



Safeguarding Sovereignty, Upholding Democracy

The Government's Current Cross-Strait Policy

1 Foreword

On May 20, 2016, Taiwan accomplished its third transition of political power. Since then, in response to the Taiwanese people's expectation of cross-Strait peace and stability, the Republic of China (ROC) government has adopted a pragmatic approach to handling cross-Strait affairs, acting in good faith and making commitments to avoid a confrontation, and using communication and consultation to resolve differences and avoid miscalculation. These efforts demonstrate the sincerity and determination of the ROC government to maintain the status quo across the Taiwan Strait and to guide cross-Strait relations down the road of mutual trust, reciprocity, prosperity, and peace.

2 Maintaining the status quo: promoting the peaceful and stable development of cross-Strait relations

President Tsai Ing-wen clearly stated in her May 20 inaugural address that her administration would respect the historical fact of the 1992 talks between the Straits Exchange Foundation (SEF) and the Association for Relations Across the Taiwan Straits (ARATS), and would continue to promote the peaceful and stable development of cross-Strait relations based on existing realities and political foundations. The government also pledged to conduct cross-Strait affairs in accordance with the Constitution of the Republic of China (ROC), the Act Governing Relations between the People of the Taiwan Area and the Mainland Area, and other relevant laws and regulations.

As outlined by President Tsai, the four key elements of the existing political foundations between the two sides are as follows: the historical fact of the 1992 talks between SEF and ARATS, during which there was joint acknowledgement of setting aside differences to seek common ground; the existing ROC constitutional order; the outcomes of years of negotiations and interactions across the Taiwan Strait; and the democratic principle and prevalent will of the people of Taiwan. These elements indicate the government's position of establishing a consistent, predictable, and sustainable cross-Strait relationship.

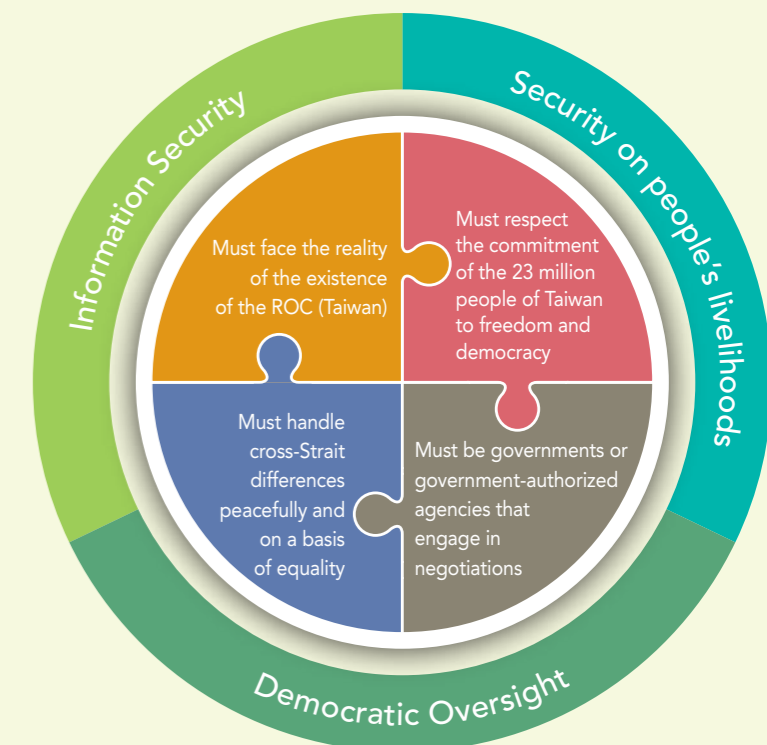


3 Safeguarding national sovereignty: the "four musts" and a "three-part security network"

President Tsai has firmly stated that Taiwan absolutely will not accept the "one country, two systems model for Taiwan" nor the democratic consultation initiative proposed by mainland Chinese leader Xi Jinping as part of his "five points." In fact, the resolute opposition to these proposals by the vast majority of Taiwanese itself constitutes a "Taiwan consensus."

In her 2019 New Year's Day address, President Tsai laid out the "four musts" as the basic and crucial foundations that will determine whether cross-Strait relations develop in a positive direction. These "four musts" are as follows: mainland China must face the reality of the existence of the ROC (Taiwan); it must respect the commitment of the 23 million people of Taiwan to freedom and democracy; it must handle cross-Strait differences peacefully, on a basis of equality; and it must be governments or government-authorized agencies that engage in negotiations.

Furthermore, the government is determined to safeguard national sovereignty as well as Taiwan's free and democratic system. We have prudently assessed the risks involved in such exchanges and have established a "three-part security network" to protect people's livelihoods, information security, and democratic oversight, with the goal of promoting healthy and orderly cross-Strait exchanges and upholding Taiwan's overall interests.



4 Protecting national security: guidelines to respond to and counter mainland China's "one country, two systems model for Taiwan"

On March 11, 2019, President Tsai convened a National Security Meeting to respond to the immense national security challenge posed by China's "one country, two systems model for Taiwan." To counter this proposed model, the President approved a set of guidelines to strengthen national security measures and ensure that nothing inhibits the normal functioning of Taiwan's economy and society. These guidelines include the following:

| Cross-Strait Affairs |

Taiwan must approach cross-Strait exchanges with a positive attitude, insist on parity and dignity, base its interactions on democracy, reference the actions of other major democratic nations, and conduct a comprehensive review of the implementation of all laws and regulations related to cross-Strait exchanges. Taiwan must also actively counteract any efforts by the Chinese Communist Party (CCP) to take advantage of exchanges to infiltrate its society, promote unification, and interfere in its domestic affairs.

| Democracy and the Rule of Law |

Taiwan must promptly amend the Act Governing Relations between the People of the Taiwan Area and the Mainland Area, and expedite legislation to establish a security network for democracy in order to enhance procedures for democratic oversight and other mechanisms to safeguard democracy.

| Economy |

In response to the US-China trade conflict and changes in the international trade environment, the government must proactively help Taiwanese firms based in mainland China to return to and invest in Taiwan, prompt industrial transformation and upgrades, enhance the international presence of Taiwanese firms, and ensure stable development of the overall economy. Taiwan also needs to strengthen its competitive advantages and strategic position in global industrial chains, and to actively enter into multilateral and bilateral economic and trade agreements with major trading partners.

| Diplomacy |

The government must take advantage of the international circumstances favorable to Taiwan and join forces with the world community to counter CCP aggression aimed at eliminating the ROC's sovereignty.

| Security |

The government must closely track mainland China's changing political, economic, and social situation. To maintain national security and social stability, the government also needs to prevent the CCP from manipulating public opinion in Taiwan, infiltrating our society, and stealing national defense and core industrial secrets.

| National Defense |

The government must steadily increase its defense budget and comprehensively enhance combat capabilities to deter China's military aggression and ensure the ROC's sovereignty, democracy, and freedom.

| Society |

The government must enhance communication with all sectors of society, build a consensus regarding cross-Strait policy, and achieve internal unity to defend national sovereignty through concerted action.

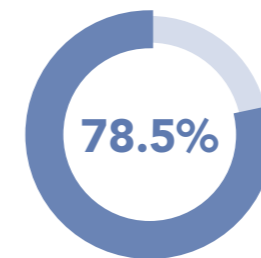
5 Respecting public opinion: prioritizing the welfare and interests of the people

Taiwan is a democratic society. President Tsai has repeatedly stressed that the government will not alter its commitment to maintaining the peaceful and stable status quo in cross-Strait relations, and that it will do its utmost to maintain mechanisms for cross-Strait dialogue and communication. Following the broadest and most recent currents in public opinion, the government conducts cross-Strait affairs in accordance with democratic principles and procedures.

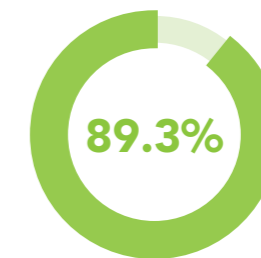
A survey conducted in May 2019 on behalf of the Mainland Affairs Council (MAC) found that mainstream public opinion in Taiwan opposed the CCP's "one country, two systems" initiative (83.6%). Nearly 80% of the respondents supported the government's



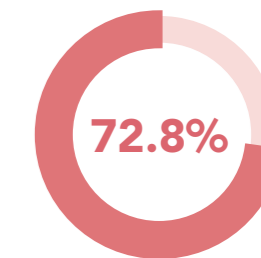
Opposed the CCP's "one country, two systems" initiative



Supported the government's insistence on safeguarding national sovereignty and Taiwan's free and democratic system



Taiwan's future and the development of cross-Strait relations must be decided by the 23 million people of Taiwan



Supported the government's proactive efforts to safeguard national security by amending laws and strengthening relevant management mechanisms in accordance with the Guidelines announced by President Tsai Ing-wen

insistence on safeguarding national sovereignty and Taiwan's free and democratic system (78.5%), and nearly 90% firmly believed that Taiwan's future and the development of cross-Strait relations must be decided by the 23 million people of Taiwan (89.3%). Furthermore, more than 70% of the respondents supported the government's proactive efforts, under the aforementioned guidelines announced by President Tsai Ing-wen, to safeguard national security by amending laws and strengthening relevant management mechanisms (72.8%). These findings reflect broad domestic public support for government policy to protect Taiwan.

The two sides of the Taiwan Strait should commit to putting people first, to ensuring that the direction and pace of the development of cross-Strait relations is in line with public expectations, and to creating a solid foundation for the peaceful and stable development of cross-Strait relations.

6 Building regional peace: in the common interest of both sides and the broader Asia-Pacific region

Cross-Strait relations are a key factor in building an Asia-Pacific security network. Maintaining a policy of peaceful and stable cross-Strait relations is in accordance with the interests of both sides of the Taiwan Strait and other parties in the region. The US firmly backs Taiwan in countering the threat posed by China under "Xi's five points." US Secretary of State Mike Pompeo and National Security Council Senior Director for Asian Affairs Matt Pottinger have stated that mainland China's unilateral changes to the status quo do not benefit regional stability. Assistant Secretary of Defense Randall Schriver has said that the US will faithfully implement the Taiwan Relations Act and help Taiwan resist Chinese pressure. And Commander of US Indo-Pacific Command Adm. Philip S. Davidson has stated that "one country, two systems" does not reflect the wishes of both sides. In addition, US President Donald Trump has signed into the law the Taiwan Travel Act and the Asia Reassurance Initiative Act of 2018 (ARIA), encouraging mutual visits by US and Taiwan officials at all levels and reiterating the US's security commitment to Taiwan. Japan and the European Union also believe that a peaceful and stable cross-Strait relationship is in the interests of both China and Taiwan as well as the greater region.

7 Conclusion

As the CCP advances its political agenda to unify Taiwan under "Xi's five points," Taiwan's government will continue to uphold the "four musts," implement the guidelines announced by President Tsai to protect the nation's sovereignty and security, reject "one country, two systems," and safeguard Taiwan's democratic system.

To implement and enhance the legislation and monitoring procedures of the security network for democracy, MAC introduced Article 5-3 to the Act Governing Relations between the People of the Taiwan Area and the Mainland Area to establish a stringent, high-threshold democratic oversight mechanism that subjects consultations and negotiations on cross-Strait political issues to a two-stage legislative review process and a confirmatory national referendum. With these amendments, entered into force on June 23, 2019, we hope to achieve open and transparent negotiations, greater public participation, and meaningful legislative oversight.

Looking to the future, we hope mainland China can recognize that the differences between our two sides must be resolved through healthy communication, dialogue, exchanges, and interaction. We hope that the Mainland can face up to the reality of the existence of the ROC, respect Taiwan's dignity and the Taiwanese people's firm commitment to democracy, cherish the cumulative results of past exchanges and interaction, maintain the effective operation of existing mechanisms for interaction, and work together with Taiwan to establish constructive and harmonious cross-Strait relations that ultimately benefit the people on both sides of the Taiwan Strait.

