

MAC Deeply Regrets Inability of the Legislative Yuan to Review the "Draft Statute Governing the Establishment of Branches in the Taiwan Area by Mainland Area Institutions Handling Affairs Related to Contact between People across the Taiwan Strait"

June 20, 2013

No. 40

The Mainland Affairs Council (MAC) issued a statement today (June 20) on the inability of the Legislative Yuan to review the "Draft Statute Governing the Establishment of Branches in the Taiwan Area by Mainland Area Institutions Handling Affairs Related to Contact between People across the Taiwan Strait" during an extra joint session of the Internal Administration Committee and Judiciary and Organic Laws and Statutes Committee due to a boycott by the opposition parties. The MAC emphasized that, in accordance with provisions in Article 6 of the Act Governing Relations between the People of the Taiwan Area and the Mainland Area, the government proposed that the draft statute be submitted to the Legislative Yuan for review following approval by the Executive Yuan to implement the democratic process of congressional oversight. During the process, it also presented reports and responded to questions raised by the Legislative Yuan in an open and transparent way. The MAC regrets the boycott by the opposition parties.

The MAC indicated that the government has handled cross-strait affairs pragmatically according to the Constitution of the Republic of China (ROC) and the Act Governing Relations between the People of the Taiwan Area and the Mainland Area. During negotiations on the establishment of reciprocal institutions by the Straits

Exchange Foundation (SEF) and the Association for Relations Across the Taiwan Straits (ARATS), the government has made no concessions nor has it relaxed its consistent stance on upholding national sovereignty and safeguarding the rights and interests of the people. During the two press conferences held today by the Chinese Nationalist Party (KMT) caucus, MAC Minister Wang Yu-chi reiterated the government's policy position on the establishment of the SEF and ARATS institutions. He emphasized that, during the negotiation process, the government has adhered to the principles of openness and transparency and proactively explained negotiation developments with a degree of openness and transparency surpassing that of the 18 agreements signed previously. Allegations by some people of falling into mainland China's "one-China principle," "selling out sovereignty and national dignity," and "conducting backroom negotiations" are entirely unfounded.

During the press conference at the Legislative Yuan, Minister Wang also responded to concerns of the opposition caucus that the passage of the draft statute before completion of the agreement would give a blank check to the executive branch. He stated that this arrangement was not a blank check, but rather the legislative branch's guidance and supervision to the executive branch. Completion of the legislative process for the draft statute beforehand could significantly help the legislature to guide the executive branch.

The MAC stated that the government's policy objectives in promoting the establishment of reciprocal institutions between the SEF and ARATS were to "serve and guarantee rights and interests of the people of Taiwan." Cross-strait contacts are very frequent. Last year, there were more than 5.34 million visits by Taiwanese

people to the mainland, while Mainlanders paid over 2.4 million visits to Taiwan. Furthermore, according to unofficial statistics, there are over 800,000 Taiwan businesspeople and more than 22,000 Taiwanese students in the Mainland. Taiwanese businesspeople have repeatedly called for the establishment of institutions. The government must be able to provide close and immediate service to guarantee the rights and interests of the Taiwanese people. The two sides have agreed that the SEF and ARATS institutions should provide comprehensive services in economics, trade, culture, education, social exchanges and emergency relief. Moreover, according to the MAC's latest public opinion survey, conducted in June, over 70% (71.1%) of the people approve the government's policy of promoting the establishment of reciprocal institutions by the SEF and ARATS, while 72% (72.4%) of the public support first submitting the draft statute to the Legislative Yuan for review.

Minister Wang also responded to the concerns and doubts of various parties over the establishment of reciprocal institutions by the SEF and the ARATS, such as the view that the establishment of institutions is unnecessary if the government cannot secure humanitarian visits. With regards to negotiations on notifications and humanitarian visits, he stated that there has been recent progress beyond that of past agreements in the area of notifications. In the future, when the personal freedom of Taiwanese people in the Mainland is restricted, not only will the competent authorities and families be informed according to prior agreements, but the institutions will also be notified. As for humanitarian visits, there are currently over 1,500 Taiwanese people imprisoned in the Mainland. The Mainland's position indeed has not softened on this matter. However, the Taiwan side has informed the Mainland that it is an important core function of the Taiwan institutions to care for and serve the

people. The MAC will bear in mind this issue and actively strive to fulfill the expectations and demands of the various sectors of society.

On the matter of whether or not the institutions will arrange travel documents, Minister Wang stated at the press conference that, during the negotiations, the Taiwan side has actively sought to get the ability to replace or renew lost or expired passports for Taiwanese people and arrange Taiwan entry permits for Mainlanders. A breakthrough and positive outcome are anticipated on this matter. Minister Wang also emphasized that the national flag and country name on existing documents and Taiwan entry permits issued by Taiwan will not be changed.

On the matter of whether it is contradictory to grant the Mainland institutions and personnel exemption from civil, criminal and administrative jurisdiction in Taiwan while emphasizing that Mainland personnel may be warned or have their permits revoked for impropriety in words or deeds, Minister Wang responded that there is considerable consensus on the need of both sides for the institutions and personnel to be able to exercise their functions free from civil, criminal and administrative liability. However, if Mainland personnel in Taiwan speak or act improperly, Taiwan may negotiate with the Mainland and, depending on the circumstances, require immediate improvements or, in serious cases, revoke the establishment permit.

Minister Wang also responded to questions about whether Taiwan is relinquishing sovereignty by not hanging national flags at its institutions. Minister Wang emphasized that cross-strait developments over the past five years can be

attributed to the willingness of both sides to shelve disputes and give priority to handling important issues concerning the livelihood of the people. The Mainland side is unwilling to discuss the national flag issue. After a comprehensive assessment, the Taiwan side believes that priority should be given to handling major issues related to the institution establishment and that shelving disputes is by no means an abandonment of sovereignty.

The MAC stated that although the Legislative Yuan today was unable to review the draft statute on the establishment of Mainland branches in Taiwan, the government would continue to dedicate efforts to promoting the statute and planning negotiation work. It will also continue to maintain an attitude of openness, transparency, and active communication and fully explain the relevant content to the congress and the general public to win broad-based support for this policy.

In response to questions raised by some opposition legislators over the benefits and content of the Cross-Strait Trade in Services Agreement to be signed soon between the SEF and the ARATS, the MAC stated that the trade in services agreement is an important trade pact under the ECFA framework. Mutual market opening by the two sides under the principle of "complementing strengths" and "mutual benefit" will generate positive momentum for progress towards comprehensive cross-strait economic and trade exchanges and cooperation, while also enhancing the benefits of the ECFA. The signing of this agreement manifests Taiwan's preparation and determination to respond to the process of trade liberalization. Minister Wang also indicated that the signing of the cross-strait trade in services agreement will bring positive benefits for future bilateral and free trade

agreements between Taiwan and other countries, as well as for Taiwan's participation in economic integration, such as membership in the Trans-Pacific Strategic Economic Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP). The MAC stated that the government has repeatedly and fully communicated and explained this issue to the congress. There has been no "black box operation." The agreement will be signed at the SEF-ARATS high-level talks to be held tomorrow (June 21). The related content will be actively implemented afterwards. The MAC appeals to all sides to take a positive view of this major policy which is beneficial to the national economy.