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Welcoming Remarks:

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Featured Speaker:

MA YING-JEOU
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Moderator:

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MR. PAAL: Good afternoon, ladies and gentlemen. Welcome to the Brookings Institution. My name is Douglas Paal, I'm from next door, Carnegie Endowment.

And Richard Bush, the host of today's event has been kind enough to ask me to co-host with him, out of deference to our mutual friendship with President Ma, your speaker today. Very glad to have you here. Welcome, friends from the media as well.

My friendship started more than 30 years ago with President Ma, and when he was a rising star, and a handsome Hollywood type from the Justice Ministry in Taipei, and Taipei was on a roll in the world, democratizing, modernizing, and growing fast economically. And he has taken off with Taiwan over the years.

I got to know him even more when I served in Taipei as U.S. representative to the American Institute in Taiwan, and he was a very effective mayor of Taipei City, brought a lot of change there.

But I think by way of introduction today, I'm not going to go through all these experiences, I'll make a few points mostly the international audience.

I think President Ma can look back on a very challenging but also a very successful period in managing the big relationships between Taiwan, its neighbors and its most important partners. On the question of the biggest challenge facing Taiwan, he presided over a rationalization of cross-Strait relations, to go from mutual non-recognition to mutual non-denial, and he put it himself.

And during the course of his time in office, 23 agreements were reached for practical cooperation across the Taiwan Strait. I think that almost 870 flights a week were approved, for people to have direct communication between Taiwan and the mainland; a huge explosion of opportunity, business and other cultural exchanges.

And that record showed he could handle those big challenges, but he also helped to manage the relationship with his most consequential partner, and that’s the United States, Japan comes in behind that. And he managed that with great effectiveness. In contrast with his predecessor, he established a climate of trust, a trust that was manifested to the degree at which the United States and Taiwan were able to agree on, more and more generous transits of the United States on the way to visit
friends and partners overseas for him, as the leader of the Republic of China and Taiwan.

And then finally he kept Taiwan very active in the international community. Taiwan was a regular participant as an observer at the World Health Assembly, and other institutions that were developed in the time he was in office. So, here is a person who comes with a tremendous record internationally as well as a leader at home.

And it's my great privilege to welcome my good friend, and someone I hope all of you will join me in giving a great welcome to. Please. (Applause)

MR. MA:  Director Bush of Brookings Institution; Vice Chairman Paal of Carnegie Endowment for International Peace; Ambassador Ching; distinguished guests, ladies and gentlemen. Good afternoon.

Exactly 11 years ago, this month, at this Institution, I spoke as mayor of Taipei, and the chairman of the KMT. I remember telling the audience that the two sides of Taiwan's Strait had a -- haven't had confrontation for six years. To go back, simultaneously, to the 1992 consensus in order to have peace in Taiwan's Strait. This was exactly what I pursued for in 2008, when I took office as the president.

But at the time I was here, I had not decided to run for president yet. Exactly nine years ago, also in this month, I was elected the 12th president of the Republic of China. President George Bush, Jr. sent me a congratulating message on the election day, March 22nd. He said, “Taiwan is a beacon of democracy to Asia and the world.” It was indeed, encouraging to everyone in Taiwan.

So, in my inaugural address delivered on May 20, 2008, my blueprint for Taiwan is to build a free, just and prosperous society, and to build a peaceful Taiwan Strait, and friendly international environment.

Barely four months into my presidency in September 2008 we, like every country else, were badly struck by the financial tsunami, the worst in 50 years. We soon announced a crisis management package that gave all bank deposits full guarantee. Launched a USD 16 billion of infrastructure construction plans to stimulate investment, and issued a USD 120 shopping voucher to every citizen of the Republic of China; of course help to increase domestic consumption.

Well, at least the first two are good for sure, but the vouchers were so popular that 92
percent of the people got their shopping voucher on the first day of distribution; January 18, 2009. Many people I met in the street, grabbed my hand and said, Mr. President, please do it again. Others said, once more, it's not enough, better three times a year.

Well, the police, the police were thrilled to be able to identify and arrest more than 40 wanted fugitives waiting in line to get a voucher. Well, these people can keep the voucher for sure, but they might have to spend it in jail. The impact of this package was strong and (inaudible), although as far as the people are concerned, the social effect were actually -- clearly outweighed the economic effect.

But the most important thing is, during that period there was no bankruptcies, no bank runs, not serious unemployment, and no panic. The economy bounced back less than a year later, reaching 10.6 percent growth, ranking highest in 24 years in Taiwan, and number four in the world. During the eight years of my presidency, we have tried very hard to improve the economy, but other than the tsunami in 2008, we had a European debt crisis three years later.

We also had a global export slowdown. Then altogether, the whole world reached an economic growth of 2.2 percent by average. So, actually our growth rate, by average, was 2.8 to 2.9 in the last -- in the eight years. And our per capita of GDP was $47,790 in PPP terms, the purchasing power parity. And so that was in 1916, and we were ahead of the U.K., France, Italy, Denmark, Canada, Japan, Korea; but we are behind Hong Kong and Singapore. But it's very important that we try so hard, we didn't -- wasn't able to do it better, but at least we have tried our best.

This is something relatively under our control, but our relations with the mainland is something else, after all we were already civil war rival for more than 50 years, 60 years by then, and ruling a land mass of 265 times and a huge population, 58 times of the respective signs of Taiwan is not an easy thing. So, let me start with some thought about the recent development in Taiwan.

President-elect Donald Trump surprised the world on December 2nd last year, by answering an unprecedented telephone call from our President Tsai Ing-wen, congratulating him for his election victory. The move was the first of its kind ever since the United States switched recognition from Taiwan to the Chinese mainland in 1979.

However, the strong reaction from Beijing made a media euphoria in Taiwan soon subside and was replaced by sober concern about Taiwan being treated as a bargaining chip in mainland
China's future negotiations with the United States. On the other hand, Mr. Trump complained about the “One China” principle, and why the U.S. has to abide by that, but particularly when the media criticized him for trampling on the red line.

President Obama worrying about the consequences of this development came out to hold a press conference before his departure at the White House on December 17th, emphasizing the importance of “One China” principle as a cornerstone of U.S.-China relations.

In the evening on February 9, 2017, President Trump called President Xi Jinping of mainland China, and 20 days after his inauguration, agreeing at the request of President Xi, I agreed to honor our China policy, ending the speculation that President Trump might change it.

As you all know, the “One China” principle has been the cornerstone of U.S.-China policy ever since 1972, so in 45 years eight presidents, 12 terms, this principle has been at the basis of the relations between Washington and Beijing. So once changed, once changed the impact on U.S.-China relations would have been enormous.

But now, President Trump now went back to the long-standing China policy of the U.S., showing that (inaudible) continues to be the key consideration after all.

Well, let me take a look at the “One China” principle as practiced in international community. There are 196 nation states in the world, and the People's Republic of China, PRC, currently maintains diplomatic ties with 173 of them, with which all but 36 states sign joint communiqués when they established diplomatic ties with mainland China. There's 137 joint communiqués, very interesting to look at.

They focus on two things. First of all recognizing mainland China represents the whole of China; number two, the PRC's claim on Taiwan's sovereignty. So, by and large, the 130 states which recognized, which entered, which signed the joint communiqué, recognize that PRC is the only legitimate government of China. But on Taiwan's sovereignty there have three categories of statements.

The first category of 52 states recognized the PRC's sovereignty over Taiwan, by stating that Taiwan is a province or a part of the territories of the PRC. These countries include Portugal, South Africa, and Israel. The second category has 29 states, these 29 states are relatively probably more important than the other states. They use relatively vague language to express their attitude towards to
PRC’s claim to Taiwan.

For instance, the United States use, acknowledge, Japan use understand and respect; and Canada use, take note of. So, you can see they use this in order to either be flexible or have some reservations about the PRC’s claim.

So, President Trump, on February 9th use honor, well, I think that is very similar to acknowledge or respect. Basically, it’s different from some that, by and large, belong to the category of vague usage.

The third category has 56 states which did not even mention Taiwan in their joint communiqués. These countries include, Germany, Ireland, and Mexico. So, in sum, other than the 52 states that explicitly recognize the PRC’s claim to Taiwan, the other 85 states did not. If we add the 36 states that did not even sign a joint communiqué with the PRC, the total number reached 121.

That means 70 percent, 70 percent of all the joint communiqués actually did not say anything, or said some vague things. So it is obvious that 121 states prefer to keep some flexibility and reservations as regards the PRC’s claim to Taiwan. Well, take the United States, for example, the U.S. has three joint communiqués, one is 1972, Shanghai Communiqué, the second is 1979, the Joint Communiqué for Establishing Diplomatic Ties. And number three, in 1982, the August 17 Communiqué, dealing with armed sales to Taiwan.

So, you can see that the three communiqués could be seen as “One China” policy, but Taiwan Relations Act to mean flexibility and reservation. Well, I’m sure you understand in the Taiwan’s relations a sense for the purpose of American law and American court, Taiwan is considered as a foreign state or government.

I remember when all this happened, I was studying law at Harvard Law School. One day I came across one of my thesis advisor, Professor Watts. He said: Ying-jeou, I understand how you feel these days. But you have to understand Taiwan is the most recognized -- unrecognized government of the United States.

And there was another article appearing in a law journal saying that, while the U.S. did recognize Taiwan, the Taiwan Relations Act, will recognize Taiwan, which is in some way, is true. But when you look at the language of the Taiwan Relations Act, it says, it didn’t really specify the change is a
severance of diplomatic relations, or withdrawal of recognition.

As you know, these are entirely two different things. That the language of the law ways:
withdrawal of recognition all, severance of diplomatic relations, obviously the lawmakers didn’t even know
how to define that new relationship.

Now, let's take a look at the “One China” principle or “One China” policy in cross-Strait
relations. Well, it all started with Jan Jinghua when he decided on November 1987 to let resident of
Taiwan to go to the mainland China for a family reunion. A few years later the mainland side says: Why
don't we talk about the meaning of “One China,” or “One China” principle. And the then president of the
Republic of China, President Lee Teng-hui, decided to convene a National Unification Council to discuss
the meaning.

Eventually, the result came out as this, the two sides of Taiwan Strait insist on the “One
China” principle, but the meaning they assign to it, defer that Chinese Communist authority considers
“One China” as the People's Republic of China, while our side regards “One China” as the Republic of
China established since 1912.

Taiwan is part of China, so is the Chinese mainland, so this is the language accepted,
adapted by our side. So, on the basis of this resolution our Straits Exchange Foundation, Haixia Jiaoliu
Jijinhui, SEF and mainland China's Association for Relations across the Taiwan Strait, Haixia Liangan
Guanxi Xiehui, these two foundations or organizations represent respectively Taiwan and mainland
China. They met in Hong Kong, in late October 1992, and they didn't reach any consensus initially, so
they went home.

A few days later the SEF took the initiative to send another proposal on November 3rd,
stating that in the process of striving toward national unification, the two sides insist on the “One China"
principle, but they defer on this definition. They could express their interpretations by all those statements
respectively.

So, on November 16, November the 16th, about two weeks later, ARATS, Haixia and
Xiehui (phonetics) replied by fax saying that it fully respect and accept the new proposal.

So, on the following day, all the media in Taiwan started calling the consensus “One
China,” respective interpretations, Yige Zhongguo, Gezi Biao Shu (Speaking in Chinese) which was later
called '92 Consensus. In April 1993, the SEF and ARATS, on the basis of the '92 Consensus, successfully arranged the unprecedented talk between Koo Chen-fu, chairman of the SEF; and Wang Daohan, director of ARATS, in Singapore; signing four agreements as a result.

But they failed to solve other problems that occurred later. So, after President Chen Shui-bian took office in the year 2000, he initiated the one country on each side of the Taiwan Strait concept in his second term. He didn't do it in the first term, but in the second term. And pushed for a referendum of Taiwan's entry into the United Nations.

For those of you who may not know even today in the United Nations, in the Charter Article 23, and Article 110, the name Republic of China is still there. It was not changed. And so the question is, if Taiwan wants to join the United Nations, then the question is in what capacity are you applying as a new member or you want to restore your original status.

But then, President Chen took the first approach. The move was considered by mainland China and the United States as a provocative move toward Taiwan independence, because if we apply as a new member, in case it was accepted, of course it's now possible that that could mean independence.

So, ever since then, mainland China cut off all contacts with Taiwan. Consultations, negotiations between the two organizations all cut off. It was then wholly suspended in 1998, and not resumed until May 20, when I was inaugurated.

But early, on March 26, four days after I was elected President, President George Bush, Jr., and mainland China's President, Hu Jintao, had a telephone call, there Hu Jintao says, "It is China's consistent stand, that a Chinese mainland in Taiwan should restore consultation and talks on the basis of 1992 Consensus."

If I remember correctly, this is the first time, that mainland China's paramount leader says, '92 Consensus. He said, "The 1992 Consensus which sees both sides, recognize there is only "One China," but agreed to defer on this definition." Look how similar the language is compared to Lee Teng-hui's language. I was stunned. When I read the newspaper, I couldn't believe my eyes. The mainland China leader could have gone that far.

So, these two minds almost coincide fully with '92 Consensus, referred to above, I
mutually decided to send Dr. Su Chi, the secretary general designate of the National Security Council, to accompany vice president-elect, Vincent Siew, to a Boao Forum in Hainan province in April.

There they met with President Hu Jintao, and expressed all sides’ intention to restore the interrupted talks with them on the basis of the 1992 Consensus. Well, Hu Jintao responded positively to the message, and stated for continuations regarding travel, cooperation, consultation and protection of interest.

So, in my inaugural address -- Now it's all clear, so, in my inaugural address I said it very clearly, that I will maintain Taiwan -- will maintain Taiwan Strait status quo, of no unification, no independence and no use of force. And under the framework of the Republic of China constitution, and conduct a peaceful development of cross-Strait relations on the basis of the 1992 Consensus.

I later explained to the outside world, that no unification means no unification talks during my term of office, and because the differences are so great, that it would take a long time to resolve them. And normally independence means no support for Taiwan independence because there is no such need, and it is not going to succeed. So no use of force is self-explanatory.

In the following eight years, Taiwan has greatly expanded the cross-Strait relations by conducting -- by concluding 23 agreements with the mainland, covering a wide range of subjects. For instance, the direct schedule flight; there was none in 2008, but the number has reached 890 round trip flights per week in 2015. Actually, they reach 64 points in mainland China and Taiwan.

The mainland tourists jumped from less than 300,000 people to 4.1 million, all together it's almost 18 million. And mainland students, there used to be 823 in 2007, and it became 42,000 in 2015. So, a jump of 50 times.

Eventually, I met with Xi Jinping in Singapore. It was a very important meeting, we affirmed that ’92 Consensus is the common political foundation of the two sides, and that also assured, when we said, “One China” respective interpretations, our implementation will not be “two Chinas,” “One China, One Taiwan,” or Taiwan independence.

Why? I told them, this interpretation will not be permitted under our constitution. In the meeting I also questioned the military's deployment against Taiwan. Naturally I told them that in one of their military base in Zhurihe in Gansu (phonetics), they built a building very much like office, (laughter)
and they deployed more than 1,500 missiles against Taiwan. But they say we are not -- our missiles are not targeted against Taiwan, but in any case, I also told them that when our people want to go to the United Nations to take a look, but they are not allowed to use their passport or (inaudible) for the permit to get in.

I said, this is really -- will antagonize a lot of people in Taiwan. So, this is a good location for us, like (inaudible) views. But what is even more important, is the two sides, mutual trust in having this meeting. Our team went to the mainland to negotiate with them about the (inaudible).

For instance, neither side will mention the country name, neither side will mention the name of our position, president, or whatever. And we will call each other just mister, nothing else.

What about the meeting place? Originally I hope we could use the meeting hall which we used in 1993, but that was out of order, it has to be repaired. So they say, why don’t you just use Shangri-La Hotel. They said they have diplomatic relations with Singapore, so they will take care of that, meaning that they will pay for that. I said, well, if you insist, that’s okay.

But what about a banquet afterwards? Well, we discussed well, why, and decided we would go Dutch. What about beverages? Well, we will bring our own beverages. So, the meeting was done with equal footing on almost everything, but in the end, it seems that they consumed more (inaudible), than we did for (inaudible). (Laughter)

But in any case this is an interesting occasion for the two sides to meet and you can see that in all the -- there were more than 600 journalists there trying to find out what’s going on. And I noticed that one Western magazine said: this is the greatest concession on sovereignty issues on the part of mainland China.

But I think my purpose is to build a bridge of peace across the Taiwan Strait, ready to provide access to any leaders, any leader of Taiwan, of the mainland, as long as they observe the traffic regulations. I find it interesting that after the meeting, I noticed that one Southeast Asian country is -- not very far from Singapore, through their diplomat -- through their foreign ministry saying that, if Taiwan and the mainland China want to do that again, please come to my country.

Well, in (inaudible), the '92 Consensus is a fundamental political commitment for Taiwan and the mainland, accepted by the mainland. You know, this is actually what Taiwan asked for, it's not
the mainland imposing that on Taiwan. That's a very, very important point. And the language is pretty simple, so a lot of people say, for the '92 Consensus, it's a masterpiece of ambiguity. Well, ambiguous or not, as long as they work, and they work, all right.

So, they should not be unilaterally ignored, changed or abolished without the approval of the two sides. Otherwise the mutual trust will be lost, and that could mean very serious to the two sides. What happened in the Taiwan Strait after May 20th last year? Exactly a test to these observations.

Now when I come to the issue which I'm sure, all of you are concerned about, the current stalemate between Taiwan and mainland in cross-Strait relations. Well, as you know, the presidential and the Legislative Yuan, the parliamentary elections in January 2016, substantially changed the political landscape in Taiwan. Not only Chairwoman Tsai Ing-wen was elected president with 56 percent of the votes, but DPP also took more two-thirds of the seats of our national parliament.

All 113 seats that KMT has only 35. And one is undergoing the third electoral turnover in 16 years. Other than the economy and energy, the challenge in cross-Strait relations is the most far-reaching of all. And President Tsai's campaign promise was to maintain the status quo in cross-Strait relations, as my administration did in my eight years of presidency.

However, however, she refuses to accept the '92 Consensus, which is the key part of the status quo in cross-Strait relations. I actually had reminded her two years ago, that without '92 Consensus there could be no status quo. The same as my administration. So, ever since President Tsai took office on May 20th last year most, if not all, of the official contacts between mainland China and Taiwan was suspended.

Just like the period under President Chen Shui-bian, except for a few technical matters, in 2016, the number of mainland tourists dropped 16 percent, or roughly 700,000. And business tourists dropped 25 percent, about 200,000, and more than 50 hotels are offered for sale. And 47 travel agencies went out of business. And, well, hundreds of tour buses are either idle or went out of business.

The same is true, the other was a gift shops, because unlike the tourist from Japan, United States, Europe, the mainland tourists didn't spend very much on hotel, but their expertise is shopping. And so their purchasing power is the highest compared to any other tourists. And so this made the gift shops also suffering heavily.
I remember nine years ago, when I campaigned for president, the situation is pretty much like today. Except when I went to Sun Moon Lake and promised the people there if you elect me I will make economic boom again. At a time business people there told me, Mr. Ma, here we take five days off a week, not two days.

And after I took office for two years, business was booming particularly for the tour boats, each boat can run 10 times a day, each will receive 40,000 NT. So, they make a lot of money out of that, but the situation is back to when it was nine years ago.

And another two things. One is the ECFA, the Economic Corporation Framework Agreement with the mainland, was actually halfway done, for the goods, it's only about 10 percent, and service trade agreement was halted. This will hurt Taiwan's long-term future because 39 percent of Taiwan's export went to mainland China and Hong Kong.

And on December 21st last year, our diplomatic ally, Sao Tome and Principe in West Africa severed diplomatic relations with us, reducing the number of airlines from 22 to 21, five days later, he established diplomatic ties with Beijing, and it's not likely -- not unlikely, they will lose more allies in the future. Now, just recently, something might go wrong in St. Lucia, in the Caribbean, we are still watching that attentively.

On the other hand, this year many people fear that we won't be able to attend the World Health Assembly in Geneva. And in September -- That will be in May; and in September the ICAO, the International Civil Aviation Organization meeting in Toronto.

And these are the things that we worry -- that we worry that situation could become worse. The other thing is, beginning in November through December, more plans from the mainland through our territorial air space around Taiwan. On July 11, 2017, the Liaoning Ship, mainland China's aircraft carrier actually sails through the Taiwan Strait. This is not abnormal, but sometimes people still pay a lot of attention.

On January 12, 2017, it was announced that our trade office in Abuja, Nigeria, bearing the full name of the Republic of China was forced to rule out -- move out of the city with a name change. On February 17, Spain, expatriated 218 telecommunication fraud suspects to Chinese mainland for indictment and trial, without even notifying Taiwan's Mainland Affairs Council, as they normally did before
May 20th last year.

So Beijing's move might have something to do with the Trump-Tsai telephone. Mainland China insisted that President Tsai has not finished her 1992 exam, so she has to finish that before the relation could be restored.

In addition to the negative development the mainland's internal citizens have gradually changed their erstwhile friendly attitude toward Taiwan. Even now they talk about the invocation by force. The two sides are now in a state of high risk confrontation without three vital things. First of all, mutual trust, evidently communication -- effective communication, and then (inaudible). So they are all warning signs that we should not overlook.

Now, let's consider what can we do to really break the Cross-Strait stalemate. We just had a lunch together, everybody raised that question. I'm trying to see what we could do. Even since President Tsai Ing-wen took office on May 20, 2016, she has repeatedly expressed her goodwill, and sincerity in maintaining a stable and peaceful status quo.

In doing so, she vowed to abide by the ROC Constitution, and the Mainland Relations Act. She called for (inaudible) and constructive dialogue in communication with mainland China, yet, the mainland side continues to question her inaction to accept the ‘92 Consensus, and finish the exam.

To break the stalemate based on our eight-year experience of dealing with mainland China, let's first identify the indispensable policy measures on either side, like the other side to accommodate.

Let me show you. First of all, Taiwan likes to have, first of all, attendance at 2017 WHA, World Health Assembly and ICAO conferences. Second, diplomatic truth in the international community. The two sides stuck trying to get the diplomatic ally of the other country. Number three, the number of mainland tourists and students goes up to at least the 2016 level.

First, restoration of cross-Strait negotiations on the Trading Goods Agreement. Mainland China would like Taiwan to say that first of all, the people across Taiwan Strait are all ethnic Chinese of the Chinese nation. They are all (Speaking in Chinese). Second, the cross-Strait relations are not international relations, they are special relations, that are (Speaking in Chinese). And number three, and finally, acceptance of the ‘92 Consensus. Well, it's clear that rhetoric would not help, so we need
concrete actions.

Here I would like to remind you, ladies and gentlemen, at this juncture it's critical not to forget the teachings of Mencius, Mengzi, 2,300 years ago regarding the ways and means for the kingdoms to deal with each other. He was, he said this, being responsive to a question by Xi Zhongyong, the king of the Zhou Kingdom.

He said, "A large kingdom should deal with a small kingdom with benevolence. And a small kingdom shall deal with a large kingdom with wisdom." (Speaking in Chinese). By so doing the king of the large kingdom can safeguard his commonwealth, whereas the king of the small kingdom can safeguard his own kingdom. (Speaking in Chinese).

Applying the wisdom of the Mencius to the current statement, here is my suggestion. To break the ice, given the recent onslaught of H5N6 avian flu, (Speaking in Chinese) across the Taiwan Strait, it will be nice, it will be nice for mainland China to announce that for humanitarian purposes, or humanitarian reasons, it would assist Taiwan to attend the WHA at Geneva in the coming May.

This move, as the first step for reconciliation may lead to friendly responses from the Taiwan side, particularly the Taiwan people. The atmosphere will then change gradually as a result of other measures to follow, if other measures follow. At least the frozen ground will be defrosted somewhat to release a steam of hot air between the two sides of cold from inflicted Taiwan Strait. Other policy measures may be considered at due time as time goes by, hoping to reach a (inaudible) eventually.

Well, I would conclude my remarks. President Trump's return to the traditional "One China" policy reflect the state practice, the state practice in "One China" principle of more than 70, 70 percent of the states that have established diplomatic relations with the PRC. They all maintain a flexible attitude, and reserved attitude towards the PRC's claim over sovereignty over Taiwan, therefore the "One China" principle they practice is actually "One China" respective interpretations.

(Speaking in Chinese). By using that they could enjoy the full diplomatic relations with mainland China, but they could also conduct substantive diplomacy with Taiwan.

During my eight-year tenure as president I had frequently been criticized by the DPP as leaning toward China and betrayed Taiwan (Speaking in Chinese). However, accepting the '92 Consensus would not abrogate at all the sovereignty or legal status of Taiwan in the international
community. Quite to the contrary, it actually enhance Taiwan status in improving relationship with the
U.S., Japan, New Zealand, Singapore, the rest of ASEAN countries, and the European Union.

And the acquiring of visa-free or landing visa status from 164 states and their territories, more than three times the figure, 58, in 2008 and before. Do you know what? We have done a lot which we cannot accomplish as a result of the ‘92 Consensus. For instance, Mrs. Susan Thornton, the principal deputy assistant secretary of state of the United States for East Asian and Pacific affairs, she said publicly in May 2015 that the Taiwan-U.S. relations was the best ever, because of, among other things, the stable management of cross-Strait relations.

So, my grand strategy for dealing with mainland China, Japan and U.S., at the same time, is to enhance Taiwan's national interest, and to maintain, first of all, a peaceful relationship with Chinese mainland. (Speaking in Chinese). Friendly relations with Japan, (Speaking in Chinese), and friendly relations with Japan, (Speaking in Chinese) and cordial relations with the United States (Speaking in Chinese).

My eight years as president show that my grand strategy worked well to improve relations simultaneous with all of them. And the ‘92 Consensus namely, “One China” respective interpretations, is the key to the success of my grand strategy. Thank you very much. (Applause)

MR. BUSH: Thank you, President Ma, for that comprehensive and very thoughtful address. You actually answered the question that I was going to ask, so I'm going to surprised you with another one, but I'm sure you can handle it, because it's about your birthplace, Hong Kong. And I wonder, what are your observations about the situation in Hong Kong today, and are there any implications for Taiwan?

MR. MA: Well, I'm sure you know that I was born in Hong Kong. And my parents actually came to Taiwan first, and then later on they went to Hong Kong and I was born there. So, quite a few friends in Hong Kong says, in business terms, I was made in Taiwan, but delivered in Hong Kong, and then re-exported to Taiwan. So I do have a special affection for Hong Kong.

And what happened in Hong Kong after ‘97, was my concern for many years, ever since we improved relations with the mainland, our relation with Hong Kong also improved as a result, which is quite encouraging to us. But Hong Kong's democratic movement, there's always something I pay a lot of
attention to. Although the "one country, two systems" formula, which the mainland designed originally for Taiwan, was rejected by Taiwan, and they applied it in Hong Kong, but they also have a lot of problems over there.

So, on the one hand we suddenly will see a more democratic Hong Kong. Particularly which implement the promises of mainland China leaders to Hong Kong (Speaking in Chinese). On the other hand, we also hope we could improve further our relationship with Hong Kong and share our experiences, and many things, and so in the foreseeable future, we will continue to be very concerned about Hong Kong's elections, and whether democracy could be rooted in that part of the world.

But I also noticed that three years ago in my national day address, I said something that mainland China was very attentive. I said, Deng Xiaoping went to the south in 1992 to see the policy opened to the west, and he emphasized that they were roulette, part of the people get rich first, and that's the only way to change the economic landscape. I paraphrase what he said: Why not let part of the people get the credit first.

Well, I don't like that, they don't like that. But I think in Taiwan we certainly believe that if mainland China ever become attracted to Taiwan they must do something in this regard. Freedom, democracy, human rights and rule of law. Now this is the lifestyle the people of Taiwan has been used to for many years. So, in order to shorten the distance between the two sides of Taiwan Strait, this is a very important way.

MR. BUSH: Thank you. Doug, do you have a question?

MR. PAAL: Yes. I do. You know, you've done a lot to struggle against diplomatic isolation, and to find a practical path forward, but there's also economic isolation, and we had negotiations now disrupted of the agreement on the Trans-Pacific Partnership, and that had a lot of benefit for people like ourselves, and others who would be in that trading relationship, but might have isolated Taiwan.

And Taiwan's global encompassing companies would have had to compete with companies that had privileged trading relationships with each other, especially Japan and Korea which are real competitors for some of your best firms.

MR. MA: Yes. Yes.

MR. PAAL: Now we've put -- With the Trump administration, TPP has been put to one
side, I hate to say dead, but I'll maybe say comatose, or in a freezer. But in the meantime, do you see any scope for the U.S. and Taiwan to start forging their own bilateral trade agreement, free trade agreement?

MR. MA: Well, we now have no choice. I have, during my presidency tried very hard to prepare our participation in the second round of negotiation in TPP, but with TPP, by their own (inaudible). But of course we see one of liberalize our trade relations with the United States for sure. So we have to, first of all, utilize the TIFA, the Trade Investment Agreement Framework which was concluded in 1994, but certainly wanted to expand that to other aspects as well.

I'm sure you are aware that in the last couple of years, the U.S. has become our number two trading partner, surpassing that of Japan, and we have become your number nine trading partner, again, surpassing that of Saudi Arabia and India. So, even without TW -- no, an FTA type of agreement through our efforts we could really contribute to the enhancement of trade relations. Now if we had one, I think we can do even better.

MR. BUSH: Thank you very much. We have about a half an hour for questions, and once I call on you, wait for the microphone. It will be in your hands in just a little bit, and say who you are and your affiliation, and then keep your questions short. So, I think I saw Dong-hu Yu's hand first, the China Review. (Inaudible).

SPEAKER: Thank you so much. My name is Dong-hu Yu with China Review News Agency of Hong Kong. And thank you very much for talking to us today, and I still remember 10 years ago you made a remark in AEI, I also participated in that --

MR. MA: No. Eleven years ago.

SPEAKER: Oh, 11, yeah 11 years ago. Very nice to meet you again. And my question is, yesterday Director of POW, (Inaudible) said in Beijing that, at the end of the road of Taiwan's independence is the unification. So, what's your -- react to that? Secondary, you have experience of meeting with President Xi Jinping, and I believe you also have an observation of his policy toward Taiwan. What's your view of him? How do you feel about him? Do you have any opportunity to meet with him again, in the next several years? Thank you very much.

MR. BUSH: That's about six questions.
MR. MA: Do you want me to answer right now?

MR. BUSH: Yeah. Whenever you --

MR. MA: First of all I think he just wants to show that -- try to do something that should not be done, otherwise it could mean war, or something. But it's the action even in Taiwan today. Even TPP was not very prudent, and not to go too far. I'm sure you have heard another said recently, when TPP, in effort to lower down the threshold for referendum, (Speaking in Chinese) when suddenly they stop.

Why? Because some of the members said we could include in items in the topics for referendum while the national territory of the Republic of China. If somebody says that we are -- our territories unlimited only to Taiwan Pescadores, Kinmen and Matsu; that means that we will forget about our Constitution territory of the mainland, and it could be a substantive independence.

So, they themselves decide this, it's a little bit funny that the KMT is: Go ahead, go ahead, do it. You know, have said that so many, many years: Why don't you do it now? They don't want to do it, they know it's very, very dangerous. So, I'm sure that that will not happen, because as I said, what the people who support Taido for so many years, want to Taiwan (speaking in Chinese), okay, that has already been accomplished, right?

On the other hand, it's not a minority rule, it's a majority rule. We now elect our own president, elect our own parliament, run our own business according to our own law. This is a total, I mean, autonomy. The only difference is that we do not have a Republic of Taiwan. But do we really need that?

Seven years ago I was interviewed by Christiane Amanpour of CNN, a telecommunication interview in Taiwan. The first question she raised is that: Mr. Ma, why don't you just declare independence, Taiwan's independence? I said, Christiane, have you ever heard a country declaring independence twice? We are already a sovereign state back in 1912, so we are a republic and we don't have to do it again. And particularly, even if somebody won't do that, nobody will recognize us.

And that's what I'm saying. It's not going to succeed. So I think Mr. (Inaudible) statement primarily just tried to, you know, scare some people who did not understood the issue. But in Taiwan I'm sure many people understand they won't do that. Another one is the -- What was it?
MR. BUSH: Xi Jinping's.

MR. MA: Oh. (Inaudible), will we be (inaudible) in the future? Well, I don't know, because it depends on a lot of things, but when we said goodbye in Singapore after the banquet, Xi said, (Speaking in Chinese). (Laughter)

MR. BUSH: My colleague, Ken Lieberthal?

MR. LIEBERTHAL: Thank you very much, Mr. President, for your very wide ranged, and balanced and substantive remarks. You did a great deal as president to increase not only communications across the Strait, but also the capacity of companies to operate on both sides.

And we are now in an era when the U.S. president is contemplating imposing a variety of kinds of measures to punish, in his terms, punish the mainland for not fulfilling what he sees and his obligations for fair trade with the United States. Do you have a sense of, if these measures are taken, to what extent they will impact Taiwan's companies, and Taiwan's economy? Thank you.

MR. MA: This is a very good question. As I just mentioned, thank God President Trump went back to the traditional China policy with the United States, and actually our efforts to improve relations with mainland, actually has a -- fundamentally to that. That is why, as I mentioned, Susan Thornton, the principal deputy assistant secretary of state says, the reason why U.S.-Taiwan relations is so good, I think our handling of cross-Strait relations is one very important reason.

But if the cornerstone of U.S.-China relation was removed, I think we would not benefit with that relationship. That is why we are -- we think it's good to return to the normal mode of operation, and I think, well, maybe we probably have to wait for a little while to see whether other things President Trump said during his campaign, or in the next couple months will really take place. But he has to be very careful, because this relationship involves not just U.S. and mainland China, but also the surrounding countries.

MR. BUSH: But if, for example, we increased tariffs on goods made in China, we would affect Taiwan companies, right, because of supply chains?

MR. MA: Of course. Because then you are punishing your consumer, you know, that's one thing.

MR. BUSH: Yeah. And your friends.
MR. MA: Yes.

MR. BUSH: The young man right here on the aisle?

SPEAKER: Thank you, Mr. Bush. My name is Kai Jiang. I'm a reporter of Phoenix Satellite Television of Hong Kong. Mr. Ma, in your speech you talked a bridge across the Taiwan Strait, and anyone can cross, as long as they follow the traffic rules. Can you reiterate once again, what are specifically the traffic rules that you talked about. Thank you very much.

MR. MA: Do you mean (inaudible)?

SPEAKER: No. You talked about, in your speech, you talked about a bridge across the Taiwan Strait, that anyone can use it to cross for communication, but one has to follow the traffic rules --

MR. MA: Slow down.

MR. BUSH: Across the Taiwan Strait there's a bridge but there are traffic rules for crossing the bridge. And what are those rules?


MR. BUSH: Okay. Right here.

SPEAKER: Hi, Mr. Ma. Chen Weihua from China Daily. In New York you talked about only two options for Taiwan, one status quo, one reunification. So could you tell us what's the scenario of unification you have to sort in your mind? I mean, just the one more thing that post-World War II, Vietnam reunified, Germany reunified, Korea maybe one day. And what will happen if China becomes the last country -- a nation to be -- you know, still remain divided. Or what will change the thinking of the Chinese people? Thank you.

MR. MA: First of all, my views about reunification and independence remain unchanged compared to what I said in 2008. I said, no reunification talks during my presidency, and I do not support Taiwan independence, and I still hold that view. But on the issue, the long-term view of unification, I think it has to be done under the Republic of China Constitution by the 23 million people of Taiwan.

But if conditions are not right -- are not ripe, well, our people can always choose maintaining the status quo. Now this is actually what happened now. The Mainland Affairs Council in Taiwan had contacted more than 20 opinion polls in the last 10 years. Most people support maintaining the status quo, but then one day, if mainland China is able to provide something that attract the attention
of Taiwan people which is -- may be possible, then probably people will think that, it's time we should talk.

But at the moment, such conditions are not existing yet. So, I think -- Mr. Bush once said, people in Taiwan, the government should not let mainland China feel that unification is --

MR. BUSH: Impossible?

MR. MA: -- impossible. I agree. I agree. That is why I said, at the moment we are not in a position to talk about it, because there are so many things that still divide us, so we need a lot of efforts to draw closer the minds of our people. That should be done.

That is why I try very hard to invite mainland students to come to Taiwan, so that young people can make friends at early stage of their lives, in order to bring closer the two sides together. This takes a lot of time. After all, the two sides are very, very different, but they are coming closer compared to 30 years ago, 50 years ago, so this is good, and we should continue doing that.

MR. BUSH: The gentleman in the red jacket in the back?

SPEAKER: Gregory Hull from Radio Free Asia. President Ma, welcome to town. I remember 20 years ago when you visit Hong Kong as Taipei City mayor. People loved you since you were born in Hong Kong, they see you a son of Hong Kong. Of course you are also the son of Taiwan. Since this year is the 20 years of Hong Kong's handover, or changeover, do you see Hong Kong getting better compared with 20 years ago when you visit on those good old days, or bad old days? Do you see any changes? Is Hong Kong changing better or worse? Second question is, Hong Kong is going to elect -- or select its own chief executive on March 26th, which candidate you see has more a potential? Thank you. (Laughter)

MR. MA: Well, I don't think I'm in a position to express my views on the candidates. Well, whether Hong Kong is probably better or not, I think -- I'm not the most authoritative person to say that, here we have one. But whatever, good or bad, it really depends on the feeling of the Hong Kong people. They are the master of their own destiny, so they should express their views whether it turned out better or not. Certainly we hope Hong Kong will become better.

MR. BUSH: Okay. The young man here. Coming around.

SPEAKER: Thank you so much for your talk. My name is Alex, I'm a Fulbright student here, at George W studying for a master's in public policy. You know, you are a head of an unrecognized
state, a problem very close to the heart of my country, Russia. My question is related to the things that probably the president-elect has caused by his recent interactions with the Taiwanese leader.

A lot of people in academic circles, in international relations circles, immediately express their concern about instability. You know, there’s vibrations, oh, my, god; and so on and so forth, but I certainly like -- as I don't think stability is a value in itself. I think if we have differences we need to talk them over. I think frequent shakeups are not necessarily a bad thing.

They may actually make us stronger, as people make society stronger, make countries stronger. My question is, through your terms as president, have there been some things that you think were swept under the rug, that you think you should have or could have dealt with, but there was no opening for that and, you know, there was probably a concern that it may stir this imbalance, and so on and so forth, and attract too much attention? Thank you.

MR. MA: Are you saying that whether we are transparent enough?

MR. BUSH: No. Were there things that you would have liked to accomplish, but you didn't have an opportunity or circumstances?

MR. MA: Of course. In eight years you wouldn't be able to do very much, but at least, as I said, I want to create a society which is free, just and prosperous. I think by and large, I have achieved that goal, but because of the world economic situation, we were not able to even get better. On the other hand, the other two objectives, one is to maintain peace and prosperity across Taiwan Straits, that I have done.

Although we need to do more, but look into Chinese history, you understand that from separation to unification, or unification to separation usually takes decades, or sometimes more than 100 years. Although I think we wouldn’t probably -- we don’t really have to wait that long, but the key of the question is, the two sides must have something in common in order to become unified, otherwise it doesn’t make any sense.

So, it's not completed yet. On the international arena, certainly we have a much more-friendly international environment than it was before. Again, again, there is still more to be done.

MR. BUSH: The woman in the second row here?

SPEAKER: Good afternoon, ladies and gentlemen. Mr. President. My name is Luce
Mercigeria, I'm president of a company called Segeros International Group, we focus on manufacturing and innovation. Thank you so much for your presentation. You talked about Nigeria and Central Africa. I come from Kenya, though I'm an American here.

What relation do you see, better relationship with African countries as a former president and as Taiwan looking at trade and other issues related to politics? And being a president, that's one. Being, how did you look at women? And how did you respect women? Or what work did you see women do better in your presidency? And what could you say to the world about Taiwan women, and the role of women?

MR. BUSH: What's the role of women in your government, and the contribution of women, of Taiwan women?

MR. MA: Well, what is the role of women, the role of women in our country? The president, and more than one-third of a national parliament, and more one-half of the Examination Yuan and the Control Yuan, so they have very increasingly active role in our public life. On the other hand, we still have some way to go because the pay of females and males still has a gap. So, it's narrowing, you know, in the last couple of years, and we provide a variety of help mother, to young babies, in order to make their life easier, so I think -- I'm sure you are aware the United Nations publicize a -- what is that? The index of --

MR. BUSH: Global development?

MR. MA: No, no. Gender inequality, Gender Inequality Index, GII.. We lost our representation in the U.N., so we couldn't be listed by U.N., but we used the same formula with our statistics which came out, we are within top five of the world, in terms of equality -- not inequality. So I think women have a lot of opportunities of course and increasing power. Even in the families; well, I can feel that in my family. (Laughter)

So, this is something we like to see, and they are now better educated than men in quite a lot of ways. So, we have achieved as much as possible. As I say, one area we should work harder is still on equal pay, in some area.

MR. BUSH: Taiwan and Africa?

MR. MA: Our relations, we used to have many of African allies, particularly after the
1960, but one by one they were actually established ties within China, so we only have now two countries, Swaziland and Burkina Faso. When I was president we were four, now only two, and we continue to work with them trying to not just improve relations but really help the life of the people. For instance in Burkina Faso, we provided solar lamp for their family, they could be used for four-and-a-half hours, but they have to be recharged at school.

So, using that lamp actually you will see more students want to go to school, so that they could be recharged and go back home, using that to do their homework. I actually went to a village to see their work, unfortunately they have to crawl in the ground and write their French lessons. I used my very broken French accent: (Speaking in foreign language). How many lamps do you want? They raise their hands and say: *beaucoup*, many.

So we still are doing the (inaudible), but I talked to their teachers at the school, what change does the lamp bring to their education? The teacher says their monthly exams, they are doing much better. This is something we'll continue to do, help our friends over there, make them a better life.

MR. BUSH: A young man right here. Yeah, you, okay, wait for the mic, it's coming.

SPEAKER: Thank you, President Ma, for your remarks. My name is Xing Boujing, and I'm a research associate at the Lee Kuan Yew School of Public at National University of Singapore.

During your presidency, it seems that you have forged pretty good relationships with many ASEAN countries under the banner of viable diplomacy, but given the current stalemate, as you mentioned in your address, how would you assess the President Tsai's -- assess President Tsai’s new southbound policy, the prospect of this policy, Taiwan's future relationship with ASEAN countries? Thank you very much.

MR. MA: Well, certainly we support better relations with Southeast Asian countries, so the sort of south policy actually occurred many years ago. But let me just give an example. Our relations with Malaysia. There are students in past, came to Taiwan to study, but their diplomas were not recognized, for so many, many years.

But in 2012 we conclude an agreement with Malaysia, which will mutually recognize each other, diploma. So, the students from Malaysia to Taiwan rose from 3,000 a year to 7,000. We are very happy, so that we can have better relations with Malaysia, beginning with the young people. So we'll continue to do that, and we do that also to Vietnam, to Thailand, to India, and to Indonesia.
You know, they send their college lecturers to Taiwan to pursue a master degree in vocational education. So we certainly like to make Taiwan a higher education center in this part of the world. And, you know, before I took office we had only about 30,000 students from abroad, but now it's 110,000, so there are quite a few. And we will continue to do that, because as a result of low bursary, we'll have many places at the universities open to students from outside.

MR. BUSH: Thank you. The bearded gentleman toward the back?

SPEAKER: Mr. President, thank you very much for your remarks. I'm Julian Vaughn, I was based in Taipei as a journalist before. You mentioned in your remarks that the opposition had swept both the presidency and the legislature last year. And I spent a good deal of time in Taiwan last year, both before and during and after the election, and there was a perception among a lot of supporters of the opposition party that you and your government had moved too far, too fast on cross-Strait relations, and that was one of the reasons for the KMT's defeat last year.

And it also seems to be an issue currently within your current party leadership a very bitter dispute over what the future of the KMT's policies with China should be. Could you comment on that and whether or not you agree with some of this analysis? Thank you very much.

MR. MA: Well, first of all, it has been reported or discussed in the Western press, that the KMT's setback in the elections, were due to the mainland policy. I totally disagree, because actually brought to Taiwan many benefits, and it's not unevenly distributed. People like to say -- Well, all the benefit that we gained from mainland China were actually grabbed by large business, is not the case in Taiwan, because as you know, in Taiwan 98 percent of business, and small- and medium-sized business, they are very active, and they had a lot of investment in China and the trade.

So our relation with mainland China, by and large, is good for Taiwan, and I think our election failure were other reasons. For the local elections in 2014, the basic problem is the food safety. Food safety is a rampant problem over there, so that caused our failure; but in the presidential and legislative elections, had something -- something had to do with the domestic problems of the party, to choose -- the choice of candidates and all that.

So, you can see that a lot of people just didn't go to vote. So, I'm very confident that the situation will be changed gradually by May when a new chairman will be elected for the party, and we can
support he or she to continue the reforms. I think gradually we'll come back.

SPEAKER: Thank you.

MR. BUSH: The woman on the aisle, in the middle. Yeah.

SPEAKER: Thank you. I'm Sergo Guerito with the Wilson Center. Continuing with the theme of elections, one of the biggest issues that mobilized voters to the polls was concerns about the economy, economic growth in Taiwan still remains a challenge, but short of issuing more shopping vouchers to boost domestic demand, what public policies can the current administration pursue to enhance domestic demand? And also what kind of policies could be pursued to enhance Taiwan's competitiveness from within its borders? Thank you.

MR. MA: Well, let me just briefly answer your question about what we can use mainland China to enhance Taiwan's competitiveness. Taiwan has a lot of exports for sure, but we are not very strong in export of the service industry. So, when we sign a Trade and Service Agreement with the mainland, we hope we could use the mainland market, to develop our own competitiveness in the service industry export, actually at the time mainland China also had that policy to develop their own survey easily.

So this is a good opportunity, but unfortunately the agreement was signed but was not passed by our Legislative Yuan, and even today, four years after it was concluded and signed, was still doing nothing. And I remember during that time, Wall Street -- Asian Wall Street Journal, carries an editorial that says, "Taiwan leaves itself behind." Unfortunately they had a lot of recent -- (inaudible) was telling about our trade with the mainland.

It actually is in our interest, and we didn’t really sacrifice our sovereignty to get the trading opportunities, that’s the case. I'm sure you have heard a lot about Ma Ying-jeou (Speaking in Chinese), is just not the case. And if I did that, whey does my successor want to maintain the status quo. Think about that.

MR. BUSH: Well, we have come to the end of our time, which is unfortunately because we could keep talking for a long time. But I think we need to give you a little bit of a rest, and keep you on schedule.

Before we leave, I'd like to acknowledge a couple of people, thank a few people. I'd like
to first acknowledge Jim Moriarty, the chairman of the American Institute in Taiwan (applause); an organization that I'm a bit familiar with. And then my old friend, Ambassador Chen Yu Ching, who is a former TECRO representative here in Washington, D.C. (Applause) I would like to thank Doug Paal for being my co-host. And please convey to your colleague, Alex Taylor, our thanks for his work to support this.

MR. PAAL: Thank you, too.

MR. BUSH: I would like to thank my colleague, Maeve Whelan-Wuest, for all her hard work. Before the last thank you, I have a request. And that is, you remain in your seats while President Ma leaves the auditorium.

So, finally, please join me in thanking the former president of the Republic of China, Dr. Ma Ying-jeou. (Applause)
CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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