

Full text of President Ma Yin-jeou's inaugural address, May 20, 2012.

Upholding Ideals, Working Together for Reform and Creating Greater Well-being for Taiwan

Esteemed Leaders, Distinguished Guests, Compatriots from Abroad, Fellow Citizens, and Friends watching via television or the Internet: Good morning!

Historical Significance of the Fifth Direct Presidential Election: Heading Toward a Mature Democracy

On January 14, we smoothly completed the Republic of China's fifth direct presidential election. This was an important milestone as Taiwan's democracy heads toward maturity. In a free and fair election, the entire electorate of Taiwan demonstrated a highly developed democratic mindset that won praise from the international community. I would like to commend my opponents, Democratic Progressive Party Chairwoman Tsai Ing-wen and People's First Party Chairman James Soong, for the democratic spirit they showed in accepting the election results. Friends, let us join together in a cheer for Taiwan's democracy! Reflecting on the Past Four Years: Reforms Are Showing Results and the Nation Is Back on Track

Looking back at the past four years, I would like first to specially thank the public for its support. Together, we have weathered the global financial tsunami, allowing Taiwan's economic growth rate to once again compare favorably among the Four Asian Tigers. At home, together we have emerged from the destruction brought in August 2009 by Typhoon Morakot, and have rebuilt the disaster-stricken areas. We have restored a high level of ethics in public affairs, safeguarded the spirit of the Constitution and enhanced judicial fairness and transparency. We have also streamlined the central government, and merged or upgraded the status of major cities and counties; both of these undertakings were very major reforms. Moreover, we have vigorously reduced energy use and cut carbon emissions, promoted housing justice, and greatly expanded the social safety net. We have also created the most peaceful state of cross-strait relations in 60 years, thus winning the trust of our long-time diplomatic partners and the affirmation of the international community. As a result, ROC nationals now enjoy visa-free travel to 127 different countries and territories. Here I would like to especially thank former Vice President Vincent Siew, former Premier Liu Chao-shiuan, former Premier Wu Den-yih, Premier Sean Chen and all support staff throughout the government, as well as the Legislative Yuan under the leadership of Speaker Wang Jin-pyng. Working hand-in-hand with the public over the last four years, they have all rendered tremendous service to the nation. I am most sincerely grateful for their hard work and contributions, and shall continue to rely on their experience and wisdom.

Golden Decade: Five Pillars to Make Taiwan Robustly Competitive

Looking ahead to the next four years, I shall strive jointly with the entire citizenry to realize the vision of a Golden Decade for our nation. Our objective is to build a nation that enjoys

the benefits of peace, justice and well-being. The government has identified five pillars of national growth that it aims to achieve. First, it will enhance the drivers of economic growth. Second, it will create employment and realize social justice. Third, it will develop an environment characterized by low carbon emissions and high reliance on green energy. Fourth, it will build up culture as a source of national strength. And fifth, it will take active steps to cultivate, recruit and retain talent. Accomplishing these tasks will comprehensively bolster Taiwan's global competitiveness, so that during these four years, Taiwan can achieve a fundamental transformation and create even greater well-being. Enhancing the drivers of economic growth is the first pillar for bolstering Taiwan's competitiveness. Further economic liberalization and improvements to our industrial structure constitute the core drivers. We saw the US-Korea Free Trade Agreement come into effect in March of this year, and mainland China is about to begin negotiating a similar agreement with Japan and South Korea later this year. We must step up the pace of liberalization; there can be no further delay. Only if Taiwan opens up to the world will the world embrace Taiwan. In an era when we are confronted by a restructuring of the global political and economic order and a shift in the economic center of gravity toward Asia, we must change from a protectionist mindset and revise outdated legislation. We must eliminate artificial trade and investment barriers and create a genuinely free and open economic environment for Taiwan that is more in line with international practices. We are planning to establish showcase free economic zones, one of which will be in Kaohsiung. This is a crucial step in Taiwan's move to becoming a "free trade island." We must speedily complete follow-up talks under the Cross-Straits Economic Cooperation Framework Agreement (ECFA) and expedite negotiations on economic cooperation agreements with important trading partners like Singapore and New Zealand. Over the next eight years, we must fully prepare to join the Trans-Pacific Partnership in order to seize the historic opportunity to become further integrated into the global trading system. Our industrial sector has created many spectacular successes, but it is now faced with longstanding bottlenecks that impede further growth. In the future, we shall actively seek to improve industrial structure and build on the efficiency-driven production model of the past to actively develop a new "innovation-driven" and "value-creating" industrial model. Our strategy is to incorporate special characteristics of services into the manufacturing sector, while at the same time introducing technological and international elements into service industries, and developing the unique character of our traditional industries. Only in this way can our industrial sector become more diverse and create higher added value; and only in this way can our industrial sector genuinely transform and carve out an unassailable niche in the global economy. The second pillar for bolstering Taiwan's competitiveness is creating employment and realizing social justice. Market liberalization due to globalization has made job market competition global in nature. We must pursue economic growth if we are to create more job opportunities. Economic growth must spur pay increases across all sectors at the same time, or else it is meaningless. Furthermore, we must firmly uphold fairness and justice, narrow the gap between rich and poor, and ensure that the fruits of economic success are enjoyed by all. Bringing soundness to the government's fiscal structure is a top priority. We are endeavoring to realize "taxation commensurate with ability to pay" and "tax justice," establish a comprehensive social security system, and safeguard the fundamental interests of the disadvantaged. At the same time, we must reasonably allocate basic infrastructure, public services and educational resources, and establish a model for balanced regional

development based on local characteristics. Doing so will reduce disparity between urban and rural areas and allow every citizen-regardless of gender, place of residence, ethnicity or social status-an equal opportunity to pursue happiness. Taiwan's birth rate has been declining, and its population has been aging, for a long time. These trends are national security issues that must be faced. Therefore, we need to formulate a forward-looking population policy, institute a well thought-out national health insurance program and national pension system, speedily promote a long-term care system, and utilize more complete preschool care and education measures in order to provide strong support for parents and children. The judiciary is the force for justice which safeguards the interests of the people. Over the past four years, we have completed legislation of the Speedy Trial Act, the Judges Act and the Act Governing Family Matters, and have established the Agency Against Corruption. The Supreme Court practice of not disclosing how cases are assigned to judges is now also history. The judiciary must be independent, but absolutely must not be an island unto itself, nor can it act in a manner that defies the common-sense expectations of the public for a just judiciary. Over the next four years, I shall do everything in my power to promote judicial reform that accords with the direction in which our society is moving. I want our judicial institutions, which were transplanted from the West a century ago, to genuinely take root in Taiwan so that the rule of law becomes a way of life and the safeguarding of human rights becomes an internalized commitment. The third pillar for bolstering Taiwan's competitiveness is developing an environment characterized by low carbon emissions and high reliance on green energy. Global climate change and imbalances between resource supply and demand present Taiwan with both challenges and opportunities. In the future, all industries around the world will emphasize green production. Green industry will be a new arena of industrial competition, and consumer behavior must fall in line with the need for energy conservation and reduced carbon emissions. Therefore, we encourage the private sector to step up R&D and investment in green-energy industries, green architecture and green production, so that these become a new economic bright spot that brings employment and development, and gradually turns Taiwan into a "low-carbon, green-energy island." We must staunchly uphold the ideal of sustainable development and leave our next generation clear skies, clean air and abundant water resources. The mountains, forests, rivers, wetlands and oceans that we pass on to them must be teeming with life and vitality. In terms of policy, we must ensure that energy prices are reasonable and create the impetus for energy conservation, carbon reduction and increased investment in green-energy industries. We must restore market-based prices for gasoline and electricity, and put into practice the "user pays" principle. Furthermore, we must respond to high public expectations for reform of and greater operational efficiency at state-run corporations in order to create a win-win scenario for consumers and producers. Building up culture as a source of national strength is the fourth pillar for bolstering Taiwan's competitiveness. Taiwan has three cultural traits: First, civic spirit is deep-rooted; second, traditional culture is well preserved; and third, the links and transitions between tradition and modernity are sophisticated. Democracy has made our civil society what it is today. It is a civil society in which the atmosphere of openness and the spirit of freedom have become the soil that nurtures creativity. In this soil of openness and freedom, we have not only preserved traditional culture-such as Taiwanese opera and glove puppetry-but have also developed contemporary cultural brands, such as the Cloud Gate Dance Theatre and the Ju Percussion Group. On the one hand, we are pursuing high technology and

internationalization; while on the other, we also champion grassroots access to cultural activities. It takes an open society to foster ebullient creativity; bold imagination can only be tolerated in a climate of freedom. Taiwan's creativity is infused into movies, pop music and publications, forming a cultural industry that plays a decisively important role in the Chinese-speaking world. However, there must be a means of achieving integration within the industry so that, by adding value through creativity and utilizing intellectual property mechanisms, we can market our culture globally and transform the value of its content into economic output, which in turn can nurture more creative talent. Culture is not just art, creativity or an industry; it is also a part of people's daily lives. Recently the prominent mainland Chinese writer Han Han wrote about what he had personally experienced in Taiwan: A taxi driver who returned a cell phone left in his cab, and an optician who went far out of his way to offer help. Both incidents made a deep impression on him. Similarly, not long ago, a Hualien taxi driver, Zeng Shicheng, discovered that a Japanese passenger had left a wallet behind in his cab. He drove quickly to the wharf but the passenger liner had already left shore. A tugboat pursued the departing liner, and finally, the wallet was returned to its owner via a basket lowered from the passenger ship. I think that such moving acts are reflections of kindness and honesty, core values of Chinese culture that have become part of daily life for people in Taiwan. We must view culture as a source of national strength. The development of culture is the development of national strength; investment in culture is tantamount to investment in national strength. The fifth pillar for bolstering Taiwan's competitiveness is cultivating, recruiting and retaining talent. Since Taiwan lacks natural resources, talent is our most important resource and the key to national development. We must turn our universities and colleges into cradles of local talent and wellsprings of national competitiveness. Furthermore, we must adopt open-minded, forward-looking policies, and create a livable, friendly, international, non-discriminatory and salary-competitive environment with which to retain outstanding home-grown talent while recruiting outstanding talent from all over the world. In Chinese we speak of "building a nest to attract the phoenix"-in other words, "build it, and they will come." Children are our enduring concern. Every child, rich or poor, should have the chance to develop his or her talent, and to advance-this is the very core of education. In fact, several Taiwanese have come to stand out in their respective fields, including Ang Lee and Xiao Qing-yang in the cultural and creative arena, Billy Chang and Chen Hsinghe of Cirque du Soleil, and Johan Ku and Jason Wu in the world of international fashion and design. Over the past four years, students from Taiwan have won top prizes at various international invention and design fairs. Taiwan has tremendous talent and creativity. We need to work harder at cultivating the next generation by providing quality 12-year public education so that each child can shine. If we want our nation to develop, then we must reform; if we want reform, then we must bear the short-term pains of adjustment. We absolutely cannot leave the hot potato issues and heavy burdens to the next generation. I am keenly aware that the most important duty and mission of a re-elected president is to work with the people to forge greater well-being. In my second term in office, we must take resolute steps while engaging in timely, in-depth and extensive communication with the public to win its support. Utilizing these five pillars to "create greater well-being for Taiwan" is the goal of my second term. Taiwan needs to become more competitive if it is to survive and the well-being of its people is to be guaranteed.

The Three Legs of National Security: Cross-strait Peace, Viable Diplomacy and a Strong Defense

National security is crucial for the survival of the Republic of China. I believe that Taiwan's security rests on three legs. The first is the use of cross-strait rapprochement to realize peace in the Taiwan Strait. The second is the use of viable diplomacy to establish more breathing space for ourselves in the international community. And the third is the use of military strength to deter external threats. We must regard each as equally important and develop them in a balanced manner. The first leg, as I mentioned, is cross-strait rapprochement to realize peace in the Taiwan Strait. Over the past four years, this government has resumed institutionalized cross-strait negotiations, signed 16 bilateral agreements and made cross-strait rapprochement a reality. In the process, we have staunchly maintained the precepts of "parity, dignity and reciprocity" and the principle of "putting Taiwan first for the benefit of the people." The executive branch has been openly and transparently accountable to the legislature, and stepped up communication with opposition parties in an effort to find consensus. This approach has created institutionalized safeguards for cross-strait rapprochement. Over the past four years, we have improved cross-strait relations and reduced cross-strait tension. This has brought peace and prosperity and won broad public support. Nevertheless, a part of the public still has reservations about our mainland policies. Here, I would like to solemnly point out that the Constitution of the Republic of China is the supreme guiding principle for how the government deals with cross-strait relations. Within that constitutional framework, our cross-strait policy must maintain the status quo of "no unification, no independence and no use of force," and promote peaceful cross-strait development on the basis of the 1992 Consensus, whereby each side acknowledges the existence of "one China," but maintains its own interpretation of what that means. When we speak of "one China," naturally it is the Republic of China. According to our Constitution, the sovereign territory of the Republic of China includes Taiwan and the mainland. At present, the ROC government has authority to govern only in Taiwan, Penghu, Kinmen and Matsu. In other words, over the past two decades, the two sides of the Taiwan Strait have been defined as "one Republic of China, two areas." This status has remained unchanged throughout the administrations of the past three presidents. This is an eminently rational and pragmatic definition, and constitutes the basis for assuring the ROC's long-term development and safeguarding Taiwan's security. Both sides of the Taiwan Strait ought to squarely face up to this reality, seek common ground while respecting differences, and establish a consensus regarding "mutual non-recognition of sovereignty and mutual non-denial of authority to govern." Only in this way can the two sides move forward with confidence. Over the past four years, we have promoted cross-strait ties in accordance with the principles of putting "pressing matters before less pressing ones, easily resolved issues before difficult ones, and economic matters before political ones." This approach has yielded unprecedented successes in the areas of economic and trade ties, transportation, public health, culture, education, judicial assistance, and financial services. In the next four years, the two sides of the strait have to open up new areas of cooperation and continue working to consolidate peace, expand prosperity and deepen mutual trust. We also hope that civic groups on both sides of the Taiwan Strait will have more opportunities for exchanges and dialogue focusing on such areas as democracy, human rights, rule of law and civil society, to create an environment more

conducive to peaceful cross-strait development. The people of the two sides of the strait share a common Chinese ethnic heritage. We share common blood lines, history and culture. We both revere our nation's founding father, Dr. Sun Yat-sen. We cannot forget his precept that "the world is a commonwealth shared by all," or the ideals of freedom, democracy and equitable distribution of wealth on which he founded this nation. Taiwan's experience in establishing democracy proves that it is not impossible for democratic institutions from abroad to take root in an ethnically Chinese society. I fervently look forward to the gradual opening up of greater popular participation in the political process on the mainland, along with steady improvement in human rights and the rule of law, and the autonomous development of civil society. This will further reduce the feeling of "otherness" between people on the two sides of the Taiwan Strait. The second leg of our national security is the use of viable diplomacy to establish more breathing space for ourselves in the international community and boost our contributions to international society. Over the past four years, rather than adopting "scorched earth diplomacy," we have chosen "viable diplomacy" and "above-board diplomacy," providing aid in accordance with the principles of "seeking proper goals, acting lawfully, and exercising effective administration." We have undertaken cooperation projects with our diplomatic partners, and they have continually spoken up for us at international organizations. We have restored mutual trust with the United States through close cooperation in many areas. This has enabled us to bolster channels of communication and build the most solid "security and economic partnership" of the past 30 years. We have also achieved important breakthroughs in relations with Japan. In addition to establishing a new representative office, we have also made progress in such areas as aviation, culture and investment. Our "special partnership" with Japan represents the friendliest state of bilateral ties in 40 years. The European Union and the European Parliament have both on many occasions issued statements and passed resolutions to support our mainland policy, and to seek stronger trade and economic ties between Taiwan and the EU. Establishing more breathing room for ourselves in the international community has been an important breakthrough. For the past three years we have attended as an observer at the World Health Assembly after an absence of 38 years, and in 2010 we acceded to the Government Procurement Agreement under the World Trade Organization. The facts prove that progress in the cross-strait relationship does not preclude our achievement of greater international breathing room. On the contrary, the two can even be mutually complementary. Over the next four years, we shall expand our participation in international organizations, including the activities of United Nations agencies that specialize in climate change and civil aviation. We also hope that in international NGOs, the two sides of the Taiwan Strait can demonstrate mutual tolerance and assist each other so that this virtuous circle model exerts an even greater positive effect. As for contributing more to the international community, Taiwan is endowed with the world's most precious assets, by which I am referring to the abundant vitality of its civic groups, and the caring spirit of its people. When Haiti experienced a massive earthquake in January of 2010, I called Chen Shuntian, the head of our special rescue team that had rushed to the disaster area. What I heard on the other end of the line was the sound of excited shouting, since only 15 minutes before they had rescued a victim who was still alive. This was a first for our international rescue team. When Japan was hit by the tsunami in March of last year, NT\$6.6 billion in donations were raised through joint private sector and government effort. This was not only the largest amount worldwide; it also

exceeded the combined amount donated by over 90 other countries. There is also a girl from Tainan City, Cai Yuhua, who went to the disaster area and quietly helped old people there. People in both Japan and Taiwan were deeply moved by her acts of kindness. And during my trip to Africa in April of this year, I encountered a physician, Dr. Huang Qilin, who has been providing medical care there for nearly 20 years. His unflagging work over the years has showed the warmth and dedication behind the white medical frock of a Taiwan doctor. These examples demonstrate an enthusiasm for life and resilience that is undaunted by difficulty. They have also won us sincere friendship. The third leg of our national security is a strong national defense to deter external threats. An ancient proverb clearly admonishes us: "Though the world may be at peace, being unprepared to fight invites danger." We do not seek a fight, but we do not fear it, either. We have made significant progress on this front over the past four years. Our defense industry is now much more self-sufficient. We have strengthened our new-generation fighting capabilities. And our military forces are better prepared to take part in disaster prevention and rescue. At the same time, we have boosted our training programs and dramatically upgraded the physical fitness and fighting skills of our soldiers, while making great strides toward improving discipline and eliminating corruption. These are the concrete results of our efforts to build military preparedness. In the area of weapons procurement from overseas, the United States has approved three arms sales to Taiwan since I took office, in aggregate totaling US\$18.3 billion, and exceeding all previous such sales in terms of quality and amount. This provides us with an appropriate defensive force in the future that will give the government and public greater confidence and willingness to pursue continued stable and solid development of the cross-strait relationship. Over the next four years, we shall continue to purchase weapons of a defensive nature that we cannot manufacture ourselves, and shall complete the transition to a volunteer armed force. Necessary supporting measures will also be taken. And, with a "rock solid defense and effective deterrence" military strategy and "innovative and asymmetrical" thinking, we shall establish a streamlined yet professional and sturdy national defense force. At the same time, we shall enhance relations with neighboring countries, actively participate in international affairs, and promote establishment of institutionalized channels for strategic dialogue and cooperation to defend the sovereignty of the Republic of China, safeguard the security of Taiwan and actively make a contribution to regional peace.

Standing at a Historic Watershed: A New Century, a Good Beginning

Fellow countrymen, looking back over the past four years my heart is filled with profound gratitude. We have weathered the global financial tsunami and greeted the ROC Centennial with joy. We have wept at the wounds inflicted by severe natural catastrophes, and rejoiced at the world-beating achievements of our fellow compatriots. We are a family and Taiwan is home to us all. We strongly believe that no matter what political differences there may be between the ruling and opposition parties, we are still one family. Despite the many difficulties over the past several years between the ruling and opposition parties, I believe we share a common commitment to democracy. On this foundation, we can surely seek consensus and work together to solve problems. Over the past four years, I have continually invited civic groups to engage in dialogue. I sincerely hope to open up dialogue with the opposition leaders as soon as possible. We will show the people that the ruling and

opposition parties can not only compete but also cooperate. For the welfare of all our people, let us jointly set a good example for Taiwan's democracy. In this, the 101st year of the Republic of China, we stand at a historic watershed. We are very familiar with the struggles that our forefathers have been through over the past century. Looking ahead to the coming century, we have a clear vision of where the nation's future challenges and opportunities lie. I feel fortunate to be the first person to take the oath of office as president at the very time the Republic of China enters upon its second century. This is indeed a great responsibility. During this solemn and sacred ceremony, I, as well as the members of my administration, once more accept the responsibilities of this commission from the entire populace. Such a responsibility sits heavily on our shoulders. We must be ever conscious of the risks that face us, while doing everything in our power to fulfill the duties set forth in the Constitution, so that we can live up to the responsibilities entrusted to us by the citizens of this country. Standing at the starting line of this new century for our Republic, I hope that the work we do now will provide a solid foundation for our children's further progress, and that the seedlings we plant today continue to grow and bear fruit to be enjoyed by the next generation. Let us uphold our ideals, work together for reform and create greater well-being for Taiwan.

Thank you!