



Seize the Moment—Cross Strait Relations After the Antiseccession Law

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As 2005 began, tension-filled relations between the People's Republic of China (PRC) and Taiwan developed "certain signs of relaxation" and some "new and positive factors," said Chinese leader, Hu Jintao. The Spring Festival charter flights across the Taiwan Straits established a two-way direct air link between the two sides for the first time since 1949. Beijing also sent two senior officials to attend the funeral of former Straits Exchange Foundation (SEF) chairman Ku Chen-foo. Humbled by the Democratic Progressive party's (DPP's) setback in last year's Legislative Yuan elections, President Chen put a brake on the proindependence movement in Taiwan, reaching out to the opposition party for help on Cross-Straits relations. Chen and People First party (PFP) Chairman James Soong issued a 10-point statement in which Chen reiterated his pledge not to declare Taiwan independence during his term and endorsed the existing "one-China-based" constitution of the Republic of China as the common denominator in Cross-Straits relations. In response, Chinese president Hu Jintao issued a conciliatory four-point statement to redefine Beijing's policy toward the DPP government in Taiwan.

In the midst of these positive developments, the Chinese National People's Congress, as widely anticipated, passed a controversial Antiseccession Law (ASL) on March 14 in which "nonpeaceful means" to resolve the Taiwan issue were made legal. This law was criticized by Taipei as a "law of war" and "law of aggression" aimed at unilaterally changing the status quo across the Taiwan Straits. Hundreds of thousands of Taiwanese took to the streets on March 26 to protest the law. The

Taiwan authorities suspended some Cross-Straits exchange programs. Washington characterized the law as "unhelpful" and its passage as "unfortunate." The U.S. House of Representative passed a resolution condemning the law. In the words of Taiwan's leader Chen Shui-bian, the ASL is "a black cloud over the sky of the Cross-Straits" that may bring a devastating storm to Taiwan. Apparently the tension between two sides was on the rise again. In the wake of the ASL, however, Taiwan opposition party leaders, Lien Chan and James Soong, paid historical visits to the mainland in succession in April and May. The "mainland fever" intensified by the visits at least on the surface offset the negative sentiment resulting from the passage of the law and rekindled the hope for more stable and benign Cross-Straits relations.

The dazzling twists and turns in Cross-Straits relations have raised many questions: To what extent has the ASL slowed the momentum of the thaw in Cross-Straits relations? To what extent have Lien's and Soong's visits breached the chasm between the two shores? How can Taipei and Beijing get around the roadblock of the one-China principle to realize meaningful reconciliation? What kind of role can the United States play in this process?

A Short-Term Mistake

The ASL was widely criticized. But to be fair to Beijing, it is unrealistic to charge that the law is an attempt on China's part to change the status quo unilaterally. On the contrary, it can be

regarded as a desperate effort by Beijing to check the perceived proindependence initiative in Taiwan. As James Soong bluntly put it, the law was compelled by Chen Shui-bian's attempt to push the envelope. As far as the substance of the issue is concerned, the law is largely a codification of existing policies. In other words, the law per se by no means changed the status quo. Rather it was aimed at preserving the status quo in which Taiwan is separate from mainland China but does not enjoy *de jure* independence. The Bush administration understands this, explaining why Washington never formally or officially accused Beijing of unilaterally changing the status quo. Secretary of State Condoleezza Rice implicitly characterized the law as an act that "unilaterally raises tension" in the Taiwan Straits, and for that reason Washington dislikes it. That said, however, granting Beijing's policies more authoritative and solemn legal status has significance for Cross-Straits relations. The message Beijing wants to send to Taipei is that if it continues to move toward independence, Beijing will have no choice other than to respond with legally sanctioned force. In other words, by driving itself into a corner, Beijing hopes to forestall Chen Shui-bian's declared timetable of passing a new constitution by a referendum in 2006 and putting it into force in 2008. In a sense this is a preemptive move on Beijing's side to prevent the actualization of a scenario in which Beijing is compelled to use force.

The function of the ASL to the PRC resembles the function served by the possession of nuclear weapons. The main value of nuclear weapons resides in their latency. By the same token, the main purpose of the "nonpeaceful means" clause is to make the use of force unnecessary. In other words, the law serves as a deterrent to prevent Taiwan's *de jure* independence rather than compelling unification with force. Thus in the long run, the ASL could stabilize Cross-Straits relations by creating a new triangular network of checks and balances among China, Taiwan, and the United States in which each side would possess a legal "lethal weapon" to punish another's misbehavior. Washington could use the Taiwan Relations

Act (TRA) to deter the mainland's unprovoked use of force against Taiwan. Beijing could evoke the ASL to prevent Taiwan from slipping out of hand. Finally, Taipei could use the referendum law as a last resort to turn *de facto* into *de jure* independence if Beijing wantonly used force against Taiwan. Consequently, a fragile but viable status quo could be sustained in the Taiwan Straits for some time to come.

What matters in Cross-Straits relations is not Beijing's intention but the perceptions of people in Taiwan and the United States. Particularly in light of the gradual warming up of Cross-Straits relations, the ASL was bound to be perceived as ill advised or even provocative. In other words, the timing of the law was unfortunate. If Beijing had passed this law in early 2004, when Chen was trumpeting a defensive referendum, its reception might have been very different. Under the current circumstances, however, the law can have only a negative short-term impact on Cross-Straits relations. Among other things, it unnecessarily energized the proindependence fundamentalists in Taiwan, providing ammunition for them to agitate antimainland sentiment in the public and to put pressure on the DPP government to slow down the pace of Cross-Strait relaxation. Regardless of Chen Shui-bian's real intention in the Chen-Soong 10-point statement, the law made the continuation of Cross-Strait detente more difficult in the short term. If Chen was sincere in moving toward recognizing the one-China principle, the law would certainly make his job of persuading the hard-liners within his party more difficult. If he was insincere in favoring Cross-Straits reconciliation, Chen could use the law as a hot-button issue to mobilize his party and rally the public to confront the mainland. With his skillful manipulation, the public displeasure toward Chen's government could be shifted easily toward the mainland.

The law also caused political backlash in the United States. After giving repeated counsel not to pass the law, the Bush administration was disappointed. The passage of the law angered Congress and contributed to the resurgence of the

“China threat” in the media and among the public. Perhaps the most unexpected casualty resulting from the law is the European Union’s decision to postpone lifting its arms embargo against China, a political gain Beijing is eager to score in its contest with Washington.

Hu’s “New Deal” for Taiwan

The most serious effect of the fallout is that the ASL has obscured the important messages Beijing intended to send to Taiwan and the world through Hu Jintao’s landmark four-point statement. Before and after the passage of the law, the Western media’s coverage of the NPC session overwhelmingly focused on the law, obliterating Hu’s statement. Consequently, some important messages in his talk probably have gotten lost in the noise generated by the ASL. In reality, however, as far as Cross-Straits relations are concerned, Hu’s speech is far more significant than the ASL. It can be said that the law is a new bottle for old wine, but Hu’s statement is an old bottle containing new wine. In a number of aspects, Hu’s four points departed from Beijing’s traditional thinking on the Taiwan issue, opening new ground for Cross-Straits dialogue.

First, Beijing significantly changed its attitude toward Taiwan’s leader, Chen Sui-bian, and the DPP. Ever since 2000 when Chen was elected the president of Taiwan, Beijing has taken an approach of “wait and see” (listening to his words and observing his deeds) toward Chen and his DPP cohorts. Chen’s strategy of “making a new constitution through a referendum” and his campaign of “de-Sinicization” before and after the 2004 presidential election almost convinced Beijing that he was a diehard proindependence politician who was determined to implement the DPP’s political agenda of Taiwan independence during his tenure. This view was the initial driving force behind Beijing’s growing urgency to push through the ASL. Hu’s statement, however, revealed that Beijing had turned around in its treatment of Chen, whose record of proindepend-

dence activities was completely forgiven. As Hu put it:

No matter who he is and which political party it is and no matter what they said and did in the past, we’re willing to talk with them on issues of developing Cross-Straits relations and promoting peaceful reunification as long as they recognize the one-China principle and the “1992 Consensus.”

Such a “let-by-gones-be-by-gones” approach cleared the way for Beijing to deal directly with Chen and his government in Taiwan when opportunities arise.

Second, the sticking point hindering Cross-Straits dialogue has long been the one-China principle. Beijing insists that the recognition of this principle should be the prerequisite for official talk, whereas Taipei argues that it can be an agenda item but not a precondition. Ostensibly by asserting that Beijing will “never sway from adhering to the one-China principle,” Hu’s statement reveals that the mainland is still unwavering in this regard. But a closer look indicates that even on this issue of principle, there can be room for flexibility. In the past the recognition of the one-China principle often was understood as a fixed point. One either recognized it or did not recognize it. No ambiguities were allowed. In Hu’s speech, however, the recognition of the one-China principle began to be seen more as a process in which a series of small steps could be taken. He declared: “We welcome the efforts made by any individuals or any political parties in Taiwan toward the direction of recognizing the one-China principle.” In other words, as long as Chen moves “toward the direction of recognizing the one-China principle,” Beijing may be willing to deal with him in a certain way. That, of course, opened a crack in the door leading to government-to-government contact across the Taiwan Straits. Evidently the Chinese leadership regards the recent Chen-Soong 10-point statement as an indication that Chen is willing to move toward recognizing

the one-China principle one way or another. For the first time, Beijing viewed Chen's statement through a positive lens.

Although Beijing's traditional position was to "place hope in the Taiwan people," Hu's statement also placed some hopes in the Taiwan government. He appealed to Chen Shui-bian directly: "We hope the leader of the Taiwan authorities can earnestly fulfill the 'five no's' commitment he reaffirmed on February 24, as well as his commitment of not seeking the 'legalization of Taiwan independence' through 'constitutional reform.'" Instead of accusing Chen of "insincere, empty talk" and "playing tricks," as Beijing often did in the past, Beijing took Chen's pledges more seriously this time.

Finally, Beijing further expanded the scope of possible agenda items for future Cross-Straits negotiations. Hu Jintao declared that as soon as the DPP government acknowledges the 1992 Consensus (each side interprets the one-China principle in its own way), the dialogues and talks between the two sides of the Taiwan Straits can be resumed immediately and can be carried out on a broad range of topics and issues, not just on items previously proposed such as the official conclusion of the state of hostility between the two sides, the establishment of military mutual trust, the room that the Taiwan regime can use to engage in international operations compatible with its status, the political status of the Taiwan authorities, the framework for the peaceful and stable development of Cross-Straits relations, and "any new issues emerging from the process of peaceful reunification." Probably anticipating the possible negative reaction to the forthcoming ASL, Hu offered some economic goodies to Taiwan, including the regularization of charter flights and cargo charter flights and importing Taiwan's farm products. He also promised more policies aimed at promoting and protecting the rights and interests of Taiwan's compatriots.

In short, Hu's four-point statement has expanded the flexibility of Beijing's Taiwan policy at least in three domains: objects involving contact, agenda items for dialogue, and connotations

of the one-China principle. These new forms of flexibility were reflected in concrete ways in Hu's talks with Taiwan's opposition leaders. But in the perceptions of the United States and Taiwan, Hu's speech seems to be at odds with the main thrust of the ASL. The tone of the "nonpeaceful means" clause in the law offsets the goodwill expressed in Hu's four points. From Beijing's viewpoint, there is no inherent contradiction between Hu's four-point statement and the ASL. Indeed the two could supplement each other. Precisely because Beijing feels more assured by the passage of the ASL, it has become more confident in using peaceful means to manage Cross-Straits relations and can afford to be flexible on specific issues. But for outside observers, the two are fundamentally incompatible. For many the "nonpeaceful means" clause in the ASL almost eliminated all the goodwill contained in Hu's speech. Although Chinese leaders and the media have painstakingly tried to portray the law as "a law of peace," it has turned out to be a tough sell in Taiwan and the West.

Damage Control Is in Order

As discussed earlier, the passage of the ASL cast some shadows over stability in the Taiwan Straits. It damaged Beijing's new initiatives toward Taiwan as manifested in Hu's speech. It also strained Sino-U.S. relations. On balance, however, the negative fallout has been limited, and the damage is not irreversible. Both Washington and Taipei demonstrated restraint in reacting to the law. President Bush, although "unhappy" with the law, did not publicly rebuke Beijing as he did Taiwan in December 2003. Congress did pass a resolution urging the dissipation of negative sentiments, but the Republicans once again deferred to Bush on China policy. Radical proposals, such as abandoning the one-China policy, did not gain enough support on Capitol Hill. The Congressional Taiwan Caucus may cause trouble on other China-related issues. Congress simply could not maintain its focus on the law while its

members had other more salient issues in U.S. foreign and domestic policies to address. The United States realizes it cannot do much to penalize China for passing a domestic law, just as Beijing realized it could not do much to stop Congress from passing the Taiwan Relations Act in 1979.

Some worried that Taiwan would overreact, putting more pressure on Congress to take more forceful action, but Taipei's overall reaction proved to be controlled. DPP government officials uttered tough words but did not take many tough actions. The government suspended some Cross-Straits exchanges and delayed other programs but did not declare any major change in its mainland policy by returning to the old trick of highlighting the identity and sovereignty of Taiwan. The March 26 demonstration was massive but fell short of the 1 million predicted by the DPP. The Pan-Blue camp did not join the outcry against the ASL and boycotted the parade. Chen Shui-bian took part in the demonstration but did not deliver inflammatory remarks. The slogan he shouted was, "Want democracy, love peace," which has little to do with his trademark theme of "Taiwan is a sovereign and independent state." The Taiwan Solidarity Union (TSU) did introduce a so-called Antiannexation Law to counter the ASL. Had it been enacted, Beijing certainly would have considered it "a major incident leading to independence." But support for such confrontational legislation was simply not there.

These modest responses from Taipei and Washington, however, do not suggest that the ASL is harmless and has not generated significant consequences. Reactions from Taiwan and the United States are ongoing. The bad blood the law has created between China and the United States and between mainland China and Taiwan will linger for some time. Taipei was certainly not in the mood to accept the olive branch extended by Hu Jintao in the environment created by the law. If not handled properly, the budding trend of reconciliation across the Taiwan Straits could be stopped. Worse, Cross-Straits exchanges could be curtailed, as indicated by Taiwan's Mainland Af-

fairs Council's (MAC's) decision to disallow some mainland media to station reporters in Taiwan. Avoiding this slippery slope in Cross-Strait relations by overcoming the short-term difficulties created by the ASL and seizing the moment to anchor Cross-Straits relations on a more stable foundation present a serious test of the political wisdom of both mainland and Taiwan leaders.

Beijing Should Learn from Mao Zedong

According to a Chinese saying, "Who tied the knot should untie it." To remedy the negative fallout stemming from the ASL, Beijing needs to take initiatives to dampen ill feelings across the Taiwan Straits. As the bigger and stronger party in Cross-Straits relations, Beijing shoulders more responsibility than Taiwan for maintaining stability and peace in the Taiwan Straits. It also should demonstrate more sensitivity to the feelings of the Taiwanese side resulting from being the smaller and weaker party in the dyad. The timing of the passage of the ASL was not well chosen. The incompatibility between Hu Jintao's speech, which contained the carrots offered in his approach to Taiwan, and the stick in the ASL is undeniable no matter how hard Beijing tried to reconcile them and has raised people's suspicions of Beijing's real intentions. Signs that became apparent in the wake of the passage of the ASL showed that Beijing realizes this problem. Secretary of State Rice, after her talks with the Chinese leaders in late March, got the impression that Beijing was considering taking measures to reduce tensions.

First and foremost, Beijing tried to use socio-economic benefits to soften the blow of the ASL. Even within the law, provisions for economic sweeteners are mixed with prescriptions for bitter medicines for independence. In the March visit of the KMT delegation led by Vice Chairman Chiang Pin-kung, Beijing offered a wide range of possibilities to expand economic and other func-

tional ties with Taiwan, including the regularization of nonstop Cross-Strait charter flights for both passengers and cargo, the immigration of mainland fishing workers to Taiwan, cooperation in service industries, an investment protection law for Taiwan businessmen, the exchange of permanent reporters, the exchange of college students, the promotion of Cross-Straits tourism, and a common crackdown on Cross-Straits crime. The most significant item that may have potential political repercussions is the overture regarding Taiwan's farm products. Hu Jintao mentioned it in his four-point statement. In the consensus reached between the Chinese Communist party (CCP) and Chiang's KMT delegation, the scheme became more specific. The mainland is willing to allow five provinces to establish cooperative experimental zones in which Taiwan farmers could invest. These five provinces include Fujian, Haian, Shandong, Heilongjiang, and Shaanxi. For the export of agricultural products from Taiwan, especially fruits and vegetables from the central and southern part of Taiwan, Beijing is planning to make preferential policies and take convenient measures in customs, inspection and quarantine, and logistics in order to facilitate the sale of these products in the mainland market in a timely manner.

Beijing's choice of farm products to show its goodwill was not based on economic considerations alone. The central and southern areas of Taiwan are well known for supporting the DPP. Farmers in those regions constitute the strongest political base for Chen Shui-bian. Their last-minute mobilization literally delivered the presidency once again to Chen in the 2004 presidential election. Their products faced increasing competition from foreign agricultural products after Taiwan joined the World Trade Organization (WTO). The mainland provides a potential market the farmers of Taiwan badly need. Beijing recognized the problem and considered inviting various agricultural groups to visit the mainland as early as last year. This move is considered politically savvy because it may have the effect of pulling the rug out from under the DPP. If farm-

ers in southern Taiwan get involved in the network promoting Cross-Straits economic interdependence, their political views, which often hold the balance in Taiwan politics, may change in favor of Beijing.

In the visits of KMT Chairman Lien Chan and PFP (People First party) Chairman James Soong, Beijing offered even more broad-ranging prospects for Cross-Straits socioeconomic cooperation. Hu Jintao and the two opposition leaders discussed the possibility of establishing a Cross-Straits "common market" or a "free trade area." To make its promises more credible and to show its sincerity, Beijing unilaterally announced generous economic concessions immediately after Lien's and Soong's visits. Those benefits include, among other things, presenting a pair of giant pandas to Taiwan, expanding the number from 12 to 18 of the kinds of fruit Taiwan can export to the mainland market and exempting at least 10 kinds of Taiwan fruit from tariffs, lifting a ban that prevents mainland residents from traveling to Taiwan, facilitating the entry and exit of Taiwanese to and from the mainland, reducing the tuition of Taiwanese students studying on the mainland to the same level as that paid by their mainland counterparts, setting up scholarships for university students from Taiwan, and facilitating the employment of Taiwan students on the mainland.

Although the accumulation of those socioeconomic incentives is certainly attractive to both the Taiwan business community and the general public alike, they are not sufficient to compensate for the lack of political trust, communication, and dialogue in Cross-Strait relations and for the anger and resentment among the Taiwanese caused by the ASL. To address this issue, Beijing made a strategic decision to invite Taiwan opposition leaders Lien Chan and James Soong to visit the mainland. The visits per se, irrespective of substance, were important because they set up a new channel for Cross-Straits high-level consultation. For both Lien and Soong, accepting the invitations gave them the opportunity to set foot on the soil of China for the first

time since 1949, when Taiwan separated from the mainland. During their talks with the Chinese leaders, they touched on various political issues. Beijing realized that Taiwan's people are not only concerned with obtaining economic benefits from Cross-Straits relations; they also are concerned with Taiwan's dignity and respect in the international community.

In this respect, Taiwan's observer status in the World Health Organization (WHO) stands out as a long-time irritant to building confidence across the Taiwan Straits. Beijing's perceived high-handedness in dealing with Taiwan during the SARS epidemic in 2003 iced the hearts of many Taiwanese. As a matter of fact, some Chinese scholars and analysts suggested to the central government long ago that it be more flexible on the issue of "international space." In Hu Jintao's summit meetings with Lien and Soong, the issues of Taiwan's international space in general and its participation in the WTO in particular were discussed. Beijing expressed its willingness to be more flexible. It was reported that the United States and China had reached an agreement on this issue and that the message was sent to Taiwan by Washington. In any case, these "rumors" indicate that even on the sensitive political issue of Taiwan's international space, Beijing showed some flexibility as "compensation" for the negative fallout from the ASL.

Beijing's dramatic "opposition party diplomacy," although helping to ease tension and creating a better atmosphere in Cross-Straits relations in the aftermath of the ASL, has its limitations. For one thing, none of the opposition parties has the executive authority to implement any agreements they reach with Beijing without the endorsement of the ruling DPP government. When Beijing rolled out the red carpet for Lien and Soong, treating them as heads of state rather than heads of opposition political parties, President Chen naturally felt sidelined and therefore was reluctant to accept the mainland overtures conveyed by the opposition leaders. If Beijing overplays its hand in this "divide-and-rule" strategy, it could backfire and trigger Taipei's defen-

sive mechanism to become more intransigent on Cross-Straits exchanges. The initial negative reaction from Taipei to a KMT delegation's mainland visit in March pointed in that direction. To achieve a real breakthrough in Cross-Straits relations, Beijing will have to find a way to deal directly with Chen's government.

Since Chen was elected president in 2000, Beijing has been agonizing over how to deal with him. Initially Beijing refused to deal with his government at all and to take measures to ease Cross-Straits tensions through the "three links" and other means for fear that Chen's government would get credit that would in turn increase his and the DPP's political capital in the next election. Beijing reiterated that the situation across the Taiwan Straits is grim and tense. The implication is that Chen Shui-bian should be held responsible for tensions in Cross-Straits relations. After Chen was reelected in 2004, much to the mainland's dismay, Beijing faced two tough choices: continuing to ignore him and therefore causing Cross-Straits relations to stagnate or finding some other way to reduce tensions between the two sides by expanding Cross-Straits economic relations and other functional interactions. If Beijing took the first choice, Chen, of course, could not get any credit for improving Cross-Straits relations. In the meantime, however, Beijing might further alienate the general public in Taiwan and push the island farther toward independence. In other words, Beijing cannot fulfill its promise of promoting the interests of Taiwan's people by shunning the DPP government and pushing it out of the picture.

After several experiments such as the Spring Festival charter flights, Beijing seems to have found a middle strategy to resolve this dilemma. It could be called a credit-sharing strategy. Beijing makes a decision to provide more socioeconomic benefits to Taiwan. But it does not want to give full credit to the DPP government. Instead, Beijing prefers to offer functional benefits first to opposition political groups. That puts heat on Chen's government to turn those offers into policies. If it adopts such policies, credit is shared—

as it was in the case of the Chinese New Year charter flights. Because Beijing talked to KMT officials first, the opposition and Chen's government, in the eyes of the general public, shared credit for the flights. The most recent visits by Lien Chan and James Soong continued this pattern of credit sharing. By providing substantial economic benefits to the Taiwan public through opposition parties, Beijing hopes to mount public pressure on Chen's government to force him to accept at least some of the economic sweeteners offered by the mainland.

Of course, Beijing understands that granting high-profile visits to opposition party leaders while making the DPP government look bad cannot substitute for policy decision making in Taiwan. After all, only the ruling DPP party has the power to turn into reality "consensuses" reached with Hu and Lien as well as Soong. Therefore, Chinese leaders and officials made clear that Beijing also is willing to "have contacts and associations" with Chen and the DPP. In his meeting with PFP Chairman James Soong, Hu Jintao sent a clear signal that he is ready to deal with Chen and the DPP as long as the Taiwan authorities accept the one-China principle and acknowledge the 1992 Consensus.

Complying with this precondition overnight, of course, would be hard for Chen and the DPP. It is fair to say that Beijing's definition of the one-China principle has become more flexible and inclusive over the years, as it has gone from asserting that the PRC is the sole legitimate representative of China and that Taiwan is part of the PRC to stating that both the mainland and Taiwan belong to one China, which is not necessarily the PRC. In recent talks with Taiwan's opposition leaders, Beijing further relaxed its interpretation of the one-China principle. In the Hu-Soong joint communiqué, Beijing publicly acknowledged for the first time the Taiwanese version of the 1992 Consensus—that is, although both sides recognize that there is only one China, each interpretation of what China is can be different from the other. That is a significant concession on the part of Beijing, for it indicates that

the mainland no longer denies the legitimacy of the government in Taiwan. Hu and Soong also agreed to reformulate the 1992 Consensus as "two shores, one China," which is consistent with the Constitution of the Republic of China that Chen Shui-bian endorses (the so-called constitutional one China). Another breakthrough in the communiqué concerns the fact that Beijing, for the first time, made an explicit commitment in writing that as long as Taiwan does not seek independence, China will not use military force against it ("no Taiwan independence, no military conflicts"). With Taiwan independence no longer an option, Beijing agreed to negotiate with Taiwan to set up a framework for peace across the Straits that would formally end the state of hostility and eventually result in a Cross-Straits peace accord.

Immediately after the release of the Hu-Soong joint communiqué, President Chen insisted that China did not make any concessions and did not offer anything new. He brushed aside the new formula of two shores, one China as Beijing's effort to "Hong Kong-ize" Taiwan. It was predictable that Chen and his DPP cohort would not accept this new formula quickly and easily. But it is plausible that he may move in that direction gradually over time. If one accepts the logic that recognizing the one-China principle is a process, then the challenge for Beijing is determining what to do when Chen takes some baby steps in the desired direction but has not yet reached the end point of recognizing the one-China principle. Here Beijing needs more creative "new thinking." Can Beijing respond in parallel reciprocity by taking baby steps toward recognizing the DPP government as a legitimate authority? In this respect, one could suggest that Beijing learn from Mao Zedong and Zhou Enlai. We may recall that when Mao made the strategic choice to open China's door to Richard Nixon, the United States still recognized Taiwan as the sole legitimate government of China. Even in the Shanghai Communiqué, the United States did not explicitly recognize the one-China principle. That, however, did not prevent Beijing from talking and

negotiating with Washington. If Mao had insisted that China would not deal with Nixon unless the United States immediately recognized the one-China principle, there probably would never have been a normalization of Sino–U.S. relations. Even after Nixon’s visit, the United States maintained diplomatic relations with Taiwan. But Beijing had no problem establishing a semiofficial liaison office with the United States. In other words, the U.S. one-China policy evolved in a long process. During that process Beijing was willing to take some parallel steps to establish relations with Washington.

Chinese leaders often claim that the Taiwan people are “our flesh-and-blood brothers.” If so, why can’t Beijing treat its compatriots more “magnanimously,” to use a term used by Congressman Jim Leach, than foreigners? If Beijing regards Chen Shui-bian’s “five no” pledges in the Chen-Soong 10-point statement as positive developments in acknowledging the one-China principle, there is no reason why Beijing, in order to encourage Chen to go even further, could not resume contact and dialogue with Taipei by participating in meetings between the semiofficial Association for Relations Across the Taiwan Straits (ARATS) and Straits Exchange Foundation (SEF), which would be similar to the liaison office approach China used in its early engagements with the United States. Of course, one is not suggesting here that the relationship between the mainland and Taiwan is the same state–state relationship as that between China and the United States. But the logic involved in maintaining these relationships is of the same persuasion. Mindful of all the caveats, one is talking about relations between two separate political entities within the framework of one China.

For obvious reasons in the Cross-Straits relationship, Taipei is sensitive about equality. Beijing understands that and over the years has gradually changed its attitude toward defining Cross-Straits relations as those between a central government and a local government. Both the ASL and Hu’s four-point statement confirmed equality between the two sides across the Taiwan

Straits, emphasizing that the two sides in the talks have “equal footing” that does not allow “one side to swallow the other.” Such a gesture received a favorable response from Taiwan’s public. But Beijing should not be content with talking about equality. Instead, it should learn to treat Taiwan as an equal in words and in deeds. Some Chinese officials are still accustomed to talking about Taiwan from a commanding position. Chinese Foreign Minister Li Zhaoxing, for example, during a recent NPC session, made remarks about Taiwan that showed contempt—pretending he did not know the names of Taiwan’s leaders and asserting that Taiwan is just a region of China and should not have a constitution. That kind of dismissive remark certainly did not resonate well with Taiwan’s people. Beijing also should reconsider whether it is wise to block the Taiwan leaders’ appearance on all international occasions and to oppose any effort by the Taiwanese authority to expand its already limited international presence. For example, Beijing should not have read too much into Chen Shui-bian’s trip to attend Pope John Paul II’s funeral in April. Although Chen stayed in the Vatican for a few hours and that might have made him feel good, it did not change the nature of relations between China and Italy. Beijing does not need to feel offended about it. By the same token, Beijing need not dilute its diplomatic clout by competing with Taiwan for the diplomatic recognition of some tiny countries.

Chen Shui-bian Could Be Taiwan’s Nixon

President Chen has reasons to be upset by the passage of the ASL in Beijing soon after he, along with PFP leader James Soong, had issued a pro–one-China statement despite strong opposition from his own party. This was perceived, not without some justification, as a slap in his face. People were worried Chen would take advantage of the ASL to rally the Taiwan people and reverse the political trend on the island, as he often had

done in the past. But it did not happen this time. On the contrary, in the wake of the massive ASL demonstration in Taiwan, the KMT and the PFP dispatched high-level delegations to pay tribute to Beijing. Besides other factors, this dramatic sequence of events reflects the significant change that has occurred in the political climate in Taiwan.

In the 2004 presidential election, the political game among political parties was to compete to show who was tougher on China and who was able to draw more distance from Beijing. Chen played the Taiwan identity card very effectively. The Pan-Blue candidates had to craft their views of the mainland and unification carefully out of fear of being made to put on a “red” or a “pro-Beijing” cap and charged with “betraying Taiwan.” To make the leader and the party more compatible with the mainstream trend of highlighting a separate Taiwan identity, the KMT candidate, Lien Chen, for example, departed to some extent from his party’s long-standing position on one China. He supported the referendum law and once said that independence could be an option for Taiwan, emphasizing that the two sides of the Taiwan Straits are two separate, sovereign states. Emboldened by his narrowly won victory in the presidential election, Chen hoped to repeat the miracle in the legislative elections last December by playing the same mainland card. The DPP’s unexpected setback, however, indicates that Chen’s campaign strategy of provoking Beijing in order to highlight the identity of Taiwan has its limitations. The consciousness of Taiwan identity is on the rise, but it does not necessarily mean that the public will unconditionally embrace Chen’s agenda for Taiwan independence.

Since the legislative elections and with the help of the successful Spring Festival charter flights, the overall public trend in Taiwan has turned toward favoring improving relations with the mainland. The ASL, although counterproductive, did not completely reverse this trend. The public attitude toward the mainland can be deduced from the generally favorable public opinion expressed toward the KMT and the PFP del-

egations’ visits to the mainland in the wake of the passage of the law and the March 26 demonstrations against it. Riding this incipient trend in public opinion, the opposition parties decided to make their “ice-breaking” and “bridge-building trips” to enhance their positions in domestic politics. Evidently the KMT and the PFP were no longer so apprehensive about being accused of “betraying” Taiwan or selling it out. Apparently every politician wants to get onto the bandwagon of visiting the mainland. Both Lien Chan and James Soong were more than eager to accept Hu Jintao’s invitations. The speaker of the Legislative Yuan, Wang Jin-pyng, publicly proposed that the legislature invite China’s NPC chairman, Wu bangguo, to visit Taiwan and stated that he was also willing to visit China to help improve ties if necessary. Even the proindependence DPP chairman, Su Tseng-chang, announced that when the situation was right, he also would be willing to visit the mainland. A well-known Taiwan business tycoon, Hse Wen-long, previously a staunch supporter of President Chen, made a 180-degree turn by endorsing the one-China principle and even the ASL. The popular Taipei mayor, Ma Ying-jeou, one of the most promising presidential candidates for 2008, publicly pledged to seek reunification with China and declared that Taiwan independence will never be an option for him. In short, the political atmosphere in Taiwan today is quite different from the situation before the presidential election in 2004. Under such circumstances, even Chen Shui-bian does not want to exploit the ASL for domestic political gains; he may not be as successful as he was in the past.

President Chen has to admit that Lien’s and Soong’s visits to the mainland have significantly shaken the geopolitical landscape in Taiwan. Public opinion shows that their visits were more or less welcomed and endorsed by a majority of Taiwan’s population. How to manage this new tide of public opinion in Taiwan politics while maintaining the loyalty of his proindependence supporters will pose a major challenge for Chen and determine the success or failure of his sec-

ond term. In other words, Chen is facing difficult choices. Understandably Chen Shui-bian and the DPP government were very unhappy with Lien's and Soong's unauthorized visits to the mainland. Even worse, both came home with handfuls of socioeconomic concessions and even political compromises granted by the mainland government. The apparent success of these high-profile visits put Chen and his government in an awkward position of "damned if you do and damned if you don't." On the one hand, Chen is reluctant to let the opposition parties control the direction and pace of Cross-Straits relations. Therefore, he does not want to rubber-stamp the deals made by the opposition parties. On the other hand, as the top leaders of the opposition parties, one after the other, visit the mainland and come back to Taiwan with tangible sweeteners that are badly needed by the sluggish economy, Chen cannot remain passive and in a mood of denial. If he does, he runs the risk of becoming irrelevant in Cross-Straits relations.

So far Chen's and his government's reactions to the opposition parties' trips to the mainland have failed to show many signs of a well-thought-through and farsighted policy. The first KMT delegation's visit caused panic in the Pan-Green camp. DPP government officials lashed out and denounced the visit as "a trip of surrender" and "kowtowing" to Beijing. Chen portrayed the trip as "backpedaling," returning to the old time of CCP-KMT cooperation. Officials of the Mainland Affairs Council characterized the KMT trip as "playing into China's hands." Such political cheap shots, although they probably made government officials feel good, did not help to solve the problems the DPP government was facing. After Chen signed a joint statement with James Soong pledging to promote Cross-Straits reconciliation and was consequently charged by the right wing of his own party as a "traitor," similar criticism of the opposition parties' visits to the mainland appeared shallow and hypocritical. It simply reinforced people's impression that the DPP is a small-minded political party that allows other parties to do what it is unable or unwilling to do,

even if such actions are in the interests of the Taiwan people.

It is alarming that the DPP government was willing to use its power to limit the political freedom of the opposition parties. With government support, a criminal charge was filed against KMT Vice President Chiang Pin-kung for "signing an agreement with a foreign country without authorization." President Chen personally summoned a special leadership meeting to discuss the situation and came up with "seven consensuses" to brake the surging "mainland fever." Chen publicly demanded that KMT President Lien Chan consult with him before he went to visit the mainland. Moreover, to punish Beijing for the ASL and for its high-level reception of the KMT delegation, the Mainland Affairs Council began cutting existing Cross-Straits exchange programs. It announced that the program of accepting permanent reporters from the *Xinhua News Agency* and *The People's Daily* would be suspended. The ostensible reason for the suspension is that their reporting about Taiwan is "very unfavorable, extreme, and negative." The chairman of the Mainland Affairs Council further declared that other social and cultural exchanges with the mainland also would be reviewed if "they are unhelpful for Cross-Straits mutual understanding." It turned out that democratic Taiwan did not handle Cross-Straits relations in a democratic way.

The DPP government even contemplated using public power and legal means to forestall Lien's and Soong's visits. Only after those efforts proved futile did Chen cease criticism of the KMT's mainland diplomacy and bestow his reluctant "blessing" on Lien's and Soong's historic visits. But Chen's inconsistent, erratic, and often contradictory remarks about their visits and Cross-Strait relations generated more confusion than confidence. As a result he was under cross-fire from both the opposition parties as well as from his own DPP constituencies that became disillusioned by his volatile views on Cross-Straits relations. Even his close confidants did not know what Chen wanted to do about Cross-Straits relations. Consequently the president's popularity

and that of his government tumbled, and the Pan-Green camp, which had sent Chen to the office of the president for a second term, faced a serious crisis of disunity. On the other hand, Lien Chan's and James Soong's successful mainland visits helped the Pan-Blue camp to reenergize its supporters. For the first time in many years, the KMT enjoyed a higher rating than the DPP, at least for the short period immediately after Lien's visit.

For Chen, the central question is what he wants to accomplish in his second term. Like any other political leader serving a second term, Chen needs to think about his political legacy. People have reason to believe that he may want to create a "Republic of Taiwan" as his political legacy. He has made some headway in nurturing consciousness of a Taiwan identity and in pursuing "de-Sinicization." But in light of fundamental changes that have occurred in the domestic and international political landscape, he realizes that the "Republic of Taiwan" probably will remain a dream at least while he is in power. He confessed repeatedly in public that it is politically impossible for him to deliver a constitutionally independent Taiwan. If that is the case, Chen has to rethink his strategy for the remainder of his term.

Domestically Chen has accomplished little so far. In view of the fact that the opposition parties continue to control a majority of the legislature, it will be difficult if not impossible for him to enact most of the legislation he wants. The constitutional reform he desires also is likely to be watered down. On the other hand, a peaceful and more prosperous Cross-Strait relationship has a higher probability of being within his reach. For one thing, this probably is the only issue on which he can count on receiving strong support from the Pan-Blue opposition parties. If Chen Shui-bian can adapt his thinking to political reality, he may be in a stronger position politically to deal with the other side across the strait. If Beijing could learn from Mao and Zhou, Chen could turn to Richard Nixon for inspiration. Just as the arch-anticommunist Nixon turned out to be the U.S. president who opened the door to Communist

China, Chen has the historic opportunity to become Taiwan's Nixon in the twenty-first century and "normalize" relations with mainland China. Compared to the Pan-Blue leaders, Chen does not have the historic baggage related to the mainland; therefore he is much less vulnerable to accusations of "selling out" Taiwan's interest to the Chinese communists.

Whether Chen has the courage and the wisdom to take advantage of this historic opportunity remains to be seen. His approach cannot be easily detected from his recent words and deeds regarding Cross-Straits relations. Chen can complain that the opposition parties did not consult him before visiting the mainland. Also, he can complain that Beijing took advantage of the disunity within Taiwan. But in the final analysis, he has to blame himself for the lack of a clear, bold, and imaginative policy toward the mainland. Under the circumstances created by Lien's and Soong's visits, the way for Chen to retake the driver's seat in Cross-Strait relations is not to deny and denigrate what the opposition parties got from the mainland or to curtail existing Cross-Strait exchange programs or even to agitate anti-China populism in Taiwan but rather to analyze new mainstream public opinion in Taiwan and develop an integrated strategy jointly with the opposition parties to strengthen Taiwan's bargaining position vis-à-vis the mainland. In a sense, Lien's and Soong's visits to Beijing have paved the way for Chen to make real history. Through its talks with the opposition parties, Beijing has laid down its bottom line as well as a full package of items from which Chen can pick and choose. The reinterpretation and reformulation of the one-China principle by Beijing have moved very close to the ambiguous "constitutional one China" that Chen and other DPP heavyweights can accept politically, for he has explicitly ruled out the possibility of changing the one-China clause in the existing constitution. Although Chen Shui-bian has yet to take the olive branch extended from the other side of the strait, he has not completely shut the door to consultation. It is hoped that the DPP's victory

in the special election in May for the National Assembly (charged with amending the constitution) will give Chen more confidence and breathing space to evaluate the “gifts” Lien and Soong were given in Beijing.

The United States as an Honest Broker

In the intricate and sometimes puzzling interactions between the mainland and Taiwan, the shadow of the United States has always loomed large but never larger than it does now. This is a fact of life of which Beijing and Taiwan are aware. Very often Beijing and Taipei watch Washington when they take actions to deal with each other. Very often both Beijing and Taipei consult with Washington before initiating major policies toward each other. For example, Beijing briefed the White House before it issued a major policy statement on Taiwan on May 17, 2004. Beijing also sent senior officials to Washington to explain the proposed ASL in advance of its enactment. To a degree, both Beijing and Taipei listen to signals from Washington more attentively than they do to those emanating from each other. Washington says it does not want to get involved in Cross-Strait affairs and that it is up to the two sides across the Taiwan Strait to solve their problems. In reality, it shoulders irreplaceable responsibility for maintaining peace and stability in the Taiwan Straits.

A close look at the evolution of the Bush administration’s foreign policy after September 11, 2001, could confirm that the United States has altered its objectives and priorities as well as its strategies in the Middle East and East Asia. In the Middle East, the priority in terms of foreign policy goals is democratization rather than stability. In order to realize Bush’s dream of democratizing the greater Middle East, stability in a way can be sacrificed. Indeed the United States is intentionally stirring up some unrest in that region to facilitate change. To put it differently,

in the Middle East the United States wants to change the status quo.

In contrast, in East Asia Washington values stability more than democratization, although there are divisions in the administration over “regime change” in North Korea. In the Taiwan Straits, it is clear that the first priority of U.S. policy is stability. That is why Washington evaluates its relations with Beijing and Taipei according to the criterion of whether it endeavors to maintain or change the status quo. The main rationale behind Washington’s different strategies in the Middle East and East Asia is based on the fact that any military conflict in East Asia, either in the Korean Peninsula or in the Taiwan Straits, will almost automatically involve large-scale American forces. In the case of the Taiwan Straits, the United States would risk clashing with another major power. In the Middle East, on the other hand, both conditions would not necessarily prevail.

The U.S. priority for stability in East Asia is ultimately in the interests of mainland China and Taiwan. A military conflict in the Taiwan Straits could well mean the destruction of Taiwan and the serious interruption of China’s economic development. In Congressman James Leach’s words, it could mean “hundreds of thousands if not millions of lives becoming jeopardized.” Consequently, in the final analysis the three parties concerned in the Taiwan Straits share one common interest—peace. To maintain peace Washington has to act as an honest broker or balancer in Cross-Straits relations. Washington also has to remind both Beijing and Taipei continually that they cannot get all they want without consequence and that they will have to keep their objectives realistic and limited.

When George W. Bush first came to power, he took a strong pro-Taiwan stand. His “whatever it takes” comment emboldened the independence-minded Chen Shui-bian and his cohorts and tempted them to push the envelope with the aim of changing the status quo. Fortunately, the September 11 terrorist attacks prompted Bush to conclude almost immediately that a change in the

status quo in the Taiwan Straits would be a dangerous game that would be detrimental to U.S. interests, particularly when the country was mired in a protracted war elsewhere. Bush's public rebuke of Chen Shui-bian in 2003 effectively checked the impetus for independence in Taiwan. The Chinese media tend to attribute the recent waning of the proindependence movement and the public's demand for Cross-Straits reconciliation to the passage of the ASL. This is an overstatement of the power of that legislation. Among other things, Washington's behind-the-scenes diplomacy was equally effective in checking the proindependence forces on the island.

Washington's subtle influence was instrumental in catalyzing the Chen–Soong meeting as well as Chen's relatively restrained reactions to the ASL. Chen Sui-bian's decision to participate in the March 26 demonstration but not to deliver a speech was made only after he received a report on the U.S. attitude toward this issue. After Beijing enacted the ASL against U.S. wishes, Washington began to swing the pendulum once again in favor of Taiwan. That was predictable and understandable. The success of the diplomatic art practiced by U.S. policymakers in the Taiwan Straits depends on their ability to express their unhappiness and concerns with Beijing without sending the wrong signal to Taiwan that could rekindle the DPP's hope to realize its independence agenda. The congressional hearing in April on the ASL illustrated such a balance. Although Deputy Assistant Secretary of State for East Asian and Pacific Affairs Randal Schriver bluntly criticized Beijing's decision to enact the ASL, he made clear that the passage of the law was not a sufficient reason for Washington to change its one-China policy. It was Congressman James Leach who sent a stern warning to Taipei that a unilateral effort by Taiwan to seek independence would "cause America's commitments under the Taiwan Relations Act to become inoperable." Even with that kind of qualification, it was feared that mere praise for Chen Shui-bian's restraints in the aftermath of the ASL might encourage him to be more resistant to Cross-Straits dialogues.

His initial negative reaction to Lien's planned visit to the mainland pointed in that direction. Only after Washington endorsed the trip did Chen change his tone. Serious U.S. concerns about the ASL also helped to modify the language in the legislation. Washington should be equally outspoken about provocative behavior and backsliding on both sides.

The irony is that the more successful the U.S. policy is in maintaining a fragile balance between the mainland and Taiwan and in promoting dialogue in the Taiwan Straits, the less influence the United States may have in Cross-Straits relations. One can draw an analogy from China's influence in the North Korea nuclear crisis. China's leverage probably is largest when there is a considerable degree of tension between Washington and Pyongyang. As soon as Americans and North Koreans agree to sit down at the table to start serious negotiations, China's role could well diminish. The same applies to the situation in the Taiwan Straits. It can be argued that a certain degree of controllable tension between the mainland and Taiwan probably conduces to the advantage of the United States. As soon as the Chinese on the two sides of the strait prepare to make a deal, the United States may lose its leverage with both sides. From this perspective, Washington may find it not desirable to see a too-hasty rapprochement across the Taiwan Straits, particularly if it takes place at the expense of the DPP government. That could partially explain Washington's move to advise the opposition parties privately in Taiwan to be cautious in approaching Beijing and to appeal to Beijing publicly to deal with the popularly elected government in Taiwan. But in the final analysis, persistent and protracted tension between China and Taiwan could be more costly to the United States because there is always a chance that tension will get out of hand. No outcome could be worse than a large-scale military conflict across the Taiwan Straits. Therefore, the United States should use all its influence to encourage both sides to seize the moment to engage in serious dialogue and to reach historic reconciliation, even if reconcilia-

tion leads to the eventual unification of the mainland and Taiwan. In the long run, this is still a sure way to promote and secure American interests in the region.

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