a guardian of peace in the Taiwan Strait; but at the same time, Taiwan still needs to maintain its military modernization and armaments procurement, to demonstrate its commitment to defending itself, and to lay a more durable basis for cross-strait reconciliation and co-existence. We hope, too, that the United States will give its utmost support and assistance to Taiwan's efforts to bolster its own security and to maintain stability in the Taiwan Strait.

In an important speech on foreign policy, delivered to the Chicago Council on Foreign Relations during his campaign for the leadership of the U.S., President Obama called for the United States and its allies in the Asia-Pacific region to build a new cooperative relationship for protecting regional security, to respond to the opportunities and challenges of China's rise in the 21<sup>st</sup> century. We deeply concur with this idea, and also take the view that the state of reconciliation in cross-strait relations can become a positive force for promoting regional peace and stability. At the same time, from the viewpoints of democratic values and geopolitical strategy alike, we also hope that Taiwan can play a more positive and constructive role in a mechanism for the joint promotion of regional security.

We advocate that the two sides of the Taiwan Strait should, by taking a pragmatic approach and deepening our contacts, use our institutionalized talks to build the foundations of mutual trust, to pave the way for discussion of more complex and difficult issues. We take the view that highly political cross-strait issues, such as establishing a cross-strait military confidence building measures and hammering out a cross-strait peace agreement, need to wait until we have built up greater firmness of mutual confidence. As things stand at present, we do not have any timetable for the discussion of highly political issues. We are still at the stage of expanding cross-strait economic and cultural contacts, and deepening cross-strait cooperation, to strengthen the basis of our mutual trust.

Even though there is still no timetable for cross-strait political talks, the issue of Taiwan's space for participation in international affairs is one that we cannot allow to be sidestepped.

Since May last year, both sides of the Taiwan Strait have displayed

goodwill and sincerity to surmount one hurdle after another. Former Vice President Lien's participation in the APEC Economic Leaders' Meeting in Peru opened new horizons unseen in many years. The World Health Organization approved for Taiwan to use the International Health Regulations and invited Taiwan to attend a World Health Assembly meeting this year for the first time since the republic of China left the United Nations 38 years ago.

But here I must reiterate that Taiwan's 23 million people have a right to participate in international organizations. The international community should act more fairly in giving Taiwan space to participate in international affairs. We should be able to gain readmission to the international fold in more meaningful and substantive ways. I am personally gratified that, over the last year and more, Taiwan has established firm and unshakable bonds of mutual confidence with the United States, which will also be a key factor for Taiwan's return to the international fold.

In respect of cross-strait interaction, we also need to step up our endeavor. When I met with ARATS chairman Chen Yunlin in Taipei last November, and when SEF chairman P.K. Chiang met with Wang Yi, the director of the mainland's Taiwan Affairs Office, in Nanjing this May, we both explicitly expressed the hope that the mainland authorities respect the right and ardent desire of the Taiwanese people to participate substantively in international activities. This would enable the two sides of the Strait to support each other and cooperate in the international community, and is also an essential prerequisite for the continued positive development of cross-strait relations in the future.

All of the public opinion polls conducted or commissioned by the Mainland Affairs Council this year show that the majority of the public have faith in the government's ability to maintain cross-strait peace and stability. On average, more than 70 percent of the people support the institutionalized cross-strait negotiation mechanism; and 60-plus to 80-plus percent feel satisfied with the nine agreements signed at the Chiang-Chen talks. The overall results of the surveys show that the majority of the people in Taiwan are confident of the government maintaining cross-strait peace, and are optimistic about the future development of cross-strait relations. From this it can be seen that the current stage of cross-strait policy has indubitably received the support and approval of Taiwan's mainstream public opinion.

Taiwan is a pluralistic democratic society, in which cross-strait policy basically remains a highly sensitive issue. The people may hold differing views as to what the future holds for Taiwan, and the government must accord respect to all shades of belief and political opinion. How to continue to strengthen communication with holders of disparate viewpoints in Taiwan, including opposition parties, to reduce domestic differences of view on mainland policy, and gain approval for our policy from a greater proportion of the people, is one of the current main focuses of our new administration.

I also hope that, through the mechanisms of democracy, we can, with tolerance and reconciliation, seek out the greatest consensus on cross-strait policy, and establish identification with shared values, to serve as a solid buttress for attaining the strategic goal of peaceful development across the Taiwan Strait.

Maintaining the status quo in the Taiwan Strait and promoting peace in the Taiwan Strait are both in accord with the common interests of the two sides of the Strait, the United States, and the Asia-Pacific region. Although the intertwining problems between Taiwan and mainland China cannot possibly be resolved within the short term, the government of the Republic of China will take a positive and steady attitude toward gradually creating conditions for cross-strait peace and prosperity. Our government's aims for the future are first to build a foundation of consensus within our domestic society, and with effective risk management and full commitment to safeguarding our country's interests and the welfare of all of our countrymen, to continue cautiously and actively developing cross-strait relations.

Over recent decades, the Republic of China has developed in tune with the core values of Western countries, gaining recognition from the international community for its protection of human rights and the high level of its democratization. Over the past year, the endeavors of the ROC government to improve cross-strait relations and promote peace and stability in the Taiwan Strait and the region, have also earned unanimous approval from the United States and other members of the international community. We will hold fast to this policy direction, continuing with our endeavors to create win-win conditions for the long-term peaceful development of cross-strait relations, and with our sights set on the ultimate goal of assuring permanent peace in the Taiwan Strait.

*(Applause)*

RICHARD BUSH: Can you take a couple questions?

MINISTER LAI: Sure. I think we still have some time, right? How many minutes?

RICHARD BUSH: Fifteen, twenty minutes.

MINISTER LAI: Fifteen to twenty minutes to take some of your comments and questions. Thank you.

RICHARD BUSH: Before we call on the first questioner, please keep your questions brief and ask it as a question. As you can tell, Minister Lai is very intelligent. You don't have to go on at great length.

Let's start with Eric McVadon in the back.

QUESTION: Thank you, Minister Lai. Eric McVadon, the Institute for Foreign Policy Analysis. I wonder if there has been any coordination or discussion concerning the global economic recovery package between Beijing and Taipei.

MINISTER LAI: Very simple, straight-forward question. My answer will be very simple too: not yet, no. But we believe that through this institutionalized channel of negotiation and the issues that we are discussing are focusing on economic and trade issues. This would enable us to also, to some extent, help deal with this global economic downturn. Thank you.

QUESTION: Thank you, Madam Minister. I have actually two questions, if I may. I'll try to make it short.

Your comments in New York about the ECFA signing this year or next year actually caused the Taiwan stock market to react rather dramatically for two days running. What does that tell you? Are you having a second thought about how to proceed with ECFA negotiations?

Second question: A lot of the positive developments across the Taiwan Strait since President Ma Ying-jeou came into office have been welcomed by all sides, all people. When do you think we can reach the point of no return? I mean, the positive developments will become at a time irreversible, whoever comes to power in Taipei or in Beijing. Thank you very much.

MINISTER LAI: Thank you very much for your two questions. Regarding your first question, you read Taiwanese newspaper daily, huh? Well, I would like to say that in fact this stock market has its own rhythm. It has nothing to do with what I said really because I have been saying the same thing for at least three or four months, and it's not only that. It's not only my remark. It's our government's policies and attitudes.

And, I answered questions during the legislative yuan, and I spoke at press conferences almost every day on ECFA issues, and that's actually the line. I don't know why this is being used as an excuse.

On the ECFA issue, we on both sides are actively engaged. Now we are doing this preparatory work and we believe that. Both sides have this consensus that once this is done, and I think it's about to be concluded soon, then we can sit down, and we believe that sometime this year we can start talking, start discussing, and start negotiating. We are continuously saying that. Any negotiation really takes two sides. So, at this stage, we don't know when this can be concluded, but definitely it will start this year. That's my response to your first question.

My response to your second comment and question - when do we reach this point of no return so that if a different political party takes power again: I personally

believe that the current course of developing or improving cross-strait relations is the right one and is on the right track. I also think this is supported by the majority of Taiwanese people in Taiwan and is welcomed and endorsed by countries such as the United States and many other countries in the international community as well. So, no matter which party takes power in the future, a responsible government has to react according to the people's desire, and I think that this is the right track to go on.

Also, I mentioned in my talk just now to you that we receive substantial support from the people. A highly democratic society and country like Taiwan, any government would act upon according to their people's views. Thank you.

RICHARD BUSH: Over here, Mike Meridan.

QUESTION: (*Off mic*)

MINISTER LAI: I must say that of course we have responses. It's not our policy not to respond. We have the Mainland Affairs Council. Before I came on this trip to Washington, D.C., last week in Taipei, not only did the Mainland Affairs Council issue a formal press release but our Premier, on behalf of our government, also formally expressed of what has been happening in Xinjiang. We denounce violence. We don't think that violence is the right way to deal with problems, and we also advocate that the nature of such issues should be dealt with more tolerance, with reconciliation. That's very important to deal with these types of questions. We have already made that formal statement to the public. Thank you.

RICHARD BUSH: Nadia Tsao.

QUESTION: Thank you. Nadia Tsao with the *Liberty Times*. Madam Minister, your counterpart, Mr. Wang Yi, when he visited Washington, D.C., he urged the U.S. to follow the One China principle and stop selling arms to Taiwan. I wonder if that's also the policy or the understanding that Ma Ying-jeou's government would agree with.

Also, in Washington, D.C., he seemed to imply that China is ready for political negotiation or talks because there's no timetable, and he seemed to indicate that China is ready. Is that the same position as your government? Do you have a consensus in this regard? Thanks.

MINISTER LAI: Thank you, Ms. Tsao. Any agenda has to have the agreement from both sides, and your concern with political issues are likely to be on the agenda. I've already expressed very clearly in my address that the time for this kind of a talk has not arrived yet. It's not ripe yet. Also in my address, I mentioned the importance of Taiwan to maintain the defensive capabilities to defend our own security because it's a very important foundation for Taiwan in enabling Taiwan to continuously improve cross-strait relations. Yes, that's how we see it and how we view it. Thank you.

RICHARD BUSH: Michael Yahuda.

MINISTER LAI: Hi, Professor Yahuda. I must say that I was your student. Really, in England. You probably don't remember me.

MICHAEL YAHUDA: Yes, I do.

MINISTER LAI: You do? Really?

MICHAEL YAHUDA: Yes.

MINISTER LAI: At the London School of Economics.

MICHAEL YAHUDA: That's right.

MINISTER LAI: Oh, my goodness. That was more than 20 years ago.

MICHAEL YAHUDA: Yes. Madam Minister, I'd like to ask you to elaborate a little further on one of the main points you made about the need to build up discussions and consensus within Taiwan about the new approaches to cross-strait relations. As I understand it, the opposition party is complaining about the secrecy involved in the negotiation process and that the Legislative Yuan is not involved enough in these matters. So, is it that they have –

MINISTER LAI: Sorry, which is not enough to be involved in the process?

MICHAEL YAHUDA: In the process of reaching these agreements.

MINISTER LAI: Who?

RICHARD BUSH: Legislative Yuan.

MINISTER LAI: Oh, Legislative Yuan. Oh, right.

MICHAEL YAHUDA: And so, as I understand it, within the opposition side, there is a feeling of not being involved, as you suggest that should be happening. So I'd like your comment.

MINISTER LAI: Thank you, Professor Yahuda. I'm so pleased that after so many years I have this opportunity to meet with you.

Yes, this is a very important question. We definitely need to, because is the issue of cross-strait relations is very sentimental in Taiwan. Everybody here knows this, I think, so I don't need to go into the details of why this has been the case.

However, any responsible government really would place very high importance on continuous communication with the general public and also with transparency. In our cross-strait policies, it's very important because of the divide and because the opinion is quite divided in cross-strait relations, though I mentioned that we have a majority of the support regarding cross-strait policies.

A recent domestic opinion poll showed that 39.5 percent of the Taiwanese population feared and doubted ongoing cross-strait relations because they are afraid the government might sell out Taiwan, undermine Taiwan's sovereignty, and Taiwan might be too accommodating to China. The poll was conducted about two months ago. However, almost 55 percent of the population believed that we do not undermine Taiwan's sovereignty. But still, 39.5 percent of the population had such a fear and that's because of the nature of cross-strait relations, the nature of Mainland policies in Taiwan.

What does a responsible government do about that? We, including myself, the Mainland Affairs Council, and some of our government agencies, we continuously work through different means, for example, the Legislative Yuan. Before we conducted this negotiation, I can't even count how many times I had to be challenged and questioned by the legislators, and I had to go to report on the basic content of the cross-strait negotiation. After the negotiation, we had to go to the Legislative Yuan to report on the result of the negotiation.

Apart from that, according to our law, the act governing the cross-strait relations, that is the most essential law in Taiwan. According to this law, our government, the Executive Yuan, needs to send our negotiation agreements to the Legislative Yuan for approval. If it doesn't require any change or any revision of the current laws or any change of the laws, then we send these agreements to the Legislative Yuan for them to discuss or for them to -- what do you call it?

There are two types of procedures. One doesn't require the law revisions. In Chinese it's called -- Professor Yahuda, you know Chinese. It's called *he bei*. To confirm, yes, to confirm. If it requires revision of the laws, then it would need the legislators to approve. So for each agreement, for the nine agreements, we have already signed, it went through such a process. So it's transparent in the Legislative Yuan.

Secondly, my council and I have been working intensively and visiting the many parts of Taiwan, particularly in the middle part or southern part of Taiwan, to meet with big crowds of about 200 to 300 each time, where we talk and confront them directly in an exchange of views. In most cases, 80 percent of the crowd are from the Green Camp, and I feel very strongly each time that I was able to convince them or persuade



them to a very, very large extent. Once I had this opportunity to explain to them that this is the right way to go about cross-strait relations and that the government has not in any sense, sold out or denigrated Taiwan's sovereignty, they trust me.

So this is the way we constantly do things, and we also try to use, if we can, the media through radio, TV, and to address people as much as we can.

Thank you.

RICHARD BUSH: Over here.

QUESTION: Chia Chen, freelance correspondent. Minister Lai, thank you for comments. You have talked about sustainable development - what are the strategies and timelines of the Taiwan sustainable development and also, more important, what is this development going to accomplish? Thank you.

MINISTER LAI: Thank you for your question. Though it is short, this is a very broad topic. Sustainable national development does not only concern cross-strait relations. Any government's policies for sustainable development would require economics, and in Taiwan, it would not only require politics and cross-strait relations, but it would require economic or social safety nets or environmental issues. I think this is too big of an area for me to discuss today, but I guess what you mean is that I think you're more concerned about cross-strait relations. No?

CHIA CHEN: Overall.

MINISTER LAI: Overall. This really is too big of an area for us to cover and I'm afraid we don't have the time to address that. The Executive Yuan in Taiwan is making huge efforts to try to do that, yes. We have to overcome this economic downturn first and move in many areas, in many directions such as how to rebuild our economic strength, and also in terms of global warming programs, our government also has these policies on how to reduce CO2. So it's very comprehensive. We don't have time to go into that, sorry.

RICHARD BUSH: Also, we've run out of time. But I want to thank you, Minister Lai, for, first of all, your presentation which was both comprehensive and detailed and then for engaging in this exchange of views. You have really done an outstanding job in getting our conference off to a good start, and we appreciate it very much.

MINISTER LAI: Thank you, Richard.

*(Applause)*

MINISTER LAI: Thank you so much. I wish you all the success and having a wonderful conference today and tomorrow. Thank you. Bye.

RICHARD BUSH: We're going to take a 10-minute break and reconvene at 10:45.

[RECESS]