The Critical Situation in the Taiwan Strait: A Lull Between Two Crises

Chen Qimao

Right now the Cross-Strait situation can be characterized as a lull or in a buffer period between two crises.

The first crisis took place in the fall of 2003 and the spring of 2004. It was precipitated by Chen Shui-bian’s initiative to make a new constitution through a referendum during Taiwan’s “presidential election” campaign. In the campaign Chen Shui-bian, the leader of the Taiwan authorities, declared it “a match between one country on each side and one China.” In October and November 2003, he formally announced a timetable: to hold the first referendum at the time of the election of March 2004; to formulate a new constitution through a referendum in 2006; and finally to implement the new constitution in 2008. At that time, in order to garner the support of fundamentalist independents, he did not conceal his aim to establish a normal, complete, and great country to realize Taiwan’s independence by “formulating a constitution through a referendum.” For instance, Chen Shui-bian once said he would like to debate publicly with the opposition leader, Lien Chan, about whether the island needs a one-China constitution or a Taiwan constitution. A nine-member team to rewrite the constitution, which was appointed by the pro-independence Democratic Progressive party (DPP) and headed by Professor Lee Hung-hsieh, an erstwhile teacher of Chen Shui-bian, discussed the title of the new constitution in detail. Its conclusion was that the Republic of China (ROC) is out of date and should be discarded. The Republic of Taiwan (ROT) is not appropriate either, because rot in English means decay, and so it would be better for the new constitution to designate the name Taiwan. From Beijing’s point of view, that would be nothing short of Taiwan’s independence. Because Chen’s timetable is a timetable for independence, setting such a schedule would be yet another benchmark for a new Strait crisis.

After narrowly winning the presidential election in March, Chen Shui-bian, in interviews with The Washington Post, the BBC, Yomiuri Shimbun, and other foreign news agencies, declared that he would complete formulating the constitution through a referendum by 2006 and would implement the new constitution in 2008. He stressed repeatedly that Taiwan was a sovereign and independent country. He attributed the success of his reelection to the strong Taiwanese zest to leave China and realize independence, as well as the sense of defending Taiwan and confronting China. Thus he spelled out in no uncertain terms his strong desire to implement his independence timetable. It did not come as a surprise then that The Washington Post reported the interview under large headlines declaring that Chen was promoting independence and continuing to take a hard line toward China and that Chen said that even facing the danger of war, the Taiwan people were determined to reject unification with the mainland and continue preparations for establishing their sovereign, independent country.

As is known to all, China attaches great importance to the complete reunification of the country and regards this undertaking as one of its three major missions in the twenty-first century. But it seems that the Chinese leaders are not interested in resolving the Taiwan issue immediately. At present they are preoccupied with
the task of building a prosperous society in an all-around way. For China, reunification is not only a great and positive goal but also an urgent task, for it is apparent that many problems that have accumulated over the past decades should be addressed as soon as possible; they cannot be delayed. Meanwhile the new leadership is well aware of the fact that a majority of Taiwan’s people would like to maintain the status quo and that therefore conditions for peaceful reunification are not yet ripe. Consequently, at the current stage, the Chinese government hopes to establish a stable, peaceful Cross-Strait relationship under the one-China framework so that the two sides can peacefully coexist and cooperate with each other. In that situation, Beijing would not need to fear that Taiwan would break away from China, nor would Taipei need to fear that the mainland will use forces on the island.

But it seemed that Chen Shui-bian was driving Beijing into a corner. The Taiwan issue is related to China’s sovereignty and territorial integrity and touches the strong sentiments of the Chinese people. It is at the core of China’s national interests. No Chinese leaders would survive politically if they tolerated Taiwan independence and did virtually nothing about it. Consequently, if the Taiwan separatists are determined to pursue independence through a referendum and enact a new constitution, Beijing would have no option other than to use force decisively.

Under the threat of Taiwan independence activities aimed at dismembering China, Beijing took a number of countermeasures. President Hu Jintao and Premier Wen Jiabao repeatedly stated that the mainland would make every effort to strive for the peaceful reunification of China but would resolutely oppose any separatist activities and would never allow anyone to separate Taiwan from China. The Chinese government issued tough political statements to warn the Taiwan separatists, made intense diplomatic efforts to consolidate the international framework of the one-China principle to check Taiwan independence, and stepped up military preparations to meet possible contingencies in the Strait.

Cross-Strait relations were severely tested, and hostilities could have erupted at any moment. The United States realized the severity of the situation. In its own strategic interests, the Bush administration exerted strong pressure on the Taiwan authorities, clearly expressed its opposition to Taiwan independence and Chen’s intention unilaterally to change the status quo, and warned Taipei to handle all questions of the Strait with great care and caution.

Pressured by Beijing and Washington, Chen Shui-bian, in his May 20 inaugural speech, declared that he would give up his plan of formulating a constitution through a referendum. Moreover, he said that he would reform the constitution in accordance with the stipulations of the current constitution and that the constitutional reform would not include sovereignty, territory, or the question of unification and independence. In essence, he had withdrawn his radical plan to realize independence through a referendum. This retreat averted, for the time being, the escalation of the Strait crisis and an immediate, explosive situation. It has left a buffer period for Cross-Strait relations.

On the other hand, it is clear that the buffer period is only a lull between crises. Political development on the island is brewing a new Strait crisis. In his inaugural speech, Chen Shui-bian did not accept the one-China principle. His basic message is still one country on each side of the Strait. His retreat was tactical. More important, since the March 2004 election, the ranks of the separatist forces have swelled greatly, and the opposition Pan Blue camp—a coalition of the Nationalist party (Kuomintang, or KMT) and the People First party (PFP)—is on the decline. The balance of political power has tilted significantly toward the proindependence Pan Green camp, a coalition of the DPP and the Taiwan Solidarity Union (TSU). Meanwhile, in the face of the growing strength of the mainland and the increase in its international status, the Taiwan independent fundamentalists, with Lee Teng-hui as their leader, are reacting to the deep sense of crisis. They are eager to seize the present opportunity,
when the political balance on the island is in favor of the separatists, to promote Taiwan independence. Lee Teng-hui has openly asserted that there will be no other chance if they do not seize the opportunity to accomplish the goal of establishing an independent Taiwan republic before the 2008 Beijing Olympic Games. All these statements indicate that although the Strait crisis is in a pause, the factors that could constitute a crisis not only exist but are developing.

After May 20, the Taiwan authorities continued to advocate Chen’s theory of one country on each side and pursue the Taiwan independence line. Under the slogan “the correction of the name of the country,” the separatists have played political games energetically. Chen Shui-bian declared that the ROC is Taiwan, Taiwan is the ROC, and ROC sovereignty belongs to the 23 million people of Taiwan. From Beijing’s point of view, this is typical Taiwan independence rhetoric. Chen’s deputy, Annette Lu, declared that the two sides of the Strait had entered into a state of quasi-war. Yu Shyi-kun, the chief of the “Executive Yuan” (the Taiwan cabinet), said that a balance of terror should be established between the two sides to counter any possible attack from the mainland and that Taiwan should have the capability to attack Shanghai with missiles. In the campaign for the December 2004 “Legislative Yuan” (Taiwan’s parliament) election, Chen Shui-bian raised his timetable again. He said he will push a public vote on the draft of a new “constitution” in 2006 to “give birth to an appropriate and feasible new constitution for Taiwan” and “make the constitution take effect in 2008.” He alleged that China is a “foreign country and an enemy.” Therefore, he wants all companies and other institutions in Taiwan to be renamed if their names are easily confused with China and all “overseas institutions” of Taiwan to be renamed “Taiwan offices.” Furthermore, he declared that Taipei would apply for UN membership with the name of Taiwan. All these statements indicate that a new crisis is brewing.

The Pan Blue won a majority in the December “Legislative Yuan” election. It was a big blow to the Taiwan separatists. It disrupted, to some extent, Chen Shui-bian’s plan to formulate a new constitution. The result of this election indicates that at present the power of the two big camps, the Pan Blue and the Pan Green, is still in relative balance, resembling a seesaw situation. The proindependence DPP, however, has kept the advantage as a ruling party. The separatists will not give up their goal. After the election, Chen Shui-bian made clear that he will not shelve his plan to formulate a “new constitution” to achieve the goal of establishing “a normal, complete, advanced, beautiful, and great country.”

The new crisis will reveal continuity with the last crisis. Nevertheless, it will not be a mere duplication but will be more dangerous, more explosive, and much closer to a war. This is because the last crisis was caused by a radical independent plan to realize Taiwan independence by formulating a constitution through a referendum, whereas the new one will be triggered by radical activities to realize Taiwan independence. It probably will leave the Chinese government with no other options but to use force.

**Is a New Strait War Unavoidable?**

The change that has occurred in the political–ecological environment on the island and the separatists’ anxiety to seize the opportunity to realize independence have increased the danger that Taiwan will break away from China. The Taiwan Strait has now entered into a period of high risks and frequent crises. The prospects of a new war are increasing. As a matter of fact, both sides of the Strait are preparing for a possible war. It is no secret that the People’s Liberation Army (PLA) has carried out numerous exercises simulating cross-sea fighting, seizing air and sea superiority in the Strait, and countering the intervention of powerful foreign troops. Time and again the Taiwan side has carried out military exercises designed to deal with the threat of a
mainland attack and understand how to launch counterattacks on the mainland, including attacks on coastal cities and even the Three Great Gorges Dam. The American military has taken part in preparations for a possible war in the Strait. The Pentagon has sent officers to Taiwan to inspect its war preparations and to help Taiwan improve its defense. The U.S. Pacific Command and the Taiwan military have staged exercises involving computer war games many times. The situation seems to be moving toward war.

Nevertheless, it is still too early to conclude that a Cross-Strait war is inevitable because

1. Most people in Taiwan prefer to maintain the status quo by stabilizing and even improving relations with the mainland and do not support independence. To be sure, a Taiwan identity has emerged on the island, but independence for Taiwan has not yet entered the mainstream of thought that represents the will of Taiwan’s people. The recent election to the legislature once again proved that fact.

2. Under the momentum of economic globalization, the economic integration of the two sides across the Strait is increasing, and the interdependence of their economies is growing. Taiwan has enjoyed a large trade surplus with the mainland for many years. In 2002 Taiwan chalked up a surplus of $31.4 billion, and in 2003 this sum increased to $40.3 billion. In the last two decades, the total surplus amounted to $221.7 billion. Because Taiwan has a large trade deficit with Japan, which amounts to about $15 billion annually, without the large surpluses from the mainland, Taiwan would have had a huge trade deficit and experienced a grave economic crisis. Taiwan investment on the mainland, according to Taipei’s official statistics, is not more than $40 billion, but it is commonly estimated to have exceeded $100 billion. All these statistics show the interdependence of the two sides and the mainland’s increasing influence in Taiwan.

Not long ago, when news revealed that Beijing was preparing to make some macroadjustments in its overheating economy, Taiwan’s stock market indicators promptly dropped by more than 300 points. Last June an article entitled “The Taiwan Economy Cannot Afford a Sanction,” written by a scholar, threw Taiwan’s business community into a panic and caused a plunge in the stock market. Taiwan’s business community and financial circles demand the maintenance of the status quo, improving relations with the mainland, and resolving the problem of the three direct links as soon as possible. All of these factors certainly will greatly restrict any moves for Taiwan independence.

3. The United States does not want to see military conflicts in the Taiwan Strait. Based on its own strategic interests, the United States is trying its best to stabilize the situation in the Asia-Pacific region, particularly in the Korean Peninsula and the Taiwan Strait. Secretary of State Colin Powell visited China recently. In his meeting with Chinese leaders he reaffirmed that the United States would continue to abide by the one-China policy and would oppose any movement toward
Taiwan independence. Later, in an interview with correspondents, he stressed once again that there is only one China and that Taiwan is not independent and does not have the sovereignty of a country. Because the United States is the patron of Taiwan, without American support and protection, the realization of Taiwan independence seems impossible.

4. The Chinese government has repeatedly stated that the use of force is the last resort to prevent Taiwan independence. As long as there is a glimmer of hope to solve the Taiwan question by peaceful means, China will not give up its efforts to resolve the issue peacefully and will not use force at random.

Hence we cannot say categorically that any hope of resolving the issue peacefully has disappeared and that a new Strait war is unavoidable.

In the current tense atmosphere surrounding the two sides of the Strait, however, it is possible that partial clashes could be triggered by accidental gunfire. Generally that kind of clash would not lead to an all-out war. But because of the lack of both mutual trust and confidence-building measures, some misunderstandings, misperceptions, and misjudgments could develop and lead to disastrous consequences. Sometimes, as affirmed in a Chinese proverb, a small spark can ignite a big prairie fire.

Approaches to Preventing a New Strait War

The current critical situation can be illuminated by confronting the question of whether the two sides of the Strait will continue to engage in tense saber rattling, finally leading to the resort to arms, or whether they will take advantage of the current buffer period to seek detente in order to prevent or defuse a new crisis and avoid a war that would be a catastrophe for people on both sides of the Strait, for the American and Chinese people, and for the people of the Asia-Pacific region. This is a severe test for the leaders of the two sides of the Strait as well as for the leaders of the United States.

Recently Premier Wen Jiabao said, “No one is more earnest than the Chinese to solve the Taiwan issue peacefully.” He reiterated that China would do its best, with the greatest sincerity, to achieve peaceful reunification but stated that it would never allow Taiwan to be split from its motherland. The May 17 statement issued by the Chinese government severely criticized Taiwan separatists, but it also pointed out that if those who hold power in Taiwan recognize that there is only one China and that both the mainland and Taiwan belong to that one China, abandon the Taiwan independence stance, and cease separatist activities, there will be bright prospects for peace, stability, and development in Cross-Strait relations. This means that only if the Taiwan side recognizes the one-China principle in a legal sense, Cross-Strait relations will improve and prospects for a bright relationship will ensue. In fact, current international law and the laws of the two sides, including the Taiwan authorities’ existing constitution, embrace the one-China principle. Taiwan’s leaders were elected according to this constitution and have pledged to abide by it. It is logical for them to carry out the one-China principle included in the constitution. If they do not, will they not have violated their own constitution? If Taiwan’s leaders would clearly state that they will carry out the one-China principle in the constitution, their statement could be regarded as a return to the one-China position. In that case, the path for the resumption of Cross-Strait dialogues and negotiations will be paved and open, and it would then be possible to improve the Cross-Strait relationship, leading to a win–win situation for both sides.

The Standing Committee of the Chinese National People’s Congress is drafting an Anti-
secession National Law, and it has been reported that the forthcoming National People’s Congress, which will be held in March, may endorse the Standing Committee proposal and formulate the law. The content of the law draft has not been revealed to the public yet. It seems clear, however, that Beijing intends to check Chen Shui-bian’s fa li tai du (independence through legislation) by legislation.

The fact that the Chinese government has decided to formulate an antisecession law but not a reunification law indicates that Beijing’s focus is not on immediate reunification but on checking Taiwan independence. And it is said there will be no timetable for reunification in the law. By imposing further pressure on the Taiwan separatists to be cautious and to refrain from crossing the redline recklessly, the formulation of the law may be favorable for the maintenance of peace and stability in the Taiwan Strait. For Beijing, it seems, the most important thing is to pay more attention to communicating with Taiwan’s people, to show more goodwill to them, and to win over their hearts. Only in that way can Beijing thwart Chen Shui-bian’s “creeping Taiwan independence” and “disunification” strategy, loosening the separatist force from its roots and paving the way for reunification in the future.

In his May 20 inaugural speech, Chen Shui-bian spoke of the establishment of a “new, peaceful, and cooperative Cross-Strait framework.” He said he would like to set up a “peace and development Cross-Strait committee” that would “jointly promote peace and stability between the two sides.” However, he deliberately dodged the one-China principle. From Beijing’s point of view, that means Chen Shui-bian wants to communicate with the mainland on the basis of “one country on each side.” Naturally, his proposal was rejected.

In his October 10 speech, Chen Shui-bian suggested that “the two sides might take the 1992 Hong Kong dialogue as a basis to seek some way, though not perfect but acceptable, to promote Cross-Strait consultations and negotiations.” The Taiwan side said that this speech was a response to Beijing’s May 17 statement. Here the key problem is what his “basis of the 1992 Hong Kong dialogue” means. As known to all, the mainland side holds that the basis of the 1992 Hong Kong dialogue is the 1992 consensus.

In November 1992, the mainland’s Association for Relations Across the Taiwan Strait (ARATS) and Taiwan’s Straits Exchange Foundation (SEF) reached a consensus, expressed by the two sides in oral form, that both sides adhere to the one-China principle. On the Taiwan side when the Kuomintang was in power, they interpreted the consensus as “one China with different explanations by each side respectively.” If that expression refers to both sides’ adherence to the one-China principle but reserves their differences on the political content of “one China,” it is close to the mainland’s understanding of the 1992 consensus. If Chen Shui-bian’s “basis of the 1992 Hong Kong dialogue” means a return to the 1992 consensus, the opportunity for a big change in the Cross-Strait relationship will arise. But Wu Jau-shieh, the director of the Mainland Affairs Council in Taipei, has made clear that the “basis of the 1992 Hong Kong dialogue” refers to “shelving the disputes and making pragmatic consultations” and should not be confused with the 1992 consensus. Hence in substance Chen’s latest proposal still involves the proposal to resume dialogue with the mainland on the basis of “one country on each side” and nothing else. It seems the purpose for this statement was to win the support of undecided voters in the election and to deceive the international community. Of course, such a position would not elicit an affirmative response from the mainland.

Recently some American officials and scholars suggested that under the current American policy there is a good chance that the Cross-Strait relationship will continue on its current track and spiral out of control, finally igniting a catastrophic war that would involve the United States. To avoid that scenario, which would be extremely unfavorable to American interests, they have put forward various proposals. Quite a few people hold that the United States should
endeavor to promote the resumption of Cross-Strait dialogues without any preconditions. This proposal seems fair, but actually it is not workable because to Beijing “without any preconditions” means accepting Taipei’s precondition of giving up the one-China principle and acquiescing to Taipei’s theories of “one country on each side” or the “special state-to-state” relationship. Beijing has made clear it will never compromise on the one-China principle.

Kenneth Lieberthal and David Lampton, two prominent American experts on China, have proposed that the United States take advantage of its strong influence to persuade the two sides of the Strait to reach an agreement affirming that during the next five decades “Taiwan can continue to assert that it is an independent sovereign country, but it must give up its threat to use the military to change Taiwan’s status”; and that “Beijing can continue to assert that there is only one China and Taiwan is a part of China, but it must give up its threat to use the military to change Taiwan’s status”; and that “the United States, Japan, and the European Union must guarantee that they will not recognize an independent Taiwan.” The crux of this proposal is to maintain the current status in the Strait through an agreement based on legally restrictive force. Even if both sides were willing to consider such a proposal, how could an agreement be reached? Thus just as the one-China principle cannot be avoided, so too must there develop an understanding of the need to make assessments of what could happen to the two sides in the next 50 years and their implications for Cross-Strait relations.

The Taiwan issue is China’s internal problem. In the final analysis, a peaceful resolution of the Taiwan issue would rely on the joint efforts of the Chinese people on both sides. But in terms of checking Taiwan independence and preventing the Taiwan issue from getting out of control, the United States can play a major role. China does have differences with the United States on the Taiwan issue, especially on America arms sales to Taiwan. The two countries, however, share interests in checking the adventurous activities of Taiwan independence activists and in preserving peace and stability in the Asia–Pacific region.

Recently the two countries strengthened bilateral strategic dialogues with each other; at the top of the agenda of these dialogues are the Korea nuclear issue and the prevention of a new Strait crisis. At a recent summit in Santiago, President Hu Jintao suggested that China and the United States make joint efforts to curb the separatist activities of Taiwan independence forces. President Bush said that the United States does not support words and activities designed to change the status quo of Taiwan and to declare Taiwan’s independence. It seems the two countries have reached a tacit agreement to curb Taiwan independence jointly. This is a positive development that is favorable for maintaining peace and stability in the Asia–Pacific region. In the current, tense Cross-Strait situation and with the increasing danger of a Cross-Strait war, it seems necessary for the two countries to discuss crisis management, including the establishment of a mechanism to prevent a new crisis and an escalation of the current crisis into war.

The United States used to pursue an ambiguous strategy in conceptualizing a possible Strait war. But President Bush’s April 2001 remark and the measures the Pentagon has taken to help Taiwan strengthen its defense clearly indicate what the United States would do if China used force to realize reunification, thus changing its strategic ambiguity to a great extent. But the American policy is not clear about what the United States would do if Taiwan’s authorities unilaterally changed the status quo to realize independence. To check Taiwan independence, it would be better for the United States to change “strategic ambiguity” to “strategic clarity.” If the United States clearly stated that America and its allies would not recognize Taiwan independence or help defend Taiwan if the Taiwan side unilaterally altered the status quo in order to seek independence and said that Taipei should not count on American protection in that event, then
Taiwan’s separatists probably would be more cautious and refrain from venturing into a Strait war.

For the time being, breaking the stalemate between the two sides seems difficult. To prevent a new crisis and avert a war, it seems necessary to make some fresh approaches. Because the three direct links favor the interests of both sides of the Strait and because both sides have said they would like to solve the problem relating to the three direct links in accordance with the “Qian Qichen formula,” the positions of the two sides are relatively close. Therefore, it seems at present that the issue of the three links is the only possible breakthrough point in the deadlock.

If Taiwan’s authorities really want to improve Cross-Strait relations, they should issue detailed regulations as soon as possible for direct transportation, further consolidate consensus within the island on the three direct links, and take the initiative to negotiate with the mainland to solve the issue in accordance with the Qian Qichen formula. The Chinese government attaches much importance to the solution of the three direct links problem. If the Taiwan authorities keep their promises not to pursue independence by “formulating a constitution through a referendum” and not to create other issues to worsen Cross-Strait relations after the December “Legislative Yuan” election, there is a good possibility that Beijing will promote the solution of the three direct links problem according to “comprehensive, direct, and two-way principles and the Qian Qichen formula.” The 2005 Spring Festival Charter Flights between the two sides under the “direct, two-way, no transiting landing” principle among big cities of the two sides (namely, Beijing, Shanghai, Guangzhou, Taipei, and Gaoxiaoang) may be a breakthrough and a good beginning.

After the resolution of the three direct links problem, communications between people and the economic integration of the two sides of the Strait will be greatly enhanced, and a new channel for Cross-Strait dialogue can be established. Only under such circumstances will there be the possibility to promote the further development of Cross-Strait relations and to create conditions to hold bilateral political dialogues. If the United States can use its influence to help Taiwan’s authorities overcome impediments to the three links that exist on the island (mainly from the independent fundamentalists and the people in southern Taiwan who are under their influence) and persuade them to negotiate with the mainland to solve this issue, it would be greatly appreciated by people on both sides of the Strait for its concrete contribution to the maintenance of peace and stability in the Strait.

About the Author

Chen Qimao is the president of the Shanghai Society for International Relations and the president of the Shanghai Center for RIMPAC Strategic and International Studies. He served as the president of the Shanghai Institute for International Studies from 1981 to 1991. He is a specialist on political and security issues in the Asia-Pacific Region in general and on the Taiwan issue in particular.

Notes

1. The “one country on each side” remark was made by Chen Shui-bian in August 2002. He emphasized that at present there is not one China but two independent countries on the two sides of the Taiwan Strait—the PRC on the mainland and the ROC on Taiwan. That remark is widely criticized as Taiwan independence theory.
2. Ziyou Shibao (Freedom Timely), Taiwan, October 26, 2003.
5. The Washington Post, March 29, 2004. Later Chen Shui-bian denied that he had said he would establish an independent country despite war.
6. Chen’s speech on October 10, 2004, “ROC’s ‘National Holiday,’” Zhong Yang She (Central
19. In April 2001 President Bush said that the United States would do whatever it could to help defend Taiwan under attack by China.
20. Former Chinese Vice Premier Qian Qichen put forth a number of suggestions on the resolution of the Cross-Strait three direct links problem. The Taiwan authorities called them the Qian Qichen formula.
21. Taipei’s “Legislation Yuan” passed a resolution in October 2003 requesting the “Administration Yuan” to formulate detailed regulations for direct transportation between the two sides across the Strait within 18 months.