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TAIWAN'S CHINA STRATEGY AND PROSPECTS OF CROSS-STRAIT RELATIONS

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I. FOREWORD

The antagonism between Taiwan and China has lasted for nearly 60 years. During this period, the Taiwanese people have incessantly faced with China's military threats and diplomatic suppression. Indeed, this is a cruel fact as well as an inescapable inbred nightmare that many Taiwanese people have confronted since their birth. Peace and stability in the Taiwan Strait, however, also involves the international strategic structure, international economic interests, as well as international democracy and human rights. As such, it is an issue of universal concerns to the international community. For example, the 1995-1996 Taiwan Strait tensions brought many Asia-Pacific countries under the shadow of war, raising even the specter of a military conflict involving China, the United States and Japan and immediately bringing the cross-Strait issues into the international spotlight. Finding ways to promote and safeguard peace and stability in the Taiwan Strait has therefore become a question that urgently needs to be resolved by the international community.

Given China's unwillingness to accept a multilateral mechanism and since other countries are unwilling to become directly involved in this thorny issue, consideration and efforts in this regard have universally focused on the bilateral mechanism of a cross-Strait interim agreement or *modus vivendi*. Since February 1998, U.S. scholars Kenneth Liberthal, Joseph Nye, Harry Harding and David Lampton have asserted that before both sides across the Strait can achieve a final resolution to their political disputes, they should reach an interim agreement or *modus vivendi* that is signed under the precondition of bilateral political understanding in order to stabilize interactions in cross-Strait relations and expand cross-Strait exchange and cooperation.

In comparison with the above-suggested political framework, U.S. Assistant Secretary of State Stanley Roth in March 1999 proposed that both sides should sign several interim agreements on functional issues and establish an institutionalized framework for cross-Strait exchange and cooperation in order to gradually resolve cross-Strait political conflicts. In April 2004, U.S. Assistant Secretary of State James Kelly proposed that, given the lack of cross-Strait political dialogue, the U.S. should encourage both sides to reinforce bilateral interaction and discussions on confidence-building measures so as to implement "mutual reassurance mechanisms".

The Chinese government, however, has yet to directly respond to these proposals. This is because Beijing's objective is peaceful submission of Taiwan to China, rather than peaceful resolution of cross-Strait disputes. When facing the complicated and dynamic situation in the Taiwan Strait, many people understand and interpret cross-Strait issues and conflicts from China's perspective. This leads to misunderstanding over the essential nature of cross-Strait relations, often resulting in misdiagnosis and erroneous prescriptions on the development of cross-Strait

relations.¹

Therefore, this paper will first analyze the root causes of cross-Strait issues and conflicts with a view to illuminating the predicament of the present reality in the Taiwan Strait. It goes on to explain Taiwan's China strategy and the significance of a vision of cross-Strait coexistence and co-prosperity. Finally, it elaborates on the concept and related progress of Taiwan's proposed "peaceful and stable framework for cross-Strait interactions" so that such a framework can serve as an interim framework for moving toward the aforementioned vision, while creating a broad avenue for peace and development in cross-Strait relations.

II. THE CRUX OF CROSS-STRAIT ISSUES AND CONFLICTS

The Chinese government has always completely blamed cross-Strait tensions and conflicts 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 conflicts. "*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 and conflicts 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

¹ For instance, in the wake of the 2000 presidential election in Taiwan, majority of international experts asserted tensions or even crises were emerging in the Taiwan Strait.

from the rule of China; and that Taiwan and China have no jurisdiction over each other. This is reality existing in the Taiwan Strait other than political fiction or assertion. Furthermore, tensions and conflicts 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.

Since October 1, 1949, China has asserted that the ROC no longer exists. China has advocated the "military liberation" of Taiwan, with the aim of eliminating the KMT regime in Taiwan to liberate the Taiwanese people as well as implementing a communist system in Taiwan. After the mid-1950s, under the restraints of the Cold War international structure, China lacked sufficient military muscle to annihilate the ROC. As such, China advocated the "peaceful liberation" of Taiwan through the use of both "military" and "peaceful" means to achieve the objectives of making the KMT regime surrender and annexing Taiwan. Since 1979, China has implemented its economic reform and open-door policy, which has made it imperative for China to maintain a stable external environment and to attract Taiwan's capital and technology. Under such circumstances, Beijing has adopted a Taiwan policy of "peaceful unification"; however, it still refuses to renounce the use of force against Taiwan and even frequently threatens to use force against Taiwan.

No matter how China adjusts its Taiwan policy, it still asserts that the ROC has been extinct since 1949. Moreover, China has not deviated from its attempts to annihilate the ROC, annex Taiwan and complete its "great task of national unification" through various means including military intimidation, diplomatic containment, uniting external forces to suppress Taiwan, and attempts to drive a wedge into Taiwan's society. This in turn has prevented progress in the benign

development of cross-Strait relations. Because China is unwilling to acknowledge the fact of the ROC's existence and the status quo in which Taiwan and China have no jurisdiction over each other, Beijing has demanded at every turn that other countries accept the "one China principle", with a view to preventing exposure of its own lies and avoiding the need to face the embarrassing fact of the ROC's existence.

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 re-elections, 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. (See Table 1.)

Table 1. Priority of Foreign Relations over Cross-Strait Relations, 1996-2007

Period	Oct-1996	Sep-1997	Oct-1998	Oct-1999	Mar-2001	Jul-2002
Agree (%)	73.4	71.0	65.8	64.2	71.4	54.5
Disagree (%)	8.8	13.4	16.5	15.0	18.6	22.3
Difference (%)	64.6	57.6	49.3	49.2	10	23.2
Conducted by	(a)	(b)	(c)	(c)	(b)	(a)
Period	Aug-2003	July-2004	Aug-2005	Sep-2006	Aug-2007	
Agree (%)	61.7	66.8	64.3	66.3	63.7	

Disagree (%)	17.7	16.5	22.7	23.3	22.7	
Difference (%)	20.7	16.7	13	10.4	13.6	
Conducted by	(a)	(a)	(a)	(a)	(a)	

Survey conducted by:

- (a) Election Study Center, National Chengchi University
- (b) Center for Public Opinion and Education Studies, National Sun Yat-sen University
- (c) Survey and Opinion Research Group, National Chung-cheng University

Note:

1. Survey question is “If developing foreign ties led to rising tension in cross-Strait relations, would you agree with such an effort?”
2. Effective samples in these surveys are over one thousand.

Source: Mainland Affairs Council, Executive Yuan, Republic of China, “Public Opinion on Cross-Strait Relations in the Republic of China.”

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. (See Table 2.)

Table 2. China’s Hostility toward Taiwan Perceived by the Taiwanese Public, 1995-2007

Period	Toward Taiwan’s government (%)	Toward Taiwan’s people (%)
August 1995 (a)	73.4	46.6
August 1996 (b)	69.4	46.5
August 1997 (b)	82.3	53.0
August 1998 (a)	60.8	52.7
August 1999 (b)	88.5	66.7
May 2000 (b)	76.5	55.6
July 2000 (c)	65.7	48.1
July 2002 (a)	63.7	40.6
August 2003 (a)	70.9	50.7
July 2004 (a)	70.4	48.7
August 2005 (a)	56.8	43.1
September 2006 (a)	61.4	42.4
August 2007 (a)	63.8	44.1

Survey conducted by:

(a) Election Study Center, National Chengchi University

(b) China Credit Information Service, Ltd.

(c) Survey and Opinion Research Group, National Chung-cheng University

Note:

1. Effective samples in these surveys are over a thousand.
2. “Toward Taiwan’s government”: China’s hostility toward Taiwan’s government, as perceived by the Taiwanese public.
3. “Toward Taiwan’s people”: China’s hostility toward Taiwan’s people, as perceived by the Taiwanese public.

Source: Mainland Affairs Council, Executive Yuan, Republic of China, “Public Opinion on Cross-Strait Relations in the Republic of China.”

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”.

Pax Sinica refers to China’s domination of international system and value. 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”.²

In his political report to the 17th Congress of the Chinese Communist Party (CCP), Chinese President Hu Jintao proposed that both sides across the Taiwan Strait reach a peace accord and construct a framework of cross-Strait peaceful development based upon the foundation of the one China principle. Nevertheless, the so-called one China principle itself impedes the negotiation on a peace accord, not to mention signing a peace accord. If Taiwan accepts this precondition for a peace accord, then Taiwan will be a local government of the People’s Republic of China. This peace accord under one China principle would be equivalent to a treaty of surrender for the 23 million people of Taiwan.³

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 system and values. If the international community continues to appease the Chinese 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.

² 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’,” *Zhongguo Shibao* [China Times], April 4, 2006, p. A1.

³ Office of the President, Republic of China (Taiwan), “The New York Times Interview with President Chen Shui-bian,” October 18, 2007.

Over the past 18 years, China's military spending has increased at a double-digit rate. In 2007, Beijing spent US\$45 billion on defense, a 17.8% increase that far exceeds China's economic growth. In 1994, Taiwan's military budget was even larger than China's while in 2007 China's spending was 4.7 times larger than Taiwan's. Various governmental and international agencies estimate that if China's hidden budget including those used for foreign arms procurement is calculated, China's actual national defense budget will be at least three to four times its publicly-released budget figure, suggesting that China spends 14 to 18 times more on defense than does Taiwan. It is clear, therefore, that the objective of China's expansion of its military capabilities is not merely targeted at Taiwan, but with the aim of recovering China's hegemonic status in the Asia-Pacific region or even its global supremacy.

For instance, China's Type 094 nuclear-powered submarine (SSBN) officially entered service in July 2004. It is armed with JL-2 nuclear ICBMs (a submarine-launched version of the land-based DF-31 ICBM) that have a range of 8,000 to 12,000 kilometers, making it clear that the target is not Taiwan. At the end of 2006, the Chinese government officially disclosed that the J-10 fighter had entered service and that R&D work is underway on the J-14 fighter, an equal to the cutting edge F-22 fighter plane of the United States. Recently, high-ranking officers of the Chinese military have further revealed their ambitions by stating that they hope to complete China's first aircraft carrier ("the Beijing") by 2010.

In addition, China has been acquiring Russian submarines, long-range bombers and aerial refueling tanker aircraft. All of this weaponry exceeds what China needs for an attack against Taiwan. China currently has 60 advanced submarines when just 12 to 16 would be sufficient to blockade the Taiwan Strait. Taiwan is only 150 kilometers from China, so it is altogether unnecessary for China to deploy long-range bombers and aerial refueling tanker aircraft for cross-Strait conflicts. As a result, the major

objective of China's increase in the number of its weapons and its upgrading of related weapons system is not directed at Taiwan, but at the United States, Japan and other countries.

However, any Taiwan Strait military conflict would certainly have a disastrous impact on Taiwan, China and the entire Asia-Pacific region, with Taiwan likely to bear the greatest brunt of the harm. Therefore, although facing 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.

In his May 2000 inaugural speech, President Chen Shui-bian made the "four noes and one have-not" pledge, stating that, "So long as China has no intention to use force against Taiwan, [President Chen] guarantees that Taiwan will not declare independence, not change the national title, not promote inclusion of the 'two-states' theory in the constitution, and not promote a referendum on independence versus unification. Furthermore, there is no question of abolishing the Guidelines for National Unification and the National Unification Council." President Chen hopes through his pledge to reduce the risk of an unnecessary military conflict arising from a lack of mutual trust and communication channels.

More actively, Taiwan has proposed a China strategy based on mutual benefits and win-win outcomes, including a vision of cross-Strait coexistence and co-prosperity and a peaceful and stable framework for cross-Strait interactions, so as to gradually promote its national strategic objective of normalizing cross-Strait relations to reconcile the risk of a cross-Strait military conflict. This is described in further detail below.

III. 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 principles 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.⁴

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.⁵

However, the biggest difficulty in normalizing cross-Strait relations is that a delicate and refined democratic Taiwan faces an irrational and fearsome autocratic China. Consequently, the Taiwanese government faces the exceedingly difficult task of how to defend Taiwan's national interests and democratic values, while also creating mutual benefits and win-win outcomes for cross-Strait relations and contributing its limited resources to safeguarding peace and prosperity in the Asia-Pacific region. It is a unique situation perhaps without historical precedent. In this regard, "the principle of democracy" is the bottom line for Taiwan in the development of cross-Strait relations and "political integration" is a win-win model for achieving the vision of cross-Strait coexistence and co-prosperity. Taiwan hopes through a totally new framework to gradually reconcile nearly 60 years of cross-Strait conflicts and confrontation.

⁴ Taiwan Security Research Group and Ming-tong Chen, translated by Kiel Downey, *Democratic Taiwan's New National Security Concept* (Taipei: Dong Fong, 2006), pp. 81-88.

⁵ Ibid. pp. 88-102.

In his May 2000 inaugural speech, President Chen proposed the adoption of “the principle of democracy” for handling cross-Strait issues: “With the principles of democracy and parity, based upon the existing foundations, and constructing conditions for cooperation through goodwill, [both sides of the Taiwan Strait should] jointly deal with the question of a future ‘one China’.” 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.”⁶ In other words, the future development of cross-Strait relations is open: Taiwan can accept a new cross-Strait political relationship in any form so long as it wins the consent of the 23 million people of Taiwan in a peaceful and autonomous environment.

In fact, there is already universal consensus among the ruling and opposition parties in Taiwan on using “the principle of democracy” as a mechanism for Taiwan in handling cross-Strait issues. Facing constant outside suspicions that it was pursuing the objective of “ultimate unification,” the KMT was forced to take out an advertisement in the pro-Taiwan independence newspaper *Liberty Times* on February 14, 2006, to clarify the party’s position. The advertisement emphasized that, “Any change to the status quo of the Republic of China should be approved by the people of Taiwan . . . Based on the spirit of democracy, there are many possible

⁶ Shui-bian Chen, “President Chen’s May 20th Inaugural Speech: Excerpts on Cross-Strait Relations,” Mainland Affairs Council, May 20, 2004, <http://www.mac.gov.tw/big5/mlpolicy/ch930520.htm> accessed on August 10, 2007.

choices for the future of Taiwan. No matter unification, independence or maintaining the status quo, it must be the people who decide.”⁷ What is especially noteworthy is that this is the first time the KMT has publicly agreed that according to the principle of democracy, independence is also an option for the 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.”⁸ 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”.⁹

“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 disputes 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.¹⁰ He emphasized that the EU

⁷ Chinese Nationalist Party, “Taiwan’s Pragmatic Road,” *Lienho Bao* [United Daily News], February 16, 2006, p. A13.

⁸ Shui-bian Chen, “President Chen’s Cross-century Remarks,” Mainland Affairs Council, December 31, 2000, <http://www.mac.gov.tw/big5/mlpolicy/ch9001.htm>, accessed on July 21, 2007.

⁹ Shui-bian Chen, “President Chen Shui-bian’s 2006 New Year’s Day Message,” Mainland Affairs Council, January 1, 2006, <http://www.mac.gov.tw/big5/mlpolicy/ch950101.htm> accessed on July 28, 2007.

¹⁰ Shui-bian Chen, “President Chen’s May 20th Inaugural Speech: Excerpts on Cross-Strait Relations,” Mainland Affairs Council, May 20, 2004, <http://www.mac.gov.tw/big5/mlpolicy/ch930520.htm>, accessed on

model of integration most closely conforms to the four major principles of “sovereignty, democracy, peace and parity”.¹¹

Of course, the successful experience of EU integration was not achieved overnight, but rather required a process of careful planning and patient promotion. Taiwan’s strategy for promoting such a vision of mutual benefits and win-win outcomes for both sides of the Taiwan Strait is: To begin with economic, trade and cultural relations and later proceed to political and military relations; to first establish cross-Strait mutual trust and benefit, and then gradually reconcile the conflict over cross-Strait sovereignty; to first establish a peaceful and stable framework for cross-Strait interactions as a *modus vivendi*, and then work towards a new framework for cross-Strait political integration to achieve lasting peace.

More specifically, Taiwan is willing, through a four-step process, to achieve reconciliation with China and achieve the strategic objective of normalizing cross-Strait relations. The first step is to expand cross-Strait economic, trade and cultural exchanges; the second step is for Taiwan and China to engage in dialogue and consultations on functional, economic and trade issues; the third step is for both sides to seek to establish a peaceful and stable framework for cross-Strait interactions; and the fourth step is to achieve the strategic objective of normalizing cross-Strait relations through political integration.¹²

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

July 28, 2007.

¹¹ Department of Public Affairs, Office of the President, “The President Hosts Luncheon Meeting with Presidential Advisors,” December 23, 2005.

¹² Jaushieh Joseph Wu, “Taiwan: Seeking Meaningful Dialogue,” *Important Documents on the Government’s Mainland Policy*, compiled by the Mainland Affairs Council, (Taipei: Mainland Affairs Council, 2005), pp. 111-113.

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.¹³

In the process of normalizing cross-Strait relations, a peaceful and stable framework for cross-Strait interactions would play an extremely critical role in stabilizing interactions between both sides, reducing the risk of an accidental cross-Strait conflict, constructing order in cross-Strait exchanges, promoting opportunities for cross-Strait cooperation, and thereby 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 thinking on this issue in further detail.

IV. A PEACEFUL AND STABLE FRAMEWORK FOR CROSS-STRAIT INTERACTIONS

During the 2000 presidential race, President Chen stated that both sides of the Taiwan Strait should "establish a stable interaction mechanism." In his 2003 New Year's Day message, he formally proposed to China that both sides hold consultations on "establishing a peaceful and stable framework for interactions." Taiwan's thinking on this subject was more fully elaborated when President Chen was proposing the referendum issue of "Establishing an Interaction Framework for Cross-Strait Peace and Stability" on February 3, 2004. Finally, in his National Day Message on October 10, 2004, and at a high-level national security meeting on November 10, 2004,

¹³ Taiwan Security Research Group and Ming-tong Chen, translated by Kiel Downey, *Democratic Taiwan's New National Security Concept* (Taipei: Dong Fong, 2006), pp. 110-130.

President Chen further supplemented the significance of mutual military trust across the Taiwan Strait. The following section analyzes Taiwan's conception of "a peaceful and stable framework for cross-Strait interactions," China's response, and current progress in this regard.

First, President Chen proposed, 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.¹⁴

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

¹⁴ Shui-bian Chen, "President Chen's Press Conference," Office of President, Republic of China (Taiwan), February 3, 2004.

relevant economic and trade issues.¹⁵

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, joint development of exclusive economic zones, resolution of fishing disputes, currency clearance and settlement, investment protections, financial supervision and management, avoidance of double taxation, intellectual property right protections, judicial mutual assistance, business arbitration, personal security, passenger and cargo charter flights, direct sea and air links, repatriation of illegal immigrants, treatment of ocean waste and fishing labor agreements.

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. It will be very difficult for both sides to reach a consensus on a compromise over their sovereignty dispute in the short term, and long-term hostility will only exacerbate

¹⁵ Shui-bian Chen, "President Chen's 2003 New Year's Day Message: Excerpts on Cross-Strait Relations," Mainland Affairs Council, January 1, 2003, <http://www.mac.gov.tw/big5/mlpolicy/ch920101.htm> accessed July 28, 2007.

mutual animosity or lead to misjudgments. Both sides therefore 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.¹⁶

More specifically, both sides should establish a demilitarized zone and military buffer zone: the former including removal of combat personnel, equipment and deployed missiles, and the latter prohibiting the entry of military planes and ships from both sides except when necessary. Moreover, both sides should formulate measures for prevention of military conflicts, including rules and procedures for close encounters of military aircraft and ships of both sides, as well as rules and protocols for conducting military exercises by both sides to include area of operation, rule and protocols for managing fishing activities at sea with non-official purposes, rescue and relief operations for ocean disasters as well as criminal arrests, appropriate exchanges between military personnel of both sides, transparency in military affairs, and the establishment of a cross-Strait hotline. Furthermore, both sides should prohibit military and economic blockades, and work towards ending the state of hostility in the Taiwan Strait. Finally, both sides should establish an independent oversight committee composed of neutral and objective members to implement confidence-building measures and to avoid military conflict in the Taiwan Strait.

China has not made any concrete response to “a peaceful and stable framework for cross-Strait interactions” since Taiwan first proposed it on January 1, 2003. It was

¹⁶ Chen Shui-bian, “President Chen’s 2004 Address to the National Day Rally,” Mainland Affairs Council, October 10, 2004, <http://www.mac.gov.tw/big5/mlpolicy/c931010.htm> accessed on August 1, 2007.

only after President Chen elaborated on the significance of such a framework during an international press conference on February 3, 2004, that China began to respond to Taiwan's proposal. 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: only when Taiwan accepts the "one China principle" will it be possible to achieve prospects of "peace," "stability" and "development" in cross-Strait relations.¹⁷

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. The thriving development of cross-Strait economic and social exchanges has forced the two governments across the Strait to face the reality of cross-Strait exchange issues, and to establish a governance mechanism and cooperation framework for cross-Strait exchanges. 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

¹⁷ "Authorized Statement by the Taiwan Affairs Office of the Central Committee of the Communist Party of China and Taiwan Affairs Office of the State Council on Current Issues Regarding Cross-Strait Relations," Xinhua News Agency, May 17, 2004.

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 Taiwan's top negotiator Koo Chen-fu and China's top negotiator 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. Although China subsequently passed the "anti-separation law" on March 14, 2005, with China's intention of sabotaging the cross-Strait peaceful status quo and intensifying its military threats against Taiwan, Taiwan continued to act pragmatically. That June, 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 Assistant Secretary Roth. He 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 military confidence–building mechanism. At present, both sides have established a negotiation mechanism on the basis of the “2005 Consensus.” They are also conducting negotiations on the three issues: opening of Taiwan to Chinese tourists, cargo charter flights, and passenger charter flights. If both sides can promptly reach agreements on these issues to further promote negotiations on other functional issues, this will thus lay a solid foundation for a peaceful and stable framework for cross-strait interactions.

In contrast to the Taiwanese government’s conception, Ma Ying-jeou proposed at the end of March 2006 that both sides resume negotiations based on the “1992 Consensus” of “one China, with respective interpretations.” He further proposed that both sides sign a 30- to 50-year peace accord, involving the establishment of military confidence-building measures, official termination of the state of hostilities, and the concomitant development of a *modus vivendi* enabling Taiwan to participate in the international community.¹⁸ Regrettably, Ma’s proposal of a peace accord and a *modus vivendi* is nothing more than a pipe dream he uses to deceive himself and others. This is due to the fact that China has not only repeatedly refuted the KMT’s perception that the “1992 Consensus” refers to “one China with respective

¹⁸ Ling-chia Fan, “Ma Ying-jeou's Harvard Speech on a Cross-Strait Provisional Framework,” *Lienho Bao*, March 23, 2006, p. A4.

interpretations,” but it has also further insisted that the content of the “1992 Consensus” is that “both sides of the Taiwan Strait adhere to the one-China principle.”

On August 4, 1999, China issued a formal statement in the name of “leaders of the Taiwan Affairs Office of the Central Committee of the Communist Party of China and the Taiwan Affairs Office of the State Council.” The statement pointed out that, “In November 1992, the ARATS and the SEF agreed to separately issue oral statements to express a consensus that ‘both sides of the Taiwan Strait insist on the one-China principle’. The Taiwan authorities have distorted this consensus to mean ‘one China with respective interpretations by the two sides,’ in order to press forward with their separatist position under the name of ‘respective interpretations’ . . . The ARATS has never acknowledge this and in the future it will never accept the so-called ‘one China with respective interpretations’ notion fabricated by the Taiwan authorities.”¹⁹

On February 21, 2000, The Chinese government published its second White Paper on Taiwan. The White Paper stated, “In order to appropriately resolve concrete issues of exchanges by bilateral compatriots across the Taiwan Strait through negotiations, in November 1992, the ARATS and Taiwan’s SEF reached a consensus amidst functional negotiations that both sides expressed respectively in oral that ‘Both sides across the Taiwan Strait insist on the one China principle.’ ”²⁰

In June 2005, right after the meetings in Beijing between then KMT Chairman Lien Chan and Chinese President Hu Jintao as well as then People First Party Chairman James Soong and Hu Jintao, the ARATS published a book entitled *Jiuer*

¹⁹ Cuo-zhong Wang, “China Taiwan Affairs Office Made Formal Response to Mainland Affairs Office,” *Zhongguo Shibao*, August 5, 1999.

²⁰ Taiwan Affairs Office and Office of Information, State Council, PRC, “One China Principle and the Taiwan Issue,” February 21, 2000.

Gongshi Lishi Cunzhen [Historical Evidence Regarding the Existence of the 1992 Consensus], in which it strongly refuted the claim that there was such a thing as the “1992 Consensus” of “one China with respective interpretations.” The book emphasized that, “The Taiwan authorities . . . have distorted the consensus reached between the ARATS and the SEF, falsely claiming that both sides across the Strait ever reached a consensus on ‘one China with respective interpretations,’ and going so far as to say that the consensus is that ‘each side may interpret the meaning of one China, respectively’ in defense of Lee Teng-hui’s separatist ‘two Chinas’ activities . . . the ARATS staunchly opposes the Taiwan authorities’ distortion of the ARATS-SEF consensus as ‘one China with respective interpretations’ . . . We demand that the Taiwanese leader unequivocally acknowledge the ‘1992 Consensus,’ meaning that we demand he return to the position that ‘both sides of the Taiwan Strait adhere to the one-China principle’.”²¹

Ma Ying-jeou has publicly indicated that the KMT would not accept the “1992 Consensus” if it simply means “one China.”²² However, from the above-mentioned Chinese official statements and documents, it is very clear that for China, the so-called “1992 Consensus” indeed refers to its “one China principle,” yet Ma has not retorted or protested. Ma’s proposal might put Taiwan under the framework of Pax Sinica, and draw both sides into the dispute over the “one China principle” once again. It could even undermine the painstakingly achieved consensus on the current negotiation model and the foundation of a peaceful and stable framework for cross-Strait interactions.

²¹ Association for Relations Across the Taiwan Straits ed., *Jiuer Gongshi Lishi Cunzhen* [Historical Evidence Regarding the Existence of the 1992 Consensus] (Beijing: Jiuzhou Publishing Co., June 2005), pp. 3, 12-13 and 15.

²² Shu-ling Lin and Hsu-tsen Hsiao, “Chen and Ma Debate the 1992 Consensus, Chen Calls on Hu Jintao to Accept the Formula of ‘One China with Each Side Having its Own Respective Interpretation’,” *Zhongguo Shibao*, April 4, 2006, p. A1.

V. 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. Taiwan has 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.

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