

Taiwan Strait: New Developments, New Approach¹

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The question of whether there are new developments across the strait and whether there has been a new approach – or whether at this stage such is possible – raises interesting questions.

They need to be looked at in context – the context I was asked to look at was how I would interpret China’s position. In doing so I should note that there are some things we do know about China’s position but much of that interpretation is essentially speculative.

I will start with some things we do know about China’s position

**We know that China believes very firmly that Taiwan is part of China
We know it believes, rightly or wrongly, that it is legally right
in its position on Taiwan – based on the WWII Cairo and
Potsdam Declarations**

And although contested some western lawyers agree

**We know that that it believes the Chinese regime would not survive
Taiwanese independence**

**We know that China over a long period made it clear that it will fight to
prevent Taiwan declaring independence.**

**And to deter that, it has increased its priority for military
spending
and installed around 800 missiles across the strait facing
Taiwan**

**We know that last year it passed an Anti-secession law putting into a legal
framework its position on Taiwan**

**Partly in response to concern over Chen’s threat to use a
referendum and constitutional change to become juridically
independent
Partly to counter the way the Taiwan Relations Act of the US is
used by the US to argue their hands are tied**

¹ Presentation to an Asialink Forum: *Taiwan - New Developments, New Approaches?*, University of Melbourne, May 22, 2006.

We know that that law says China will employ non-peaceful means and other measures to protect its sovereignty and territory i.e. Taiwan.

We know that this year China has hosted visits by Taiwan opposition leaders.

Criticism of these visits was that they were a Chinese effort to isolate Chen – and in part they probably were.

We can be confident that China wants to achieve reunification through peaceful negotiations – a desire that seems to have increased markedly.

We can also be confident that an independence declaration would mean war across the strait – as Robert Zoellick told a US congressional Committee the other day - with American soldiers likely to be killed

As perhaps would Australia soldiers if we join with the US, as the US expects, in any US conflict with China

We are not clear what would constitute such a declaration – what is in fact the Chinese line in the sand

Taiwan’s government already has two of the four attributes of independence:

Internal control and control of its borders

But it does not have international recognition

It appears that China has swallowed Chen’s repeated statements that Taiwan is independent

So presumably they are more concerned about international recognition

We can speculate that a cause for war would probably be a change in the RoC constitution that severed the existing link to the Mainland’s constitution and that provides the current basis for One China

Or a change of name

We know China has made several offers of what it would concede to Taiwan in the event of unification

Including JZM' eight points proposal

The most important of this was that Taiwan, after reunification, should retain its armed forces and administer its party, governmental and military systems by itself. The central government will not station troops or send administrative personnel there.

It does talk of the One China policy as a requirement and also of one country, two systems.

Before looking at the scope for negotiations, let us look at how the relations across the strait are progressing from China's viewpoint. Cross strait tensions are less now than for some time.

Chen's scrapping of the unification guidelines – which he had promised not to do - raised tensions briefly with China and the US.

The Chinese, however, were restrained in their response - and they professed to be satisfied with the US sharp response to Chen.

We know that for China, the China-US relationship is critical in terms of how the US relates to the Taiwan issue.

And at present, the Chinese feel reasonably comfortable with the US position on Taiwan.

We know that China has welcomed the Bush administration's increasing signs of frustration with Chen, culminating first in 2003 when Bush effectively chastised Chen publicly, and then so did Powell and Armitage.

The official US line now is that it does not support (or opposes moves towards) independence.

We understand that China, however, is not totally confident of the US position. The Pentagon's closer relationship with Taiwan's military is a problem for them not just because of arms sales but also because it believes the US is seeking to contain China and some in the Pentagon see Taiwan as part of that strategy.

They also believe, correctly, that some in the US administration are against reunification.

China recognises that in part the US approach on China is helped by its distraction elsewhere and it wonders what will happen if the situation changes.

It is also aware that the US Congress has a strong Taiwan lobby both because of the US concern about Taiwan's democracy and because of Taiwan's lobbying success.

We assume it will also have noted, however, that Senator Warner, Chair of the Senate Armed Services Committee said in a public hearing that the US might not come full force to Taiwan's rescue if a cross-strait conflict were spurred inappropriately by Taiwanese elected officials and leading

Democrat Senator Feinstein gave a comparable warning in a later speech.

China will also have welcomed Robert Zoellick's warning to the Congressional committee about Taiwan's independence meaning war.

That leaves questions which may reveal some of the unreality of the debate.

Take the most improbable extreme case –were there a war and the US won – and China's regime fell, the national and regional chaos would be horrendous, including for Australia and for that matter even more for Taiwan.

Moreover, it would probably not help Taiwan in the short or long run. China under whatever new management would not concede Taiwanese independence, resentment in China would be high and China would eventually recover. Moreover, it is doubtful whether many more countries would recognise Taiwan diplomatically.

Is there scope for negotiation?

To start negotiations, there is a need to deal with the One China formula which China will not give up. There has been a renewed discussion of the 1992 apparent consensus on One China – separate interpretations (to avoid One China being the PRC) China seems to accept it, while Taiwan might but is ambivalent. Accepting a One China but with different interpretation would be one way to get negotiations started.

I suspect that, in the right circumstances, that is doable – at least for opening negotiations.

I believe that the Chinese are pragmatic – and have shown that over a long period such as over Mongolia and in their successful negotiations in settling long disputed borders with their 14 neighbours –India only outstanding – and doing so by making substantial concessions.

Then the question is - negotiation to what end? Total independence? Probably not. But some time in the next 30-50 years time a form of confederation that met China's symbolic objectives but left Taiwan free to have some international role may not be impossible.

One country two systems, despite its Deng Xiaoping formulation, has already been transformed by Jiang's eight points into something else - one country three systems or reunification-lite.

Jiang Zemin reportedly offered to trade removal of the missiles across the strait for reduced US arms sales to Taiwan but prior US commitments to Taiwan prevented that.

Negotiations, however, are unlikely under Chen. First, we know that China does not trust Chen – for much the same reasons that the US does not; as Zoellick said – his word cannot be relied upon not to push too far at the margins or to change his word.

This was something that also apparently irritated the Indonesians when he landed there, ostensibly simply for refuelling, on his recent overseas trip.

They also are aware that Chen believes that the 2008 Beijing Olympics gives him leverage – since China would not do anything to jeopardise their success. He maybe correct, but I suspect probably not.

From China's perspective Chen has been confrontational in his approach to China, including to the PLA and. They are also pleased that he has similarly irritated the US.

Ma, the Pan Blue opposition leader, has given some idea of how he might deal with China and China seems to regard him as non-confrontational and trustworthy. They would of course do so even if they did not believe it as a counter to Chen but they seem comfortable that he will make a non-confrontational future president.

Ma says he wants a peace agreement for 30-50 years on the basis of no Taiwan moves to independence and no threats from Beijing. He wants to take the issues of reunification and independence off the table.

In the meantime he wants to maintain the status quo.

He says that Beijing knows that he wants a peace agreement, a common market and international space and in principle they have agreed to a peace agreement and to discuss the others.

He also says that he will not scrap the unification guidelines but one thing the guidelines specify is that China has to be democratic free and with an equitable distribution of wealth before unification can be considered.

**He also says that Taiwan's population will have to approve any arrangement, whatever it might be - and he frames this carefully as reunification, status quo or independence.
And Taiwan's population mainly supports the status quo – meaning no risk to peace**

Kicking the ball into the future and into someone else's term of office is not a bad idea – and attitudes may well change

but it has a downside for China – if only that they do not know who they would get after Ma.

It also has a downside for Taiwan – as China becomes more responsive to its population it is likely to be less free to be as pragmatic as it could be before then.

President Chen failed in his last electoral outing to gain much traction in his efforts to make political capital on his cross strait policies. But China sees that Chen has taken a more confrontational line since his New Year's address and they suspect that in Chen's last two years in government he will act incautiously; he is thought to want to leave a situation where following governments cannot move to reunite with China.

They think that there will be more attempts by Chen to move independence forward.

What can Chen do? He does not have a majority in his parliament. He has removed the guidelines but Taiwan's arms expenditure has been decreasing. He has not sought to accommodate the Chinese but to confront

them. He could go ahead with a referendum but may not get that through his parliament. It would, however, be further move toward an independence declaration

He wants to move forward with independence but Taiwan's security is at risk unless Taiwan stays under full US protection – how long will Taiwan as a US protectorate be acceptable to either side, particularly as US protection now seems to be increasingly contingent on Taiwan's actions?

China sees time being on its side in economic, political and military terms. As with the US, it is currently keen to limit action to maintaining the status quo on both sides of the strait. It is growing stronger militarily, its political clout is increasing and the economic links are growing.

The costs of not opening up the three cross strait links are increasing to Taiwan whose economy is increasingly dependent upon China.

For Australia, a status quo (as the US – and China – define it and not Chen) for a considerable period ahead would defer Australia's potential dilemma.

China is now more willing to wait but for how long? That might be dependent upon the degree of Taiwanese confrontation.

Under Chen that seems likely to continue and perhaps intensify – and to make the next two years potentially dangerous – for the region and for Australia.