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Taiwan's China Strategy and Prospects of Cross-Strait Relations

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Guests, Ladies and Gentlemen: Good Morning !

It is indeed my great pleasure to join all of you here today at the opening ceremony of the "International Conference on CCP's 17th Congress: Review the Past, Look into the Future" and deliver a keynote speech. The upcoming 17th National Congress of the Chinese Communist Party (CCP) is a party congress with Hu Jintao taking the initiative for the first time since Hu took office in 2003 as the CCP's General Secretary. The CCP's 17th Congress will not only demonstrate the Hu-Wen fourth-generation leadership's thinking on China's overall development in the future, but will also affect the personnel arrangements involving the reshuffle of high-ranking Chinese officials. Moreover, it will produce significant influences on the domestic development in China, cross-Strait relations and international relations.

With the participation of international China scholars and experts, I would like to take this opportunity to elaborate on Taiwan's China strategy and prospects of

cross-Strait relations. I will first analyze the root causes of cross-Strait issues and conflict with a view to illuminating the predicament of the present reality in the Taiwan Strait. In addition, I will explain Taiwan's China strategy and a vision of cross-Strait coexistence and co-prosperity. Finally, I will elaborate on the concept and progress of Taiwan's proposed "peaceful and stable framework for cross-Strait interactions" so that such a framework can serve as a *modus vivendi* for moving toward the aforementioned vision, while creating a broad avenue for peace and development in cross-Strait relations.

I. The Crux of Cross-Strait Issues and Conflict

The Chinese government has always completely blamed cross-Strait tensions and conflict on Taiwan's alleged efforts to attain so-called "*de jure* Taiwan independence". It needs to be clearly noted, however, that the so-called "*de jure* Taiwan independence" is *not* the source of cross-Strait issues and even conflict. "*De jure* Taiwan independence" was not why China, in the 1950s, twice launched large-scale military attacks against Taiwan. Likewise, in 1995 and 1996, China conducted military exercises and missile tests against Taiwan, even though the Chinese Nationalist Party (KMT) government of Taiwan at the time abided by the so-called "one China principle".

The crux of cross-Strait issues lies in the People's Republic of China (PRC) government's persistent refusal to recognize the fact that the Republic of China (ROC) has continued to exist since 1949; that Taiwan's sovereignty is independent from the rule of China; and that Taiwan and China have no jurisdiction over each other. Furthermore, tensions and conflict in cross-Strait relations have mainly originated from the Chinese government's attempts to annihilate the ROC and to annex Taiwan

to achieve its “great task of national unification.” These attempts by China are also the main source of the gravest threat to peace and stability in the Asia-Pacific region.

Yet localization and democratization in the ROC have strengthened the reality and significance of the ROC’s existence in Taiwan, making it difficult for the Chinese government to avoid facing the reality of Taiwan. As such, China has no choice but to use so-called “*de jure* Taiwan independence” as an excuse to cover up its lies that have been fabricated for internal purposes. It has constantly vilified and assailed Taiwan’s democratic reforms, including those related to constitutional reforms, the holding of complete parliamentary reelections, direct presidential elections and public referendums, as major incidents leading to the promotion of “*de jure* Taiwan independence.” It has also treated Taiwan’s participation in the international community as the process and proof of the promotion of “*de jure* Taiwan independence”. China’s military threats against Taiwan’s democratic development and its suppression against Taiwan’s international space have not only sparked an even greater reaction among the Taiwanese people, but have also strengthened Taiwan’s conviction regarding the promotion of democratization and its efforts to participate in the international community, causing cross-Strait interaction to be continually trapped into a vicious cycle.

At the same time, China’s insistence on Taiwan’s acceptance of the “one China principle” as a precondition for resuming cross-Strait talks has resulted in the lack of a negotiation mechanism available for Taiwan and China to rationally resolve cross-Strait conflicts and to create space for reconciliation, which has consequently delayed the opportunity to establish an urgently needed governance framework for cross-Strait exchanges, while intensifying the confrontational and hostile climate of cross-Strait relations. The crux of cross-Strait conflicts lies not only in China’s unwillingness to accept the ROC’s existence, but, more specifically, in its attempts to

annihilate the ROC. In other words, if under the “one China principle”, “one China” only refers to the PRC, rather than the ROC, then the “one China principle” is itself the greatest source of political conflicts across the Taiwan Strait.

Demanding that Taiwan first accept the “one China principle” as a precondition for holding cross-Strait negotiations therefore is no different from demanding that prior to negotiations, Taiwan surrender to China, relinquish the ROC’s sovereignty and democracy, and accept a framework of Pax Sinica under the premise of the “one China principle”. This is exactly why the Taiwanese government has never been able to accept the “one China principle”. Not only has it been unacceptable to the Democratic Progressive Party (DPP) government, but the KMT was also constantly criticized by China for not accepting the “one China principle” during its period in power before 2000. Even the former KMT chairman and current KMT presidential candidate Ma Ying-jeou clearly stated on April 3, 2006, that the KMT would not accept the 1992 consensus of “one China”.¹

It must be emphasized that safeguarding peace and stability across the Taiwan Strait is not the responsibility of Taiwan alone. Nor is it an objective that Taiwan can achieve single-handedly. This is because China is the real source that creates problems and conflicts in the cross-Strait relations. It is therefore imperative that other countries collectively cooperate to pressure China into facing up to the reality and resolving cross-Strait conflicts pragmatically and peacefully. The international community should not turn a blind eye to autocratic China’s threats to and suppression of democratic Taiwan. Moreover, it should not demand that Taiwan surrender to China, renounce the sovereignty of the ROC and abandon its democratic systems and values. If the international community continues to appease the Chinese

¹ Shu-ling Lin and Hsu-tsen Hsiao, “Chen, Ma Hotly Debate the ‘1992 Consensus’, Chen Calls on Hu Jintao to Accept the Formula of ‘One China, with Each Side Having Its Own Interpretation’,” *China Times*, April 4, 2006, p. A1.

government, it will only encourage the Chinese dictatorship to even more brazenly expand its military power, incorporate East Asia into its sphere of influence, and establish a framework of Pax Sinica.

However, any Taiwan Strait military conflict would certainly have a destructive impact on Taiwan, China and the entire Asia-Pacific region, with Taiwan likely to bear the greatest brunt of the harm. Therefore, although it faces China's peremptory suppression and military threats, Taiwan is still willing to actively play the role of a maintainer of stability in East Asia and an international peace-maker. Taiwan is also willing to take greater responsibility, and to offer more active, pragmatic and multiple-win proposals. These are described in further detail below.

II. A Vision of Cross-Strait Coexistence and Co-prosperity

The overall objective of Taiwan's China strategy is to normalize cross-Strait relations in the sense that both governments face up to the realities, act pragmatically, show mutual respect and create a multiple-win outcome. In accomplishing these objectives, the Taiwanese government's strategic guidelines are: goodwill reconciliation, active cooperation, and permanent peace. The Taiwanese government has also designated sovereignty, democracy, peace and parity as the policy lines for the future development of cross-Strait relations. Concrete policies adopted by the Taiwanese government to achieve these above-mentioned objectives can be summarized into three categories:

1. Consolidate Taiwan's internal consensus on national position: Taiwan is an independent sovereign country; its national name is the Republic of China as stipulated in the Constitution.
2. Offer a vision of cross-Strait coexistence and co-prosperity: The integration

model of the European Union (EU) will serve as a new perspective on future cross-Strait relations.

3. Make cross-Strait transitional arrangements for progress toward the vision:

Taiwan proposes a new framework for moving from economic, trade and cultural integration to political integration, including:

- 1) Negotiate on a peaceful and stable framework for cross-Strait interactions: jointly ensure that the cross-Strait status quo will not be unilaterally changed.
- 2) Develop cross-Strait economic and trade cooperation: adopt a policy approach of proactive management and effective liberalization.
- 3) Assist political democratization of China: resolve the fundamental cross-Strait contradictions.

Since taking office in May 2000, President Chen has hoped to build consensus in Taiwan on the issue of national position and unite domestic forces to serve as a source of strength and support in interactions between Taiwan and China.

Specifically, the consensus that President Chen hopes to build in regards to national position is that: Taiwan is an independent sovereign country that, in accordance with the present constitution, is called the Republic of China; Taiwan is not a part of the People's Republic of China; and Taiwan and the People's Republic of China are two countries that both are not subordinated to, ruled by or under the jurisdiction of the other.

Based upon the above consensus, the future development of cross-Strait relations is open. In his May 2004 inaugural speech, President Chen further elaborated that: "Taiwan is a completely free and democratic society. Neither single individual nor political party can make the ultimate choice for the people. If both

sides are willing, on the basis of goodwill, to create an environment engendered upon 'peaceful development and freedom of choice,' then in the future, the Republic of China and the People's Republic of China—or Taiwan and China—can seek to establish relations in any form whatsoever. We would not exclude any possibility, so long as there is the consent of the 23 million people of Taiwan.”

More specifically, President Chen has proposed a “new framework for political integration” to serve as a foundation for a win-win outcome of cross-Strait coexistence and co-prosperity. He emphasizes that so long as China “respects the existence and international dignity of the Republic of China and publicly renounces the use of force,” both sides can “integrate their economies, trade, and culture as a starting point for gradually building faith and confidence in each other. This, in turn, can be the basis for a new framework of permanent peace and political integration.” President Chen has also advocated that whatever form the political relationship between both sides of the Strait takes in the future, it must conform to the four major principles of “sovereignty, democracy, peace and parity”.

“Political integration” in this context refers to the integration of the Republic of China (Taiwan) and the People's Republic of China (China), as a kind of “multi-sovereign united system” to overcome the present cross-Strait dispute and deadlock. The model of “political integration” could therefore include everything from a loose association under a “commonwealth” model to a closer association under the “EU” or “confederation” model. In his 2004 inaugural speech, President Chen more clearly proposed that both sides take a fresh approach in establishing future cross-Strait relations based on the EU model. He emphasized that the EU model of integration most closely conforms to the four major principles of “sovereignty, democracy, peace and parity”.

In order to realize the vision of a “new framework for political integration”, both sides not only need to begin with economic, trade and cultural integration, but they also require a comprehensive *modus vivendi*. This is the only way to bridge the gap between the practical interests and values of both sides across the Strait. There would be three major components to such a *modus vivendi*: (1) Negotiations on a peaceful and stable framework for cross-Strait interactions; (2) Development of cross-Strait economic and trade cooperation; and (3) Assistance to China’s political democratization, so as to thoroughly reconcile the root contradictions between both sides. In the process of normalizing cross-Strait relations, the peaceful and stable framework for cross-Strait interactions would play an extremely critical role in stabilizing interactions between both sides, creating a friendly environment for long-term cross-Strait interactions and progress towards cross-Strait coexistence and co-prosperity. The following section describes Taiwan’s proposal in further detail.

III. A Peaceful and Stable Framework for Cross-Strait Interactions

First, negotiations on a “peaceful and stable framework for cross-Strait interactions” must be developed on the basis of the principle of peace: Both sides should peacefully resolve all of their disputes, and no side should be permitted to threaten or obstruct security in the Taiwan Strait, or unilaterally change the status quo in the Taiwan Strait by military or other non-peaceful means. On the basis of this principle, both sides should carry out consultations on four major issues: establishing a consultation mechanism, developing reciprocal and mutually beneficial exchanges, establishing political relationship, and preventing military conflict. The significance of these four issues is further elaborated below.

In June 1995, China severed the then-existing mechanism for cross-Strait

negotiations—the Straits Exchange Foundation (SEF) of Taiwan and the Association for Relations Across the Taiwan Straits (ARATS) of China—under its accusation that Taiwan had not abided by the “one China principle”. Consequently, both sides have needed to first establish a feasible negotiation mechanism before talks can proceed on creating a transitional framework for interactions. Taiwan has proposed that both sides designate representatives to arrange relevant negotiation matters, base negotiators in Taipei and Beijing, and proceed with consultations on substantive issues. To constitute a first step forward, President Chen suggested that both sides begin with consultation and promotion of direct transportation links and other relevant economic and trade issues.

The second issue is the establishment of a framework for reciprocal and mutually beneficial cross-Strait exchanges, including the mutual establishment of liaison offices and the start of negotiations on a framework for expansion of cross-Strait exchanges and cooperation. Since 2004, Taiwan has specifically proposed to China at least 20 items of issues for negotiations, including the issues of the Three Links, tourism, integration of economic and trade relations, the deepening of cultural and technological exchanges, joint crackdowns on crime, and joint development of exclusive economic zones.

The third major issue is the establishment of a political relationship based on mutual respect, and conducive to cross-Strait interactions. Until both sides can achieve a final political compromise, they should develop a win-win framework for interaction between them and in the international arena. This framework would include rules on the mutual recognition of jurisdictions, non-interference of each other’s diplomatic affairs, Taiwan’s membership in international organizations, and interaction between both sides in the international community.

The fourth major issue is the prevention of a cross-Strait military conflict. Both sides need to develop an institutionalized arrangement to reduce the risk of an “accidental war” between them. Taiwan proposes that both sides establish a Taiwan Strait consultation mechanism for military security and gradually establish confidence-building measures. Both sides should also review the armament policies of both sides and seek to establish a “Code of Conduct across the Taiwan Strait” as a concrete safeguard for peace in the Taiwan Strait.

On May 17, 2004, the Taiwan Affairs Office under China’s State Council issued a statement declaring seven promising prospects for peaceful and stable development of cross-Strait relations if Taiwan accepts the “one China principle.” These included the “resumption of cross-Strait dialogue and negotiations, equal negotiations, official termination of the state of hostility, establishment of a confidence-building mechanism, and joint creation of a framework for the development of peaceful and stable cross-Strait relations.” Moreover, if Taiwan accepts the “one China principle,” both sides can discuss the resolution of exchange issues, implement the Three Links, establish a cross-Strait economic cooperation arrangement, and resolve the issues concerning Taiwan’s international space for related activities compatible with its status. In short, China’s objective is to force Taiwan to submit to Beijing’s conditions for negotiations.

China’s peremptory attitude in this regard makes it exceedingly difficult for both sides to work on the establishment of a peaceful and stable framework for cross-Strait interactions. This is not to say that no progress has been achieved. China intentionally avoided bringing up the “one China principle” as a precondition for cross-Strait negotiations when it agreed on January 2, 2005, to hold negotiations with Taiwan on the Lunar New Year charter flights. The very next day, the Taiwanese government immediately authorized an organization to conduct negotiations with its

Chinese counterpart authorized by the Chinese government. Through the assistance of civilian organizations, formal talks were held between responsible officials of the two governments. After just 13 days of negotiations, both sides reached the second official agreement since the 1993 meeting between Koo Chen-fu and Wang Daohan in Singapore. The cross-Strait deadlock was broken and a new model for cross-Strait negotiations emerged.

In the course of cross-Strait talks, the tacit understanding reached between both sides regarding the negotiation model may be called the “2005 Consensus”. The characteristics of this consensus include: setting aside disputes; laying no preconditions; expressing mutual respect; acting pragmatically; the government taking initiative; and the private sector providing assistance. In June 2005, Taiwan continued to propose to China that both sides conduct negotiations on the three issues: the opening of Taiwan to Chinese tourists, cross-Strait cargo charter flights, and Taiwan’s agricultural exports to China. On the basis of the “2005 Consensus”, both sides once again reached an agreement in November 2005 on the Lunar New Year charter flights. And in June 2006, both sides reached an agreement on the implementation of four types of specialized cross-Strait charter flights (for cargo, holiday passengers, emergency medical treatment, and emergency relief/persons with disabilities or illness).

Overall, Taiwan’s idea of a “peaceful and stable framework for cross-Strait interactions” is closer to the proposal raised in March 1999 by Stanley Roth, assistant secretary of U.S. Department of State. Assistant Secretary Roth suggested that both sides of the Strait should sign interim agreements to deal with different kinds of functional issues. Such a framework emphasizes that there be no precondition of the “one China principle” and no preset final outcome of cross-Strait unification. Besides, it stresses that both sides should start the process by engaging in negotiations and

cooperation on functional issues at first, and then they should build up mutual trust and accumulate consensus step by step. Finally, they should gradually build friendly political relations and establish a confidence–building mechanism.

At present, both sides have established a negotiation mechanism on the basis of the “2005 Consensus.” We are also conducting negotiations on the three issues of the opening of Taiwan to Chinese tourists, cargo charter flights, and passenger charter flights. We hope that both sides can promptly reach agreements on these issues to further promote negotiations on other functional issues, thus laying a solid foundation for the peaceful and stable framework for cross-Strait interactions.

IV. Conclusion and Prospects

The international community universally hopes that cross-Strait relations should develop peacefully. However, so long as China remains undemocratic and the CCP refuses to abandon its dictatorship, the legitimacy of the CCP regime is established on its own fabricated fact that the ROC has ceased to exist since 1949 as well as on its claim that China’s unification is endorsed by nationalistic legitimacy. As such, it is unlikely that the Chinese government will recognize the status quo in which Taiwan and China have no jurisdiction over each other, nor will it respect Taiwan’s democracy, making it impossible to achieve truly peaceful cross-Strait relations. So long as China refuses to give up its military threats and diplomatic suppression against Taiwan, the Taiwanese people will thus be compelled to stand up against China’s threats and suppression in order to seek their survival and development, making it impossible to achieve true stability in the Taiwan Strait. The pressure exerted by China to demand that Taiwan accept a framework of Pax Sinica established under the precondition of “one China principle” is in essence anti-status

quo, anti-democratic, and anti-peace. Only when China achieves democratization will it be feasible for the Chinese leadership to thoroughly adjust its mindset and renounce related actions aimed at pursuing China's military expansion and diplomatic hegemony.

In the face of China's current actions aimed at pursuing its military expansion and diplomatic hegemony, the task of establishing cross-Strait relations based on the principles of mutual benefits, win-win outcomes and peaceful co-prosperity is not only exceedingly difficult, but also extremely important. As a stakeholder with peace and development in the Taiwan Strait, Taiwan has offered a vision of cross-Strait coexistence and co-prosperity to serve as a win-win objective for the cross-Strait reconciliation. We have also proposed a peaceful and stable framework for cross-Strait interactions to serve as a *modus vivendi* for both sides across the Strait in working toward the vision of coexistence and co-prosperity. Although China still boycotts Taiwan's proposition of reconciliation, and while Taiwan harbors no naïve expectations toward China, in recent years both sides have made firm strides forward in a step-by-step manner, reached a consensus on a negotiation model, and completed three agreements. Currently, both sides are engaging in the negotiations on three issues. These negotiations and achievements will open a new era for cross-Strait relations and gradually establish an order as well as a framework for cooperation for exchanges across the Strait, thus laying a firm and solid foundation not only for the peaceful and stable framework for cross-Strait interactions, but also for cross-Strait coexistence and co-prosperity, as well as for the normalization of cross-Strait relations.

Unless the international community is willing to accept a framework of Pax Sinica, global interests and positions on Taiwan Strait conflicts should be consistent with Taiwan's strategic objective of normalizing cross-Strait relations. If the

international community tolerates China's threats and suppression against Taiwan, it will only help the Chinese hegemony assume a more arrogant and peremptory attitude. This would make Taiwan even more apprehensive about engaging in political interaction and dialogues with China and heighten the probability of a military conflict in the Taiwan Strait. The international community therefore should reinforce its political and security support for Taiwan, help Taiwan participate in the international community, and deter China from militarily intimidating Taiwan. This is the way to stabilize the peaceful status quo in the Taiwan Strait, increase Taiwan's confidence in holding talks with China, and make gradual strides toward a peaceful and stable framework for cross-Strait interactions and a vision of cross-Strait coexistence and co-prosperity.

In closing, I wish the conference great success and I hope everything goes well with you all. Thank you.