Some Thoughts on Cross-Strait Relations

Alan D. Romberg

Introduction

Objectively speaking, Cross-Strait relations are far less tense in the spring of 2002 than they were two years ago, when Chen Shui-bian was elected by Taiwan’s voters as president of the Republic of China. They are less tense than they were during most of the five-year period before that, when Chen’s predecessor, Lee Teng-hui, sought to “push the envelope” on Taiwan’s “sovereign, independent” status. Despite occasional lapses, both Beijing and Taipei have clearly decided to cool the rhetoric even as they maintain “principle” and harbor concerns about the other side’s intentions. It is apparent that Chen’s May 2000 inaugural pledge not to pursue independence or other steps so greatly feared by the PRC leadership during the election campaign played an important role. So, too, have decisions made in Beijing about the importance of constructive relations with the United States. That said, many on the mainland perceive a disturbing pattern of “incremental” steps toward separate status—or even independence—and continue to warn of the dangers of taking this too far.

For its part, the Taipei leadership argues that its policies fit within the parameters of what Beijing labels as acceptable “localism” and should not be viewed as “creeping independence” or a direct challenge to the PRC over the question of “one China.” Still, Chen Shui-bian and virtually all other major political leaders in Taiwan take the position that the Republic of China is a sovereign, independent country and that, although it constitutionally encompasses all of the mainland, its operational jurisdiction is limited to Taiwan, the Penghus, and the offshore islands, and it has no formal links to the PRC. There are differences among Taiwan’s political leaders about how to describe this—for example, whether to endorse “one China/respective interpretations” as an enduring position arising from the 1992 SEF–ARATS negotiations. For now anyway, Beijing has rejected the second half of that formulation (that is, “respective interpretations”), and the debate in Taiwan has largely centered on other questions.

Both sides of the Strait are focusing on creating stronger economic relations—Taiwan out of economic necessity as well as a desire to defuse the issue domestically; Beijing both to reap the economic rewards of greater Cross-Strait trade and investment and to create a more favorable climate for political negotiations later on. Nonetheless, the ways in which both sides address economic issues are conditioned by the current political stalemate. We can expect further tugging and hauling over the ground rules for future dealings, including political “conditions” that one side or the other may seek to impose, as well as potential qualitative and quantitative limits.

The View of Chen Shui-bian from Beijing

The atmosphere prevailing in Beijing on the eve of the March 18, 2000, Taiwan presidential election was highly charged. Specific warnings were issued about the consequences of a victory by Chen Shui-bian, the candidate of the traditionally pro-independence Democratic Progressive party (DPP). Nonetheless, the PRC took
Chen’s inaugural commitment to the “five no’s” as an indication that its worst fears would not be realized, at least in the near term. Still, the PRC suspected Chen’s ultimate intentions and, although stress eased as Beijing came to see him as a pragmatist rather than an ideologue, fear remained that the new Taiwan leader might take the island in unhelpful directions if it seemed to be in his political interests to do so. Mainland observers became increasingly discontented over time as Chen appeared to them to be more concerned with catering to U.S. insistence that there be no big destabilizing steps rather than actually moving toward some sort of mutually acceptable Cross-Strait political framework. This was reinforced in their minds by Chen’s reserved position on heading the National Unification Council (or even giving it a serious role), his refusal to state that he was “Chinese,” his tentative endorsement of one China/respective interpretations and then his pullback from that position, and various steps now labeled “de-Sinicization” such as the changing of the logo for the Government Information Office (GIO) in order to remove the map of China and advocacy of a new romanization system.

Concern also was underscored by what has been characterized as a “rectification of names” campaign. It refers to Taipei’s decision to put “issued in Taiwan” on ROC passports, proposals to change the title of its overseas offices to “Taiwan Representative Office” from “Taipei Economic and Cultural Representative Office,” and the GIO’s recent revelation that it is following the practice of the Presidential Office and is using “Taiwan” rather than the “Republic of China” as much as possible “to describe the country’s name” in order to show that the island “is standing up for itself.”

The success of current efforts to lay a legal foundation for a future referendum on Taiwan’s name and status also would cause strong reverberations in Beijing, even though no referendum is currently anticipated.

Moreover, Beijing’s concern has been heightened by what it perceives as U.S. “complicity” in all of this. It sees this reflected in a major arms sales package approved in April 2001; President Bush’s statement shortly thereafter about doing “whatever it took” to help Taiwan defend itself; more liberal ground rules adopted for Chen when transiting the United States in May; and, most recently, the president’s twice-repeated public reaffirmation when he was in Beijing in February 2002 of fidelity to the Taiwan Relations Act (TRA), while he directly vowed allegiance to the three U.S.–PRC joint communiqués only in private. Most recently, Beijing was upset by the issuance of a visa to Taiwan’s defense minister to pay a “private” visit to a conference in February in Florida, where he met on the margins with two senior U.S. national security officials. All of this led to a notably sharp protest from Vice Minister Li Zhaoxing to Ambassador Clark Randt on March 16, 2002, and the cancellation of an April 2002, U.S. Navy port call in Hong Kong, as well as anticipated PLA Navy calls at U.S. ports later in the year. There is no sign that this will have any immediate impact on efforts to broaden day-to-day Cross-Strait relations, as discussed in the following sections.

**Shifting PRC Tactics**

Recognizing that it had to cope with an administration in Taipei that had a history and approach to relations with the mainland that were sharply different from those of its KMT predecessors, Beijing began in the immediate aftermath of Chen’s election to search for ways to generate greater support in Taiwan for the one-China principle. One of the first efforts, in the late summer of 2000, involved Vice Premier Qian Qichen’s issuance of what came to be called the three new sentences. The key feature was to change Beijing’s standard statement that “Taiwan is part of China” into “Taiwan and the mainland are both parts of China.” This change paralleled a formulation in Taiwan’s own National Unification Guidelines.

Some opposition (KMT and PFP) politicians suggested that Taipei pursue the new formula to
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determine whether it contained something meaningful. But because Qian’s version contained provisions that there is only one China and that the territory and sovereignty of that China are “indivisible,” and especially given the disparity between the PRC’s “internal” and “external” formulations (ney way yeou bye), Chen declined. Moreover, to the criticism of his opponents, Chen increasingly came to identify the PRC’s one-China principle with Beijing’s position on “one country/two systems,” and he argued that accepting one China would thus be tantamount to surrendering ROC sovereignty.

Not to be discouraged, however, the PRC government work report approved by the National People’s Congress in mid-March 2002 included the three new sentences. According to the Foreign Ministry, this language demonstrated the mainland’s “kindness, sincerity, and tolerance toward solving the Taiwan question and realizing the reunification of the motherland as early as possible.”

Beginning in the late summer of 2001, having (unsurprisingly) failed to obtain Chen Shui-bian’s agreement to the one-China principle, the PRC decided to pursue the potentially more fruitful opportunities presented by the recommendations of Taiwan’s Economic Development and Advisory Council (EDAC) for liberalizing rules governing Cross-Strait trade and investment. This did not mean that PRC insistence on the one-China principle as the basis for political discussion had been abandoned. It meant that it would be “deemphasized” for now in favor of an area that held out greater promise. Moreover, it fit with Beijing’s view that it could generate pressure on Chen from the Taiwan business community to drop his insistence that the “three links” (discussed below) had to be established only through official channels.

The PRC made another show of tactical flexibility when the DPP made major gains—and the KMT faltered—in the December 2001 Legislative Yuan elections. Beijing openly adopted as a formal policy what had been its informal approach for years: to allow individual DPP members to come to the mainland—in an “appropriate capacity” (that is, not in a party role)—as long as they were not independence advocates. Beijing even went so far as to opine that the vast majority of DPP members were not independence advocates; that only a small handful of such diehard elements existed. The DPP, however, was still considered unacceptable because it had not formally repealed an independence provision of the party charter, even though the party had adopted later resolutions that it insists have superseded and nullified that provision. These various moves, although positive, should not be overread. They did not alter Beijing’s fundamental requirement that Taipei accept the one-China principle before dialogue can be resumed or the PRC’s adherence to one country/two systems as the “best”—sometimes called the only—formulation for unification.

Promoting Economic Ties

Over the past several years, even before the most recent shift of emphasis, Cross-Strait economic relations have bourgeoned as authorities on both sides have eased the way through a relaxation of restrictions. As suggested above, this trend has been strengthened in the last few months as the PRC has emphasized that “Cross-Strait economic and trade exchanges should not be disturbed by political differences.” At the same time that Chen Shui-bian has been advocating “more economics, less politics.”

According to Taiwan’s Board of Foreign Trade, two-way trade amounted to almost 30 billion dollars in 2001, accounting for 13 percent of Taiwan’s total foreign trade, up almost 2 percent from the previous year. Exports from Taiwan also rose 2 percentage points, to almost 20 percent of the island’s total outward shipments, and imports from the mainland climbed more than 1 point to 5.5 percent of Taiwan’s global total.

It also is noteworthy that this substantial interdependence is very much a two-way street. More than 11 percent of the mainland’s imported
goods and services in 2001 came from Taiwan, second only to Japan’s 17+ percent share of the PRC market.\textsuperscript{13}

In addition, according to data from Taiwan’s Ministry of Economic Affairs, the PRC remains Taiwan’s favorite investment destination by a wide margin.\textsuperscript{14} Almost three-quarters of Taiwan firms investing abroad in 2001 had operations on the mainland (versus 16.5 percent invested in the second-place United States). Moreover, of those companies planning to invest outside Taiwan in 2002, more than 77 percent planned to do so on the mainland.\textsuperscript{15}

Driving many firms to move in that direction are surging Taiwan labor costs, the rising value of the New Taiwan dollar, relatively strict environmental regulations in Taiwan, and scarce land on the island. Other attractions are the huge, untapped market on the mainland and presumed opportunities that will arise out of the PRC’s accession to the World Trade Organization (WTO).

But there are some signs that, when viewed from an overall perspective, the rush to invest abroad, including specifically on the mainland, may be abating. A \textit{Taipei Computer Association and Digital Weekly} magazine survey, for example, showed that those businesses planning to invest in the mainland in the coming year dropped from about 85 percent of all those surveyed at the end of 2000 to slightly more than two-thirds of firms surveyed in late 2001/early 2002.\textsuperscript{16} According to the latter poll, reasons for less emphasis on mainland investment included a greater sense of political and economic stabilization on the island, including less concern about the Taipei government’s performance.\textsuperscript{17}

High-tech investment on the mainland remains controversial in Taiwan. In the spring of 2002, there was a heated debate on the island over the question of allowing at least some 8-inch computer chip wafer fabrication facilities (fabs) to move to the mainland. Manufacturers argued vigorously that factors of competitiveness required such a move. Others, however, expressed concern about both the political/security implications and the economic impact on Taiwan’s high-tech sector. The solution that emerged was to allow three 8-inch plants to be established on the mainland before 2005, all to fall under rules set up under the rubric of the government’s “active opening, effective management” approach to economic relations with the mainland. This will allow control of the value and sophistication of the technology transfers across the Strait and will limit operations to firms that have made “considerable investment” in 12-inch fabs on Taiwan, and then only after the latter have been fully operational for six months.\textsuperscript{18}

Regulations on a wide variety of less controversial product lines were progressively eased in anticipation of opportunities created by parallel accession to the WTO by Taiwan and the PRC. It was announced in mid-February 2002, for example, that Taiwan trading companies would henceforth be able to deal directly with their mainland counterparts, import bans were lifted on approximately 2,000 PRC farm and industrial products, and Taiwan and PRC banks could now engage in direct remittances (although not in either NT dollars or RMB).\textsuperscript{19} Steps were set in motion on both sides to allow branches of the other side’s banks to open. In late March, Taiwan’s cabinet decided to loosen constraints on inbound investment from the mainland.\textsuperscript{20}

Beijing, supported by many Taiwan businesses, has argued that until the three links are established, the cost of doing business with the mainland will remain unnecessarily high. The three links, which were initially proposed more than 20 years ago\textsuperscript{21} and later incorporated by PRC President Jiang Zemin into his 1995 “eight-point proposal,”\textsuperscript{22} include provisions for direct mail services, transportation, and trade.

Although at one point there was an impression that Beijing required Taipei’s formal acceptance of one China as a precondition for establishing those links, it was made clear some time ago that because the links would not be “political” connections, they must merely be carried out as “domestic” relations\textsuperscript{23} “under” (read, “in a manner consistent with”) the one-China principle. Although all of the practical implications
have not been made clear, one example has been cited: As with Taiwan–Hong Kong ocean links, ships coming into harbor would not fly “national” flags. Moreover, Beijing says that because officially sponsored “dialogue” cannot resume until Taipei accepts the one-China principle, arrangements for the three links would have to be worked out through private firms or industry associations, not through SEF and ARATS, much less governmental agencies.

In his January 24, 2002, speech welcoming DPP members to visit China, Qian Qichen also proposed holding discussions on establishing mechanisms designed to promote economic cooperation. It is not clear, however, how that would work if official or quasi-official talks were precluded. In this regard, although some believe common WTO membership could facilitate such discussions, this outcome is problematic from the PRC perspective.

Despite business community pressure in Taiwan to go along with the PRC approach to “private” negotiations on the three links, there has been resistance in Taipei. In part, this has been directed at the content (especially air links, which have been seen as having national security implications). But it also has been related to the PRC-proposed unofficial mechanism for setting them up. Taipei insists that many of the changes in regulations and procedures cannot avoid government scrutiny or even direct negotiation. Nonetheless, since the EDAC recommendations were issued (and Chen Shui-bian called for their prompt implementation) and since both Taipei and Beijing have joined the WTO, a certain level of flexibility has been introduced into Taipei’s thinking. It is not clear how this will ultimately play out, but the interests of both sides would seem to be leading toward some sort of accommodation.

Wrestling with “One China”

Although it stresses its commitment to “peaceful reunification,” Beijing, as noted, continues to insist that there can be no return to dialogue until Taipei accepts the one-China principle. This was recently reiterated both by Premier Zhu Rongji in his Work Report to the Fifth Session of the Ninth National People’s Congress and by President Jiang Zemin in his meeting with “native Taiwanese deputies” to the Congress. Although not reported on those occasions, such PRC calls usually include a requirement that Taipei endorse the “1992 consensus.”

Taipei, for its part, continues to insist that it will accept no preconditions for returning to dialogue but that at the table it would be willing to talk about both one China and the 1992 consensus. In addressing this subject recently, Taiwan Premier Yu Shyi-kun did not rule out agreement on the one-China principle, but he said that any assessment of it depends on how “one China” is defined.

PRC observers claim to be encouraged by public opinion polls in Taiwan that show support for one country/two systems rising to as high as 30 percent or more. But not only do other polls show such support hovering at much lower levels, there is no likelihood that respondents answering positively on such polls would support a system that places them under the sovereign control of the PRC or of any central government that resides in Beijing. It is possible that some have in mind “divided” or “shared” sovereignty. More likely, however, few have given any serious thought to such nuanced approaches to sovereignty but are merely expressing a willingness to contemplate some one-China umbrella arrangement in which Taiwan and the mainland coexist harmoniously side by side, neither subordinate to the other, domestically or internationally.

Contributing to this conclusion are not only the widely varying poll results on this subject but the fact that, after many years of cultural and social assimilation, there has been a recent resurgence of ethnic divides within Taiwan (waishengren versus benshengren). Some observers attribute this development to the reemergence of a “Taiwanese” sense of grievance over political inequality as compared with the status of
mainlanders. Whether or not this troubling trend, stirred up in the hothouse of Taiwan politics, abates over time, it shows that feelings about “ethnicity” are still sensitive and that they will probably have a real and perhaps increasing impact on Cross-Strait relations for some time to come.\(^{33}\)

Other developments continue to feed the PRC’s concern about continuing incremental movement toward Taiwan independence. Emphasis on Taiwan’s local language, history, and culture, even the recent move to treat the Republic of Mongolia (as, it should be noted, the PRC does) as a foreign country\(^{34}\) have been interpreted as part of a large and growing body of evidence of creeping de-Sinicization.

Some Taiwanese, including Vice President Annette Lu, now openly advocate that the United States abandon the Shanghai Communiqué and the other two joint communiqués with the PRC and base American policy on the TRA.\(^{35}\) Beijing has expressed concern, but as a practical matter, this extremist position will not prosper.

There are two principles at work here. The first is Beijing’s one-China principle, including the assertion that one China exists today, that it encompasses Taiwan as well as the mainland, and that territory and sovereignty are indivisible. The other is Taipei’s insistence that the Republic of China is a sovereign, independent state today and that it will accept no arrangement that puts Taiwan under mainland sovereignty now or that mandates that Taiwan (however autonomous it may be) will necessarily come under Beijing’s sovereign rule in the future. As they stand, those positions are irreconcilable. Thus both sides are wise to focus for now on economic relations while they work to reduce tensions.\(^{36}\)

If one could be assured that there was no possibility of a crisis, living contentedly for the indefinite future with the status quo would not be a bad outcome for everyone. No one would be completely happy, and there would still be some jockeying and even tension from time to time. Movement connected with the leadership transition in the PRC and in the Taiwan political world (including the 2004 presidential elections) would have to take cognizance of the potential risks of careless handling. Nonetheless, if some reliable assurances were given that neither side would adopt steps that provoked a crisis, the predictability that resulted would be welcomed.

But there cannot be any such assurance under current circumstances. Not only are further, provocative steps by one side or the other not precluded, but tensions also can be generated through unanticipated events such as the EP-3 incident of April 2001. An incident growing out of an exchange of “demonstration” military moves by the two sides of the Strait, for example, could escalate very quickly, notwithstanding the fervent hope of all to avoid conflict.

Maybe muddling through is the best one can hope for. But we need to face the fact that the current “listen-and-watch” approach of Beijing and the apparently self-satisfied approach of Taipei are inadequate to the real stakes. Far more flexible thinking is called for. PRC colleagues say that there is no flexibility on the issue of sovereignty. They rule out, for example, any consideration of confederation or commonwealth, as that would involve recognizing that Taiwan has independent sovereignty, in violation of Qian Qichen’s dictum that sovereignty is indivisible.\(^{37}\) Although understandable from the current PRC perspective, this thinking will not lead to a mutually acceptable solution. Even if a KMT or PFP candidate were to win in 2004—Beijing’s fervent wish, notwithstanding its denials—no such person would retreat beyond one China/respective interpretations, and the content of any Taiwan amplification of “respective interpretations” could well be even more problematic for Beijing in two years than it would be today.

Moreover, placing high odds on Chen’s defeat is premature at best. His positive rating in public opinion polls has now moved above 60 percent, from under 40 percent a year ago.\(^{38}\) In part, this reflects his more deft handling of economic and political affairs. But in part it reflects the increasingly outspoken sense of Taiwanese identity mentioned earlier, which does not necessar-
ily preclude a one-China approach but will not sit still for the subordination of Taiwan to the mainland. Although the overall electoral “balance” between so-called Pan-Blue and Pan-Green factions has not changed greatly, tendencies cannot be ignored.

Thus, unless PRC thinking about the definition of one China is expanded, its approach to dialogue is broadened, and its consideration of Taiwan’s “international space” and security requirements are more responsive, the prospect is for continuing political deadlock. From Taiwan’s side as well, more creative and flexible thinking is needed if there is to be progress. Chen Shui-bian’s insistence that the one-China principle is equivalent to one country/two systems is unjustified and unhelpful. So, too, is the government’s rigid position that only formal, government-to-government negotiations can be used to arrange the three links. Instead of focusing its energies on replacing “Republic of China” with “Taiwan” in every possible way, even where it has no practical utility, Taipei would do well to think hard about whether there is a concept of one China—however different it may be from the PRC’s current concept, especially regarding one country/two systems—that the people of Taiwan can live with. As candidate George W. Bush said:

I would hope Taiwan would also hear the call that a one-China policy is important for the peaceful resolution of the dispute between China and Taiwan . . . [and] has allowed . . . Taiwan to develop into a market-oriented economy and flourishing democracy.59

Playing Well Together

In the meantime, both sides need to adopt positions that reinforce stability rather than merely score points off their counterparts across the Strait. Despite current efforts on both sides to avoid confrontation, the fact is that the military dimension of the Cross-Strait face-off continues to grow. The U.S. national intelligence officer for strategic and nuclear programs, Robert Walpole, recently testified at a Senate hearing that the number of PRC short-range ballistic missiles deployed opposite Taiwan is expected to grow to “several hundred” by 2005. He judged that the growing arsenal of such missiles provides the mainland with a “survivable and effective” conventional strike force with expanded coverage.40 Moreover, Beijing is actively pursuing the acquisition of advanced airplanes, ships, missiles, and other weapons systems obviously designed to counter presumed American involvement in a Taiwan contingency.

On the other side of the Strait, Taiwan continues to strengthen its defensive forces in order to counter growing PRC strength. Moreover, there is active discussion among some strategic thinkers in Taiwan about the need to develop offensive strike capabilities as part of a credible deterrent, rather than simply preparing to defeat attacking missiles and invasion forces. If it were to become doctrine that the best defense is a good offense, that would have important implications for the Cross-Strait military dynamic as well as for U.S. arms sales and other military related decisions.

Before Lee Teng-hui’s trip to Cornell in June 1995, there were signs that the PRC could accommodate a larger Taiwan international role as long as it did not challenge Beijing on the question of sovereignty. That tolerance was subsequently put in cold storage and has remained there ever since. Beijing had no choice about Taiwan’s joining WTO, although it continues to try to rewrite history by identifying Taiwan’s status as “a separate customs territory of China.” (This irksome habit does nothing but annoy people in Taiwan; it certainly does not encourage Taipei to think about cooperative approaches.)

The PRC continues to block Taiwan’s participation in every conceivable international organization, irrespective of whether it is made up of sovereign states or is official. A reported recent
example involved a proposed trip to Lesotho by a privately organized—and properly documented—group of Taiwan doctors, dentists, pharmacists, medical technicians, nurses, and medical students to provide free medical services. The medical group was denied entry at the insistence of the PRC.  

PRC colleagues broadly hint that if Taipei accepted the one-China principle, they would present an extensive list of proposals that would provide Taiwan with entree to a wide range of international activities. One has to assume that this message has been conveyed to Chen’s government, at least indirectly. But unless Beijing gives Taipei the political space to deal on the basis laid out earlier—that is, without requiring the acceptance of the sovereign authority of a central government in Beijing—it will not be enough to break the impasse.

Some authorities and experts on the mainland think that allowing people in Taiwan to be “masters of their own house” on a day-to-day basis should be good enough to attract them to a one-China deal that meets Beijing’s current definition. It would not.

The American Connection

This is not an article about American policy. But it is appropriate to note that Americans understand they have a role to play here and to say a word or two about how they view that role.

Although some Americans doubtless are concerned about the growing dependence of Taiwan on the Cross-Strait economic relationship and would be opposed to any move toward reunification, it has not been American policy for more than 30 years to try to determine the substance of relations between Taiwan and the mainland. Instead, the U.S. focus has been on the need to reiterate that any resolution of questions between them must be peaceful. This position is not comfortable for Beijing, which views the Taiwan question strictly as an “internal” affair. But it reflects the reality that the United States has a strategic national interest in maintaining peace and stability in East Asia.  

The policy problem for Washington is to square that strategic national interest with another: to maintain strong, positive, and productive relations with the People’s Republic of China. Meeting the challenge of balancing those two critical considerations has not always been easy in the three decades since the Nixon/Kissinger opening to China, and the effort to do so has not always been managed well. But it is no less a requirement today than it ever was.

The advent of the Bush administration has raised particular questions in PRC minds about the steadfastness of this approach. Many believe that there has occurred an American tilt in the direction of not only ensuring Taiwan’s security but of giving it a degree of “dignity” in political relations that both transcends anything seen since normalization in 1979 and verges on active support for a separate status.

There is no question that this administration, either on its own initiative or in acquiescing to Taipei’s importuning, has added frills to the political side of the equation. To this point anyway, the premises of the one-China policy remain intact, as President Bush reaffirmed in Beijing in February.

Conclusion

The fact that both sides of the Strait are now competing to demonstrate their good intentions and reasonableness rather than their “toughness” is a positive development. If they are to reach a state of stability, they need to take this a significant step further and find ways to demilitarize the Cross-Strait issue. But this will not happen until they find a mutually acceptable political framework not to “resolve” the issue but at least to “bound” it. Until that happens there is a real, even if small, danger of a tragic war.

Under current circumstances, the two sides are talking past each other: Beijing insists on the acceptance of one China before resuming dia-
dialogue; Taipei insists on resuming dialogue before discussing one China. There is no intersection between those two approaches.

Beijing briddled at the “personal view” expressed by AIT Chairman Richard Bush when he was in Taiwan in early 2002. He criticized the PRC requirement that Taipei accept one China before dialogue could resume. It is doubtful that he was acting under instructions or that his statement reflected a considered U.S. policy decision to start taking positions on the substance of Cross-Strait dialogue. But Dr. Bush was voicing what most Americans feel: that it is unreasonable to ask either side to make fundamental concessions before sitting down at the table. As a practical matter, I do not expect Beijing to back off its insistence that Taipei accept one China before the Wang-Koo dialogue can resume. Nor do I expect that Taiwan will back off its refusal to do that. In this situation, both sides need to find a way to bypass this roadblock and conduct an authoritative but low-key conversation in which they can explore the entire range of key issues in order to lay a predictable and mutually acceptable foundation for moving forward.

As noted earlier, PRC colleagues say they have many ideas that Taiwan will find pleasing once they return to the table under the one-China principle. One presumes that such ideas address not only Taiwan’s international space but also its security. Taiwan colleagues say that there are prospects for accepting the one-China principle (albeit in some variant of one China/respective interpretations). They can proceed, however, if they have some confidence in the implications of doing so.

Both will have to live with the inherent contradictions between the PRC assertion that Beijing represents Taiwan in the international community and Taipei’s refusal to accept that assertion. With goodwill and imagination, however, this would be manageable. Whether Taipei could also directly endorse the so-called 1992 consensus is another difficult question, but perhaps it is not impossible to work out. If the two sides can agree on a formula about one China, the central element of 1992 will have been taken care of. None of this will happen, however, without talking about it, regardless of who is in charge in Taiwan.

One of my Taiwan-specialist PRC interlocutors asked me the following question: If two families live next door to each other, and the child of one family is acting badly and the neighbor encourages that bad behavior, what is one to think of the motives of that neighbor? My response was that it is unhelpful to think of the PRC as a parent and Taiwan as its child. And the PRC needs to stop demanding, like a parent, that Taiwan accept its terms “because I said so.”

As to the “neighbor”—the United States—it seems that there need not—and should not—be interference in an amicable process to resolve differences between the two parties next door. But if there is danger of chaos and mayhem in the neighborhood, that neighbor may well feel compelled to step in to avert an emergency caused either by violent behavior, on one side, or by moves to burn the house down, on the other.

To stick with my colleague’s metaphor, what is really needed is a recognition that all members of the first family are adults and that what is required is adult family dialogue in which problems can be identified and talked through and solutions worked out while showing respect for all parties’ dignity and interests. That is not impossible in this situation; it is just very difficult.

**About the Author**

Alan D. Romberg, a member of the NCAFP’s Roundtable on U.S.–China Policy and Cross-Strait Relations, is senior associate and director of the China Program at the Henry L. Stimson Center.

**Notes**

1. In his inaugural address on May 20, 2000, Chen included the following pledge:

   [As] long as the CCP [Chinese Communist party] regime has no intention to use military
force against Taiwan, I pledge that during my term in office, I will not declare independence, I will not change the national title, I will not push for the inclusion of the so-called state-to-state description in the Constitution, and I will not promote a referendum to change the status quo in regard to the question of independence or unification. Furthermore, there is no question of abolishing the Guidelines for National Unification and the National Unification Council. (http://www.president.gov.tw/2_special/index_e.html)

2. Maubo Chang, “GIO Promoting Use of ‘Taiwan’: Official,” CNA, March 18, 2002. There is a certain irony here inasmuch as Taipei has resorted to various stratagems in order to be able to refer to itself as the Republic of China abroad, an identification no longer allowed by countries that “deregrecized” it and normalized relations with Beijing.

3. State Council, Taiwan Affairs Office Deputy Director Wang Zaixi addressed this issue in late March in an interview with a Taiwan newspaper: “If the Taiwan authorities act willfully on this [the Referendum Act], it will certainly produce serious consequences and cause tension in Cross-Strait relations” (Wang Ming-yi, “Wang Zaixi, Deputy Director of State Council’s Taiwan Affairs Office: Democratic Progressive Party Is Not a Monolithic Bloc,” Taipei Chung Kuo Shih Pao, March 29, 2002). Thus far, however, the DPP and the Taipei Cabinet have been quite reserved about acting on that proposal (see Stephanie Low, “DPP Cautious on Referendum Law,” Taipei Times, March 1, 2002).


6. Qian’s formulation suggested “internal” Cross-Strait dealings would be on an “equal basis,” a long-standing PRC position. But to the “external” world, the PRC firmly insists on another long-standing position—its role as the “sole legal representative of all the Chinese people, including in Taiwan”—and it has fought hard to deny Taiwan any international standing or participation, even when statehood is not an issue.


8. This was first made public in Vice Premier Qian Qichen’s January 24, 2002, speech commemorating Jiang Zemin’s January 30, 1995, “Eight-Point Proposal.” Because of some confusion regarding what stance DPP members were supposed to take on one China in order to be welcomed, Beijing clarified that it was not demanding that such DPP visitors take an oath endorsing the one-China principle (see “Wang Zaixi Reiterates Motherland’s Welcome for DPP Members at Large to Visit Mainland,” Beijing Zhongguo Xinwen She, March 8, 2002).

9. It is interesting that some in China felt it necessary to underscore this point. See Xin Yue, “Taiwan Authorities Should No Longer Be ‘Confused,’” Beijing Renmin Ribao (Overseas Edition), February 19, 2002.


12. Those relative percentages hide, however, an absolute drop in the value of trade by 7.4 percent (David Hsu, “Taiwan’s Trade with Mainland China in 2001 Down,” CNA, February 28, 2002).


14. Total PRC-approved Taiwan investment since the late 1980s is now estimated in the range of $60 billion (Benjamin Kang Lim, “Taiwan and China Launch Flurry of Contacts,” Reuters, March 3, 2002). About half of this amount has
already been expended (Xinhua Report, March 29, 2002).


17. Ibid.


21. In the January 1, 1979, National People’s Congress Standing Committee “Message to Compatriots in Taiwan,” reported by Xinhua on December 31, 1978.

22. Jiang’s speech “Continue to Promote the Reunification of the Motherland” was delivered on January 30, 1995, and reported that day by Xinhua.

23. According to the Taiwan Affairs Office’s Wang Zaixi, the PRC wants the routes labeled as special domestic routes, but Taiwan insists they be called special international routes. Said Wang: “This would be difficult to achieve. Problems can be overcome only if we make the definition fuzzy” (Wang Ming-yi, “Wang Zaixi . . . Is Not a Monolithic Bloc,” op. cit.).

24. Taiwan’s Straits Exchange Foundation (SEF) and the PRC’s Association for Relations Across the Taiwan Strait (ARATS) were established in late 1991 and early 1992 as quasi-official bodies to handle Cross-Strait ties in current circumstances.

25. Whereas Taipei would like to use WTO channels, Beijing says it is inappropriate not only because they would be “official” but also because their dealings are “domestic” and should be worked out directly between them, not under the umbrella of an international trade organization.

26. On March 19, 2002, Taiwan Premier Yu Shyi-kun vowed to set up the three links as soon as possible “as long as national security and economic development can be ensured” (Flor Wang, “‘Three Links’ The Sooner the Better: Premier,” CNA, March 19, 2002).

27. Reported by Xinhua, March 5, 2002.


29. This refers to an arrangement reached between Taiwan and the mainland in late 1992 in which each endorsed a version of one China as a basis for dialogue in the spring 1993 between SEF Chairman Koo Chen-fu and ARATS Chairman Wang Daohan. Since then, however, a disagreement has arisen over the nature of the consensus, whether it is still valid, and even over whether there ever was a “consensus.” Chen Shui-bian has refused to endorse it up to now.

30. “Assessment of ‘One China’ Depends on Definition: Premier,” from Taipei Times, March 6, 2002, as carried by Taiwan Headlines, March 6, 2002 (http://www.taiwanheadlines.gov.tw/).

31. For example, a recent Mainland Affairs Council survey showed only 9.2 percent support, 69.2 percent opposition, and the remainder indifferent (Fang Wen-hung, “9.2 Percent of Taiwanese Support ‘One Country/Two Systems’ Poll,” CNA, at Taiwan Headlines online, February 22, 2002).

32. As noted, the “three new sentences” would rule out “divided sovereignty.” But at various times in the past, officials and other important personages on both sides have raised the concept of “shared sovereignty.” See Ralph N. Clough, Cooperation or Conflict in the Taiwan Strait? (Lanham: Roman and Littlefield, 1998), 98.


34. But not changing the constitution, which nominally includes Mongolia within the Republic of China.

See also Flor Wang, “Think Tank Asks Bush to Abandon Shanghai Communiqué,” CNA, February 27, 2002.

36. Moreover, even if they agreed on some broad political principles today, it is generally acknowledged that there is no realistic prospect of (re)unification for decades to come. In the PRC, the standard practice is to refer to “reunification,” highlighting Beijing’s position that Taiwan has historically been part of China and is not unified with the motherland today only because of historical circumstances. In Taiwan there is a growing tendency to highlight not only that Taiwan has never been part of the PRC but that in many people’s minds its status as part of China is questionable. In this view, any future link-up would simply be “unification.” This usage was even common under the KMT (for example, the National Unification Council).


42. This position, initially adopted when Taiwan was still under a strict authoritarian regime, has been strongly reinforced with the emergence of full-blown democracy on the island.

43. Which translates in realpolitik terms as “because I have the PLA to back me up.”