Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.
'One-China Principle': Taiwan The Missing Link

A Threat Analysis of a Military Conflict in the
Taiwan Strait

A thesis presented in partial fulfilment of the requirements for the degree
of
Master of Arts
in
Defence and Strategic Studies

At Massey University, Palmerston North,
New Zealand

(Daniel) Siew-Hoong Voon
2006
# Table of Contents

## Introduction

1. The 'One-China' Principle
   1.1 An Overview
   1.2 The Evolution and Erosion of the Principle
   1.3 China's Response
   1.4 The American Factor

2. Sovereignty and the Security Dilemma
   2.1 Sovereignty: Is there a case for Taiwan?
   2.2 Concepts and Interpretations of Sovereignty and Statehood
   2.3 Who holds sovereignty over Taiwan?
   2.4 The Security Dilemma
   2.5 Security Dilemma in the Taiwan Strait
   2.6 China's Security Policy
   2.7 Taiwan's Response
   2.8 The American Factor and the Security Dilemma
   2.9 A Stalemate in the Cross Strait Dilemma

---

*Note: Pages are marked for reference purposes only.*
3. The Risk of Military Confrontation

3.1 An Overview

3.2 The PRC’s Military Posture

3.3 Taiwan’s Military Posture

3.4 New Developments in Taiwan’s Military Posture

3.5 Summary Analysis of the Military Balance

3.6 Implications of China’s Military Posture in Taiwan Strait

3.7 US Military Posture in the Taiwan Strait

3.8 Implications of China’s Anti Secession Law

3.9 Is Military Option a Practical Solution to China’s Response to the Cross Strait Crisis?

4. Is There a Chance for Peace?

4.1 A Proposed Taiwan Strait Peace Zone

4.2 Taiwan’s Response Options to the Anti Secession Law

4.3 Developments Reshaping Politics in Taiwan Strait

4.3.1 Status Quo vs. Independence

4.3.2 The Scandal

4.3.3 Transit Development

4.3.4 National Reunification Council and Guidelines, a Controversy

4.3.5 Pragmatic Politics
4.3.6 International Relations and Security 145

4.3.7 What Lies Ahead? 147

Conclusion 149

Appendix I 154

Notes 158

Bibliography 186
Introduction

Taiwan has been transformed from a neglected unsettled frontier into a prosperous democratic nation of 23 million people. Prior to the transformation, control over the island has passed through the hands of succession masters, ranging from the Dutch colonizers to the Han Chinese pioneers, the Manchu officials and the Japanese imperialists. It was only in 1945 that the island reverted to Chinese control under the Republic of China government. Subsequent to this reversion, China itself was divided by a Civil War into two parts: the capitalist Republic of China on Taiwan and the Communist regime of the People’s Republic of China on Chinese mainland. Ever since, the two sides face each other across the narrow Taiwan Strait in a tense confrontation marked by hostility and distrust. This thesis examines the cross-Strait relations between Taiwan and the Peoples’ Republic of China, specifically on the notion of the ‘one-China’ principle where both Taiwan and Mainland China advocate that they are part of one state. While the notion of the ‘one-China’ principle has been the subject of different interpretations, in recent times there has been an erosion of this principle on the part of Taiwan creating a sense of uncertainty to international security. The result of which gave rise to the threat of the possibility of a military conflict between China and Taiwan. The paper seeks to analyse such a threat and examine the rationale behind the gradual erosion of the principle. What is the strategic significance of this erosion? There follows a critical examination of the subject of sovereignty and security, the two main issues that formed the substance of the dispute. What is the likelihood of the risk of military confrontation? Lastly, what are the current political developments and the outlook.
The thesis comprises of four chapters. In the first chapter, the paper examines an overall historical view to demonstrate the mainline of the evolution of the Taiwan and China relationship. It examines the significant move by Taiwan away from the ‘one-China’ principle. The chapter will further examine what prompted this erosion of the principle; why is Taiwan so important to China; what is China’s response to this gradual erosion of the ‘one-China’ principle; how does the US react to the cross-Strait relations, and lastly, how does this affect US-China relations.

In the second chapter, this paper seeks to examine the two main issues that formed the substance of the dispute between Taiwan and China, that of sovereignty and security. The paper will explore in detail the concept of sovereignty and the idea of statehood, and how these two relate to the dispute. Is there a case for Taiwan? This chapter will also look at the controversial legal question as to which legal entity exercise *de jure* sovereignty over Taiwan. Following this, we will look at the security dilemma that both Taiwan and Mainland China are locked into rendering these substantive issues even more difficult to resolve. The sense of fear and mistrust traps both Taiwan and China in international relations. The insecurity dilemma aggravates the proliferation of advanced weaponry systems on both sides.

In the third chapter, the paper looks at the risk of military confrontation and analysis the threat of a possible conflict. This chapter examines both China’s and Taiwan’s military postures. What are the contingencies of a cross-strait conflict? It follows on to examine both forces’ readiness and their strategies.
The paper will also examine the United States military posture in the region and its strategy towards the defense of Taiwan. The chapter will also briefly look at the analysis of the Anti Secession Law recently passed by China and how it affects the cross-Strait relations. Whilst China reserves its rights to use force against Taiwan, the paper seeks to argue that the constraints on China would make any military option impractical, and on the balance of probability, it is very unlikely that China would avail itself of this option and it would be a no-win situation for China.

In the concluding chapter of this paper, it examines a proposal as a confidence building measure in the Taiwan Strait. It will also look at how the Taiwanese should respond to China's controversial Anti Secession Law. These two measures, although not exhaustive, warrant some form of exploration and consideration in the mitigation of the tensions in the Taiwan Strait. Taiwan appears to have adopted similar strategic positions. Finally, the chapter will look at some contemporary factors reshaping politics in the Taiwan Strait and how recent developments have deferred the crisis. To this extent, the paper will examine the latest development in cross Strait relations particularly on the corruption scandal, shelving of the National Unification Council and the Guidelines, the significance of both economic and social integration across the Taiwan Strait. The paper seeks to conclude that China's strategy towards Taiwan is mainly political and not military. The continuing reference to military threats is part of China's broader political strategy. Both have a common interest attracted by the benefits of cross-Strait peace and economic co-operation. Any chance of military confrontation seems low.
Chapter 1 – The ‘One-China’ Principle

1.1 An Overview

The dispute in the Taiwan Strait hinges on the nature of Taiwan’s relationship to Mainland China. Beijing has always insisted that Taiwan is part of a ‘one China’. While for much of the period from 1949 to 1990s, Taiwan, like China, also claimed the ‘one-China’ principle but with a different interpretation suggesting that Taipei and not Beijing should enjoy true sovereignty over both Mainland China and Taiwan. Since the 1990s, the Taiwanese positions have evolved with the emergence of a ‘new Taiwanese’ identity advocating a separation from the Mainland and at the same time insisting that they should continue to maintain various historical and future ties to Mainland China.

For the past decades, Taiwan has progressively been advocating an independent international identity, separate from Mainland China. The earliest sign was seen in 1991 when Taiwan indicated that it was a political entity co-equal with the Peoples’ Republic of China. In 1991 the Taiwan government introduced constitutional amendments allowing for the first time the right to elect the members of the National Assembly. Such reform facilitated Taiwan’s claim that the Republic of China was a sovereign state, premised on the fact that the people of Taiwan was able to participate in free democratic process in the election of their government. This began the undermining process of the longstanding principle of ‘one-China’.

The position was further aggravated when the Taiwan White paper in 1994
affirmed the earlier terminology of “one China, two equal political entities”, thus propelling Taiwan to explicitly assert in international relations that it is now an independent sovereign country, and repudiating the notion that Taiwan and Mainland China are part of one state. Taiwan in effect rejected the ‘one-China’ principle, and aggravated the risk of military confrontation with China.

China has always indicated that it would use force against Taiwan if it departed from the ‘one-China’ principle. In consequence of Taiwan’s assertion, China undertook a series of military manoeuvres in early 1995, attempting to persuade Taiwan and its international supporters to back down from reversing the ‘one-China’ principle. With the support of the US at the time, Taiwan ignored China’s warning. Tensions across the strait have been steadily mounting ever since. There is the need for all concerned parties in the international community to contain and reverse the situation before it escalates into a major conflict affecting the regional order. Taiwan had pushed the limits of de facto independence to a dangerous level in the 1970s when many states switched formal diplomatic ties to China. However China’s main concern is not about Taiwan’s de facto independence. It is about preventing Taiwan from acquiring de jure recognition from major powers supporting its claim for an independent sovereign state. Currently, there appears to be two trends moving in a negative direction beyond China’s control, and China is concerned about this development.

Firstly, the process of ‘Taiwanisation’ has witnessed fundamental changes in the domestic political system in Taiwan. The changing demographics of Taiwan have
ignited a search for a real national identity, thus, the re-emergence of Taiwanese social and cultural activities that had been suppressed by the Kuomintang (KMT), the Nationalist Party, since 1945 when China recovered Taiwan. The KMT had been the dominating Mainland party and had always been led by leaders from the Mainland until 1988 when the first Taiwanese-born President, Lee Teng-Hui, presided over the KMT. This started the process of ‘Taiwanisation’ and since the de-recognition of Taiwan as a sovereign state in mid 1970s by the international community and the continuing international isolation of Taiwan, the Taiwanese began to lose confidence in a Chinese identity. This intensified the growing identification of the people of Taiwan as being Taiwanese (non Chinese). The ‘Taiwanisation’ process was further intensified by a pro-independence party advocating a new Taiwan identity in March 2000 led by the incumbent Chen Shui-Bian, the present President of Taiwan. Chen led his party, the Democratic Progressive Party (DPP) to a second term in 2004 in the parliamentary election, and enjoyed the support of another new hard line independence party, the Taiwan Solidarity Union (TSU), established by the former KMT president Lee Teng-Hui. Both of these pro-independence parties presently dominate the majority in the parliament, and both of these parties are strong advocates of a new Taiwanese identity.

Secondly, China is of the view that the firm military support for Taiwan by the US encourages Chen Shui-Bian’s confrontational style of governance. The US restored its military relationship with Taiwan to an unprecedented level not seen since 1979, and this was initiated towards the end of the Clinton Administration that was
committed to an 'expansion of democracy' and subsequently continued under President George W Bush, who gave explicit assurance and pledged that the United States will do 'whatever it takes' to defend Taiwan. The US grew progressively more sympathetic towards Taiwan, and more demanding on China to be democratic in its political process and adhere to international human rights conventions in its domestic political dealings. The complexity of the US-China relationship over Taiwan also increased focus on the US' actual military contingency planning on the perceived possibility that China may become a strategic competitor in the region and Taiwan may be the trigger for a military confrontation.

The above trends exemplify the dilemma of the cross Strait relationship today. Against the background of rapid changes and developments in the political, economic and social dimensions of both sides of the Taiwan Strait, and the uncertainty of the US strategy on China's long-term military intentions towards Taiwan, there is grave concern whether the international order will be able to maintain peace in the region.

1.2 The Evolution and Erosion of the 'One-China' Principle

The defeat of China in the Sino-Japanese war of 1894-1895 resulted in the Imperial Government of China ceding the island of Taiwan and other smaller islands to Japan in perpetuity. This was described as one of the most humiliating exercises in Chinese history according to some Chinese military historians. The cession of Taiwan was resisted by an armed Taiwanese rebellion that had earlier established a Republic of Taiwan government. Despite vain attempts to draw Western
intervention in their cause, the rebellion was crushed. This historical event may be viewed by some advocates of Taiwan independence as China’s abandonment of Taiwan to the Japanese and became a focal reference point in their separatist cause.

In October 1911 there was a revolt against the Imperial Chinese Government and after the crisis, a provisional government under Dr Sun Yat-Sen was formed under the Republic of China (ROC), in January 1912. The Japanese continued their aggressive expansion in China with a large-scale invasion and conquest through the 1930s. The second Sino-Japanese war of 1935-1945 had subjected many Chinese to the brutal experiences of the occupation, and in consequence the Chinese were even more determined to drive the Japanese out of all Chinese territory.

China, together with the US and Britain, was one of the Allied Powers in the Far East during the Second World War (1939-1945). In 1943, the Allied Powers agreed in the Cairo Declaration that all “territories stolen from the Chinese, such as ... Formosa (Taiwan) ... shall be restored to the Republic of China”. The Potsdam Declaration in 1945 initiated by the Allied Powers (including the USSR), which defined the terms of the surrender for Japan, reaffirmed this commitment. The Instrument of Surrender executed by Japan and the Allies, including the Republic of China, on 2 September 1945 in Tokyo Bay committed Japan to honour the Potsdam Declaration, and thus, Japanese rule over Taiwan ended in 1945. At the request of the Supreme Commander of the Allied Forces, General Macarthur, the Republic of China assumed occupation of Taiwan and it subsequently declared Taiwan as being a province of China. The Republic of China (ROC) was the only internationally recognized government of China during that period.
At the same time, a civil war had been under way between the Chinese Communist Party (CCP) and the Nationalist Party (the Kuomintang or KMT) ROC government. This had been going on for the past decades. In 1949, the civil war took a new turn with the Nationalist Party (KMT) led by Chiang Kai-Shek being defeated by the CCP. Mao Zedong’s Red Army captured all of the ROC government strongholds on the Mainland. Chiang and his party (KMT) fled to Taiwan and the ROC formally relocated its capital and its government to the island. That same year, the CCP proclaimed a new People’s Republic of China (PRC) as the government of all China, including Taiwan and all its offshore islands. After 1949, the PRC successfully captured most of the islands previously held by the ROC in various military campaigns that ended in 1955. However, the PRC campaign was unable to wrest control of the island territories of Kinmen and Matsu.

In late 1940s, a number of leading major powers including the UK and the USSR withdrew diplomatic relation from the ROC as the government of China and accorded it to the PRC. Others, notably the US, continued to recognize the ROC and did not establish diplomatic relations with the PRC until 1979.

During the outbreak of the Korean War in June 1950, Taiwan became an important strategic anchor in the US defensive chain stretching from the Aleutians to Australia. Taiwan became an American fortress and with the US economic aid and technology transfer and security guarantee, Taiwan’s status as an independent state was consolidated by the formal recognition of the US and its allies like Japan and
Australia. Taiwan began to promote itself as the ROC representing all of China including the Mainland.

Whilst Taiwan was accorded the recognition by the US and its allies, purely because of its strategic value during the outbreak of the Korean War, a number of governments including the US and UK maintained that sovereignty in respect of Taiwan was still unclear even though it had been occupied by the ROC Government. This position was a reflection of the San Francisco Peace Treaty of 1951 in which Japan surrendered a number of occupied or claimed territories, including Taiwan, without designating the beneficiary. The 1951 Peace Treaty provision of Japan to surrender Taiwan without any reference to the beneficiary was made due to a disagreement at the time as to which government actually represented China (PRC or ROC?), and for the same reason neither representatives from the PRC or ROC participated in the conference that culminated in formalizing of the treaty. Some legal scholars took the view that according to the 1951 Peace Treaty, sovereignty over Taiwan was not vested in China but rather jointly in the victorious Allied powers that were signatories to the treaty. The position has never been clear and neither the PRC nor ROC has ever taken this further with the exception of committing the Allies to return Taiwan to China. The subsequent section will explore in detail the issue of sovereignty.

During the period of 1949 to 1978, China maintained the policy of “liberation” of Taiwan, and this meant the use of force where necessary. Between 1958 and 1979, the PRC moved away from being an international outcast, with the exception of
being recognized by handful of communist states, to being acknowledged as the legitimate government of China by almost the entire international community. In 1971, China was accorded a seat both as a member of the United Nation General Assembly and a Permanent Member of the Security Council. This formally accorded the international recognition that representatives of the government of the PRC are the only lawful representatives of China to the United Nations. Through the 1970s, most states recognized the principle that there was only ‘one China’, a single legal entity embracing both Taiwan and the Mainland. The PRC government has always maintained that the ROC has no legal right to claim any status as a sovereign state, and made it a precondition for any states entering diplomatic relations with the PRC to formally recognize only one Chinese government, and that of the PRC. This is Beijing’s ‘one-China’ principle. While Taiwan also recognized the ‘one-China’ principle, the difference is that Taipei regarded itself as the legitimate government of entire China. The difference centred on which was the legitimate government.

During the period between 1979 and 1995, tension in the Taiwan Strait eased off. This was due to the combined influence of events in the region, like the withdrawal of the US presence in Vietnam and the co-operation between China and the US in containing the USSR. Further, the PRC government decided to open its economy to the outside world with the view to improving its own. In 1979, China formally abandoned its policy of “liberation” of Taiwan in favour of a “peaceful reunification”, although it maintains to this day ‘in principle’ not to rule out the use of force. The switching of policy was premised on Taiwan’s continuing acceptance
of the ‘one-China’ principle, even though each is maintaining its own interpretation.

China’s strategy was based on the incentives of economic cooperation and eventual economic integration between Taiwan and the Mainland. The calm across the strait was very much underpinned by series of economic and political developments. In the first half of the 1980s, significant investments began to flow from Taiwan into China through the indirect route of Hong Kong. Taiwan became one of the leading sources of foreign investment going into China. Politically, the ROC ended martial law, repealing the emergency rule that was put in place since 1948, and began to allow direct contact with the Mainland. Further to enhance political cooperation, China did not object to Taiwan joining the Asia Pacific Economic Cooperation (APEC) at the same time when China itself was admitted in 1991. The best part of reconciliation across the Taiwan Strait was between 1991 and 1995, where during such time the first political meeting was held in 1992 through the mechanism of ‘unofficial’ organizations created for this purpose.

Taiwan formed the Straits Exchange Foundation (SEF), and for the same purpose China established the Association for Relations across the Taiwan Strait (ARATS). All meetings held between these two organizations were considered ‘non-official’ and they were purely functional to facilitate dialogue on the relationship. Much of the discussions in the 1992 meetings were centred on the ‘one-China’ issue and the parties managed to resolve, at least for the time, on the basis of mutual acceptance of the ‘one-China’ principle whilst not challenging each other’s interpretation. This
agreement became known as the ‘1992 Consensus’ and subsequently paved the way for another significant meeting in Singapore in April 1993 between the representatives of the two ‘unofficial’ organizations. The ‘Koo-Wang Talks’, as it was subsequently known as, generated series of consensus governing, *inter alia*, repatriation of illegal immigrants, returning of hijackers, fishery disputes, protection of intellectual property rights, mutual recognition of certain legal documentations and judicial assistance. The visible progress of these contacts through the ‘non official’ organizations was encouraging, so much so that in January 1995, the Chinese leadership at the time, President Jiang Zemin offered a package in the advancement of this relationship. This represented an important concession to Taiwan’s demand to be treated as an equal. The package provided an eight point concessions.

In the package, China agreed not to challenge Taiwan in developing non-governmental and economic cultural ties with other countries so long as Taiwan does not expand its international role based on the premise of ‘two Chinas’. China also agreed that negotiations should be held and an agreement be reached on officially ending the state of hostility between the two sides in accordance with the principle that there is only one China. On the premise of only one China, China is prepared to talk with the Taiwan authorities about any matters, including all matters of concern to the Taiwan authorities. China further averred that its’ policy is one of peaceful reunification, and that Chinese should not fight fellow Chinese. China also averred that its refusal to give up the use of force is not directed at the compatriots in Taiwan but rather as a safeguard against any plot by foreign forces trying to
bring about the ‘independence of Taiwan’. For economic reasons, China agreed that it is necessary to adopt practical measures to expedite the establishment of direct links between Taiwan and the Mainland (for example in areas concerning postal, air & shipping). The package also encouraged people on both sides of the Taiwan Strait to continue the fine tradition of the Chinese cultures. All parties and any personages in the Taiwan are welcome to exchange views with the Mainland pertaining to the cross-Strait relations and on peaceful reunification and their visits are welcome. Last but not least, leaders of Taiwan authorities are welcome to visit in appropriate capacities, and China is also ready to accept any reciprocal invitations to visit Taiwan.

The eight point concessions were a demonstration on the part of the PRC to show that China was putting the military option away from its normal policy considerations, hoping that Taiwan would recognize the significance of the concessions and agree to pursue new joint initiatives to maintain stability in the Taiwan Strait\textsuperscript{10}. Jiang’s eight point concessions suggested new flexibility in terms of process and that consultations on ending hostilities would be on “an equal footing”. This was an indication to move rhetorically in Taipei’s direction. Of course, the basis of such an offer was made on the premise of the adherence to the ‘one-China’ principle, and the definition of the principle was crucial\textsuperscript{11}. The Taiwan government maintained an optimistic approach until mid 1995 when the political atmosphere had completely changed with China abandoning its policy of peaceful resolution and adopting a more coercive strategy. What prompted this change?
There were many contributing factors leading to the changes of policy by the PRC. However, two major key events led to the reversal. One of these came at an address by Taiwan’s President Lee Teng-Hui in response to Jiang’s eight point concessions in April 1995 at the National Unification Council. Lee’s speech did not appear conciliatory. He laid the blame on Beijing in refusing to accept the “84 years existence of the ROC government”, not acknowledging sovereignty and jurisdiction of the ROC government and blocking Taiwan from taking its rightful place in the international community. Lee further called for Beijing to formally renounce the use of force and to accept the reality that the two shores of the strait are split and separately governed. Lee further averred in an interview with the International Crisis Group in May 2002 that the eight point concessions were simply not credible as an offer to treat Taiwan as an equal. Lee’s address certainly infuriated Beijing and was regarded as something of a slap in the face for Jiang.

The situation was seriously aggravated by a second major event in May 1995 when the Clinton Administration, due to congressional pressure, allowed a personal visit to the US by President Lee Teng-Hui. China viewed this as a serious breach of the US commitments made at the time of normalization not to conduct high-level exchanges with Taiwan. Beijing concluded from those initiatives that Lee was intent on permanently separating Taiwan from China, and that his separatist aims, with the US complicity, constituted a serious threat to China’s vital interest in unification. Beijing therefore chose to engage in coercive diplomacy to demonstrate China’s seriousness to resolve the drift.
President Lee Teng-Hui's actions over the time had begun the transformation of Taiwan's commitment to the 'one-China' principle. There is evidence of a gradual move away from the principle and Taiwan's changing policy can be traced as early as 1991. The erosion of the principle can be traced over three stages.

The Taiwan government constitutional reform in 1991 amplified China's ongoing concern that Taiwan's real intention has always been one of separatism leading to the gradual erosion of the 'one-China' principle. The 1991 constitutional amendments allowed the people of Taiwan for the first time the right to elect the members of the National Assembly, and in the subsequent year, extended to the Legislative Yuan (the Parliament). In 1992, the new National Assembly further amended the constitution in that direct election of the President and Vice President would occur for the first time in 1996. All these reforms facilitated a new justification for the claim that ROC was a sovereign state. This new justification, which was more in line with the idea of state creation, was premised on the fact that the people of Taiwan had through their free elections constituted to the creation of their government.

In August 1992, the Taiwan government recorded its view as follows:

Both sides of the Taiwan Strait agree that there is only one China. However, the two sides of the Strait have different opinions as to the meaning of 'one China'... Taipei considers 'one China' to mean the Republic of China (ROC) founded in 1912 and with *de jure* sovereignty over all of China. The ROC, however, currently has jurisdiction only over Taiwan, Penghu, Kinmen and Matsu. Taiwan is part of China, and the Chinese mainland is part of China.
The National Unification Council, thus, recognized that both the Mainland and Taiwan are parts of Chinese territory, and that the ‘one-China’ principle therefore reflected a “one China with two political entities”. During the informal talks with China in 1993, Taiwan representatives ‘upheld the principle of parity’ premised on the fact that ‘the ROC is an equal political entity’. Taiwan was unambiguously reasserting its status as a sovereign state.

Two further examples demonstrated Taiwan’s introduction of its concept of sovereignty when in late 1993, it launched a bid for membership in the United Nations on the principle that the “Chinese communists and the ROC government ... exercise political authority in areas under their de facto control”14. Another incident was a radical move made by Taiwan’s Economy Minister, PK Chiang, during an APEC press conference in Seattle on 20 November 1993 when he announced that the “ROC government was now pursuing a ‘transitional’ ‘Two Chinas Policy’ and that there are now two sovereign nations across the Taiwan Strait”15. The attempts to erode the ‘one-China’ principle were unambiguously clear.

The second stage of such erosion can be traced towards the end of President Lee Teng-Hui’s term of office. During Lee’s last years in office, the policy emphasis came to be more focused on the separateness of Taiwan from the Mainland and sovereign equality of the two sides. The Taiwan 1994 White Paper affirmed the earlier terminology of ‘one China, two equal political entities’ but also noted:

That the ROC has been an independent sovereign state since its establishment in 1912 is an incontrovertible historical fact. However, relations between the two sides of the Taiwan Strait are not those between separate countries, neither are they purely domestic in nature...Only when (we) set aside the sovereignty dispute for
the time being will we...progress towards unification. The concept of a ‘political entity’ will help us loosen those knots.

While the White Paper expressed support for the ‘one-China’ principle, it included a proviso that ‘at the same time’, given the political realities, the two political entities ‘should co-exist as two legal entities in the international arena’. By 1994, Taiwan no longer maintained the pretension that it represents entire China. It viewed itself as a separate legal entity and the vision of ‘one China’ was seen merely as a historical entity, linking both Taiwan and the Mainland only in historical, geographical, cultural and familial level. Any proposition for reunification could only be achieved if the political systems on both sides of the strait are harmonized. This means reunification is only possible if China is democratized. It could be a long time before this happens.

President Lee’s subsequent interviews in international media reflected his personal views in this respect and one that particularly infuriated China appeared in the Asahi Weekly in May 1994 when Lee said that China’s rule imposed in 1945 was that of a ‘foreign power’. In another interview with the Liberty Times on 14 April 1994, Lee said that ‘we should forget terms like “one China” and “two Chinas”... and talked of a “Republic of China on Taiwan” and a “PRC on the Mainland”. This was Lee’s pragmatic diplomacy approach in international relations in the mid 1990s. Lee refuted China’s description of Taiwan as being a ‘renegade province’. In an interview with the Deutsche Welle radio in July 1999, Lee made it clear that ‘Taiwan has an elected, democratic government’ and the definition of the cross-Strait relationship is ‘at least a special state-to-state relationship’; and Lee further
mentioned that ‘under such special state-to-state relations, there is no longer any need to declare Taiwan independence’. The 1991 Constitutional amendments put the cross-Strait relations on a “special state-to-state basis” as asserted by Lee, and Taiwan issued a new official terminology to describe its relations with the Mainland as “one nation, two states”. This is a clear move away from the previous 1994 policy of “one China, two political entities”. By 1999, Taiwan’s view of the ‘one-China’ principle had clearly departed from the ‘1992 Consensus’.

The third stage of the erosion of the ‘one-China’ principle can be gleaned from the party policy of the Democratic Progressive Party (DPP) led by the incumbent Chen Shui-Bian. The government of Taiwan led by President Chen Shui-Bian does not support unification with China on the basis of ‘one-China’ principle or the “one country, two systems” formula. Chen has expressed his feelings publicly during his political career, and continues to do so to antagonize China. Chen has long been an ardent advocate of Taiwan independence and his belief in the need to declare an independent sovereign “Republic of Taiwan” was incorporated in the first party platform adopted as early as in 1986. However in 1991, the DPP’s radical independence platform was rejected by the public in the National Assembly election. It was only in the mid 1990s that the DPP took a more passive stance by playing down the pro-independence card in order to win elections. In May 1999, at a National Congress, the DPP resorted to toning down its China policy by issuing a “Resolution Regarding Taiwan’s Future”. The policy formally incorporated changes in the party platform and demonstrated the ‘willingness of the DPP to
adjust and change its positions in accordance with the current trends and popular sentiment\textsuperscript{22}. But was there a compromise in the resolution?

The resolution made in May 1999 did no more than to reinforce the party’s previous standing and could hardly be viewed to represent a softening approach in its dealing with the cross-Strait relations. The resolution declares, \textit{inter alia}, that:

Taiwan is (already) a sovereign, independent state; any change in the status quo regarding independence has to be decided by a referendum among the entire population of Taiwan. Taiwan does not belong to the People’s Republic of China. China’s unilaterally declared ‘One China Principle’ and ‘One Country-Two Systems’ do not apply to Taiwan in anyway whatsoever\textsuperscript{23}.

According to the DPP’s political standing, the first proviso (above) requires a referendum only when the status of Taiwan is altered, and this does not mean seeking independence, since according to the policy Taiwan is already an independent state. The referendum is only required if there is a political consensus to achieve some form of political integration or unification with China. The DPP platform did not compromise and the concept of sovereignty was too deeply entrenched in their political way of thinking\textsuperscript{23}. This sentiment was again reflected in the March 2000 election platform when the party was committed to drawing up a new constitution and holding a national referendum with the view to establishing in a legal sense ‘a sovereign Taiwan Republic’.
However, in May 2000 when Chen’s party won the elections, his approach was more conciliatory and pragmatic than the party’s resolution on the cross-Strait relations. In his inaugural speech, President Chen said:

As long as the Chinese Communist regime has no intention to use military force against Taiwan, I pledge that during my term in office, I will not declare independence, will not change the national title, will not push forth the inclusion of the so called ‘state-to-state’ description in the constitution, will not promote a referendum to change the status quo in regard to the question of independence or unification, will not abolish the National Unification Council or the National Unification Guidelines. These became known as the “Five Nos”. Some analysts viewed the change of heart as a direct response to the voters’ sentiment and also Chen’s express political desire to rule all Taiwanese and not just the DPP. Therefore it was better to reflect the majority sentiment of avoiding any confrontation with China. However this appears to be only an ambivalent gesture given the proviso that the adherence to the “Five Nos” are conditional upon China renouncing the use of force against Taiwan. This became a contentious issue given the security dilemma confronted by both Taiwan and the Mainland. Therefore, Chen’s pledges to China were nothing but diplomatically empty words.

Since his inauguration, Chen committed himself in speeches and government declarations to the position that Taiwan belongs to no state except Taiwan. In August 2002, Chen on two separate occasions raised the issue of Taiwan’s political status publicly in the international community. One being on 3 August, in a videoconference speech to the World Federation of Taiwanese Associations, Chen averred that China and Taiwan are different countries and Taiwan is an independent
sovereign state, and he further accused the Chinese communist government of threatening Taiwan and suppressing its international role; and that only Taiwan’s people ‘have the right to decide on Taiwan’s future, destiny and status quo’.

The second occasion was on 12 August 2002 in a joint address with former President Lee Teng-Hui, now a vigorous advocate of independence, to the Taiwan Solidarity Union (TSU), Chen said:

Facing China’s military threat and suppression of our space on the international stage, we must unite … if we are on the road, we must not cease walking down it. We will not be scared.

The ‘road shows’ saw Taiwan mooted suggestion to move towards a more formal assertion of independence, such as adding the word “Taiwan” to the cover of its passport and the plan to rename its representative offices overseas.

Chen’s success in the 2004 elections led him taking office for the second term, and during his second inaugural speech, he reaffirmed the pledges he made in his 2000 speeches and assured that the “Five Nos” would remain in place during his coming four years term. Once again, Chen’s pledges were nothing but empty diplomatic statements. During his second term in office, Chen attempted to promote a new constitution, although this is unlikely to succeed, as any proposed changes would have to be passed with the support of all the political parties. However, in late February 2006, Chen shelved the function of the National Unification Council and the application of the National Unification Guidelines.
Chen’s action here led to an inescapable conclusion that his administration was not taking any active measures to create public support for a return to a ‘one-China’ policy. He justified his promotion of a distinctly Taiwan identity (Taiwanisation). The shelving of the National Unification Council together with the Guidelines hence dramatized Chen’s resolve to lead the self-governing island towards formal independence. If anything, Chen’s reckless decisions could be perceived as raising the danger of conflict in the Taiwan Strait. Chen’s action aroused concern that he may even attempt to go back on other issues assured in his inaugural addresses of 2000 and 2004, in that he may revise the constitution, or change the island’s formal name from ROC to Taiwan. This outraged China and irritated the Bush Administrations. Chen’s openly defied warnings from both Beijing and Washington. How does all this affect China?

1.3 China’s Response

Beijing has always considered Taiwan to be China’s sovereign territory, and that China sees reunification with Taiwan as a matter of ‘supreme national interest’ and it claims it is prepared to fight at any cost. Why is Taiwan so important to China?

Firstly, there is a firm historical belief that Taiwan has been Chinese territory ‘from time immemorial’, and that, despite a Japanese colonial interlude in 1895-1945, it would have returned to China irrespective of whether the US had intervened. China sees Taiwan as the last remnant of a century of Chinese humiliation in the hands of strong colonial powers. In the White Paper on China’s National Defense 2000 it
declares that China might have experienced invasions, disunity and dynastic change during the last 5000 years but it always reverted to a unified state⁹. This fixation on the cycle of Chinese history has rendered the recovery of Taiwan a sacred mission. This is especially so after the return of Hong Kong in 1997 and Macau in 1999.

Secondly, Beijing leaders are of the view that to allow Taiwan leeway to become independent will create a precedent for potentially rebellious parts of China such as Tibet, Xinjiang, perhaps Inner Mongolia and even Hong Kong to pursue separatism. Therefore, Taiwan's future as a part of China is perceived to be inseparable from the integrity of a unified Chinese state.

Thirdly, there is a strategic importance in keeping Taiwan within China's territorial sovereignty. The geographical location of Taiwan is of paramount strategic importance. For example, during the Second World War, Taiwan was a launch pad for Japanese imperialism; in the 1950s and 1960s, it was the anchor in the US strategy in containing China. Taiwan has developed strong commercial ties with Japan and has established close economic and security links with the US. Therefore if China is to surrender its goal of reunification with Taiwan, it fears that it will cede strategic advantage to the US and its allies in the regional power game.

Furthermore, from Beijing's perspective, if Taiwan is to be included in the proposed US-Japan theatre missile defense system (TMD), it would neutralize what Beijing regards its small strategic rocket force as the only credible leverage over Taiwan and its drift towards independence. By undercutting China's missile leverage, it would not only boost pro-independence sentiment in Taiwan but, combined with a
national missile defense (NMD) system, it will neutralize the deterrent value of China's strategic rocket force.

Fourthly, China views Taiwan as a successful modernization model for both political and economical reform in the Mainland. However, such reform is also viewed as a rivalry that challenges the legitimacy and pre-eminence of the CCP.

The above considerations have sustained China's possessiveness of Taiwan. However, it remains difficult for Beijing to be publicly flexible in addressing a practical solution to the cross-Strait relations. Such inflexibility led many in China to argue that the People's Liberation Army (PLA) has no choice other than to attack Taiwan, otherwise it would be seen as the weakness or collapse of the CCP's domestic legitimacy, credibility and self-esteem. Therefore, instead of adopting a beneficial diplomatic approach to entice Taiwan to rejoin the Mainland, China has to rely on coercive diplomacy. The Mainland threat has the effect of deterring the Taiwanese from seeking independence, and to that extent, Beijing can claim its continuing Taiwan policy is successful. However, such a policy is outmoded and seems increasingly counterproductive. No Taiwanese President will accept reunification with China under duress.

While the continuing threats from the Mainland conjure up a fear on the Taiwanese in supporting independence, it has the repercussion effect of generating deep Taiwanese distrust of the Mainland and its reunification plans. If China wants to win over the Taiwanese, it needs to develop a much more passive approach that
moves beyond threats and offers more in the way of inducements for reconciliation and reunification.

China’s response to the gradual erosion of the ‘one-China’ principle prompted a series of public announcements. The following paragraphs highlight some of the remarks made by China’s leaders echoing their sentiment in this ongoing saga.

In March 2000, the PRC Defense Minister, Chi Haotian, reportedly said in the “Xinhua” press that China would do all it can to achieve peaceful reunification, however at the same time it cautioned Taiwan’s separatists in all seriousness that those who stirred up a fire would burn themselves and choosing independence for Taiwan means choosing war. This also simultaneously prompted Premier Zhu Rongji to announce in no uncertain terms that “the Chinese people are ready to shed blood and sacrifice their lives to defend the unity of their motherland and the dignity of the Chinese nation.” China continued to advocate a peaceful approach and at the same time reminded Taiwan of China’s preference to the solution. This prompted the then Vice Premier Qian Qichen to announce in public that:

We want peace and we also fully realize that our compatriots in Taiwan also yearn for peace. Although Taiwan independence can only mean war, not peace, we will continue to implement the basic principle of peaceful reunification, and one country two systems.

The PLA also took the opportunity to echo their sentiment in this cross-strait saga and in May 2000 it publicly announced that:

Chinese people will not absolutely sit by and watch Taiwan become independent. On issues that concern the fundamental interests of the Chinese nation, the Chinese people have never wavered ... if 'Taiwan independence forces' on the island dare to
make any reckless moves ... they will certainly be engulfed in the sea of flames of a just war for China’s reunification⁴.

In October 2000, the Council of the PRC declared in their White Paper on China’s National Defense on the cross strait relation to be one of complication and grim, and accused the new Taiwanese leaders of adopting an evasive and obscure attitude to the one China principle. The White Paper further averred that the separatist forces in Taiwan were scheming to split the island province from China in one form or another and this had seriously undermined the preconditions and foundation for peaceful reunification. While the Chinese government declared it would do its utmost to achieve peaceful reunification, however the position is clear in that Taiwan independence means provoking war.

Against the strong sentiments echoed above, is China and Taiwan therefore on a collision course? In June 1995, China abandoned their policy of peaceful resolution and adopted a more coercive strategy. Having observed Taiwan’s continuing assertions of independence through 1994, and its failure to respond to Jiang’s eight point concessions in 1995, and the facilitation of the visit to the US of President Lee Teng-Hui by the Clinton Administration, China decided to initiate a strong disincentive of possible military attack on Taiwan as an instrument to deter Lee from continuing down this path³⁵.

China applied pressure through a series of military exercises in the lead-up to Taiwan’s parliamentary election in December 1995, and the Presidential election in March 1996. These included the launch of unarmed M-9 ballistic missiles that
splashed down at sea close to the island. The M-9 ballistic missile can carry either conventional or nuclear warheads. These missiles landed in a zone 150 km north of Taiwan in July 1995, and in March 1996, the missiles landed 30 to 40 km from Taipei’s port of Keelung and the southern port of Kaoshiung. The March 1996 launches were accompanied by large scale and highly publicized military manoeuvres in the Taiwan Strait. The military exercises aimed to highlight Taiwan’s vulnerability to ballistic missile attacks, hoping that this would act as a deterrent to Taiwan’s ongoing separatist cause. However, these actions prompted the US to issue a stern warning to China and the deployment of two US aircraft carriers, Independence and Nimitz, to the general vicinity of Taiwan (East of Taiwan with no attempt to sail through the Strait). At the same time the US also cautioned Taiwan to cease provocation of China on the ‘one-China’ principle in an effort to mitigate the tension in the Strait.

During this period, officials from both sides were continuing to discuss cooperation in trade, investment, science and technology and cross-Strait links. The US and China too were engaged in their own round of reassurances. There were a series of summits between Presidents Clinton and Jiang. In September 1995, US Secretary of State Warren Christopher renewed US undertakings to adhere to a ‘one-China’ policy in which the PRC was regarded as the sole legal government of China. He also promised that the US would not support the notion of ‘two Chinas’ or an independent Taiwan or the latter’s attempts to join the UN. A series of conciliatory gestures were offered culminating in China relaxing its military pressure. The tension across the strait eased off momentarily and much of this was facilitated by
the very positive signals China received from Taiwan’s business community. The situation returned to normalcy until the next crisis in 1999.

It transpired that the mix of policies adopted by China in 1995 was ineffective. Beijing became impatient with Lee’s political manoeuvres, and it decided to increase pressure on Taiwan\(^8\). The tension escalated in July 1999 when Lee in an interview stated that in the cross-Strait relations, Taiwan had a ‘special state-to-state relationship’\(^9\). Lee’s remark was interpreted as tantamount to a declaration of statehood and independence. This prompted China to issue a statement to the effect that “if Taiwan denies the ‘one-China’ Principle and tries to separate Taiwan from the territory of China, the premise and basis for peaceful reunification will cease to exist”\(^10\).

Against this background, Chinese anxiety further increased in the lead-up to Taiwan’s presidential elections in March 2000. With the electoral victory of the DPP, a pro-independence movement representing the aspirations of growing number of young people who identified themselves as Taiwanese, not Chinese, China’s position had by then moved well beyond preventing Taiwan from ‘declaring independence’ since that had more or less happened\(^11\). This culminated in the PRC government, in February 2000, issuing a White Paper on Taiwan stating that if Taiwan indefinitely delayed reconciliation with China on the basis of the principle of ‘one-China’, China would be ‘forced to adopt all drastic measures possible, including the use of force, to safeguard China’s sovereignty and territorial integrity and fulfill the great cause of reunification’. In this statement, China
deliberately did not refer the use of force if Taiwan declared independence, but rather if Taiwan refused *sine die* (indefinitely) the peaceful settlement of cross-Straits reunification through negotiations. China appears to be setting a deadline.

By 2003, Beijing adopted a more pragmatic approach in response to the realization that Taiwan under President Chen Shui-Bian or any other president would not be able to respond to China's pressure while the military aspect remained too visible. Beijing resorted to the manipulation of Taiwan domestic politics, especially through showing favouritism to the relatively pro-unification politicians in the KMT and the People First Party (PFP). China at the same time also applied pressure on the Taiwanese business leaders who continue to make profits on the Mainland while actively supporting the pro-independence parties in Taiwan. As of mid 2003, China's strategic positions were that it remains prepared to use all means necessary to ensure there is no final breach with Taiwan, it believes it has considerable political and economical assets to support this policy and that any resort to military tools against Taiwan should be subordinated to the full exploitation of economic and political levers. China also believes that subtle reminders of military threats can increase the effectiveness of economic and political pressure, and that the choice of military confrontation should be the last resort.

Chen's surprise re-election in March 2004 did not help the cross-Strait relations, as he indicated that reforming the constitution would be the pride of his second presidential term. The continuing distrust of Chen's administration led Beijing in
the promulgation of the ‘Anti Secession Law’ in March 2005. While the law dedicates much verbiage to ensuring peaceful reunification, it also specifies that any change to Taiwan’s constitution that would enhance its de facto independent status could bring a military response. To a large degree, the anti-secession law is a political gambit, as China is already empowered to use force against Taiwan with or without statutory approval. However, the law set forth conditions that could complicate the political intrigues of President Chen Shui-Bian, who is loathed by Beijing. The National People’s Congress overwhelmingly approved the law and granted legal authority to China’s leaders to attack Taiwan if they believe the disputed island territory is moving too far toward independence. The law is meant to ‘check and oppose Taiwan independent forces’.

The anti-secession law naturally aroused concern, and officials in Taiwan and the US criticized the law as overtly provocative and warned it could further destabilize the fragile status quo in the Taiwan Strait. Is China aggravating the cross-Strait relations or are there justifications to this Act?

Analysts have argued that Beijing has become increasingly worried that its declarations of resolute determination to use force if Taiwan should declare independence was not being taken seriously. Therefore, to pass such a resolution into law would enhance the credibility of China’s threat to use force if Taiwan should cross the line, and also it sends a warning to pro-independence advocates in Taiwan and to the US. Some also argued that the law was needed to diffuse internal pressure on the Chinese leadership to display clear resolve to counter a declaration of Taiwan independence with military force. Beijing’s approach towards Taiwan
had utterly failed to deter Taiwan from drifting away, as such decision was taken by Chinese leaders to postpone the goal of reunification and focus on preventing separation.

As China becomes a little bit more relaxed on the overall trends in Taiwan, it becomes less comfortable with the enhancements in US military relations with Taiwan. This adds a politically destabilizing element to the cross-Strait problem. What China indicates it fears most from the enhanced US-Taiwan military ties is the encouragement they gave to pro-independence groups in Taiwan to keep pushing their agenda. The following paragraph examines the US factor in these complicated relations.

1.4 The American Factor

So long as Taiwan does not openly challenge the ‘one-China’ principle, and China refrains from overtly reference to the use of force against Taiwan, the ‘one-China’ sovereignty issue will remain a low priority for Washington. The US policy towards Taiwan has always been ambiguous in that it has been difficult to identify a common view amongst US politicians whether the US regards Taiwan as part of China in any legal or political sense under the ‘one-China’ principle4. Further there is always doubt whether the US is committed to the defense of Taiwan from an unprovoked attack by China. Washington has, at different times under various administrations, suggested that it preferred to be ambiguous on this point so as not to mislead Taiwan into using the security relationship as a ‘blank cheque’ for a political move away from the ‘one-China’ principle and provoke an attack. Even as
recently as in April 2004, the US reiterated to Taiwan that the island's defense could not be ensured if it unilaterally moves towards independence. This was a clear warning to Taiwan that US defense of Taiwan is not guaranteed. The US Assistant Secretary of State James Kelly reminded Taiwan that "US support is not a blank check to resist dialogue with the mainland." It is clear from the US position that it does not want Taiwan to act irresponsibly in the cross-Strait relations by virtue of the fact that there is a security arrangement with the US under the 1979 Taiwan Relations Act. Hence, US policy towards China is one premised on Beijing taking a peaceful approach to the resolution of Taiwan's status.

In 1979 the second communiqué on diplomatic recognition, the US 'acknowledge' the Chinese position that there is only one China, and Taiwan is part of China, and that US does not challenge that position. The communiqué specifically recognized the government of the People's Republic of China as the sole legal government of China. In recognizing China under this communiqué, the US sought to maintain ties with Taiwan only on cultural, commercial and unofficial relations.

Upon the execution of the communiqué of 1979, the US administration simultaneously passed the Taiwan Relations Act on 10 April 1979 as a means of providing unofficial ties with Taiwan. The US Congress introduced two important provisions in the Act: one for the supply of "such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability"; and another stipulating that US would regard any military action, boycott or embargo against Taiwan to be a "threat to the peace
of the Western Pacific area and of grave concern to the United States”. Thus, if China ever contemplates any military move on Taiwan, it must take account of the US response. Under the terms of the 1979 Taiwan Relations Act, the US now has a formal obligation to help Taiwan defend itself. However, the actual extent of US commitment under the Act remains to be seen.

The US-China relations was further enhanced by the issuance of a third communiqué in 1982 in that the US government declared that it has no intention of infringing on Chinese sovereignty and territorial integrity, or interfering in China’s internal affairs, or pursuing a policy of ‘two Chinas’ or ‘one China, one Taiwan’. More importantly, the US government declared its intention to reduce gradually its sales of arms to Taiwan. This concession raised doubt within US political circles as to whether the US was leaning too far towards China, placing the US too far in the background of the cross-Strait relations.

This concern was however addressed by President Reagan in July 1982 prior to the issuance of the third communiqué. The Reagan Administration held a private meeting with the Taiwan Government and offered certain assurances in that the US would not mediate between China and Taiwan; it would not pressure Taiwan to negotiate with China; the US would not change its position on the legal status of Taiwan⁵; and arms sales would continue in accordance with the Taiwan Relations Act; and finally the US expects that the approach of the PRC government to the resolution of Taiwan issue will continue to be peaceful.
The third communiqué was the most controversial agreement ever reached between the US and China, and in sympathy with opposition by key State advisers, the Pentagon and the National Security Council, President Regan resolved to issuing a secret instruction that the US would only observe its commitments to limits ‘so long as the balance of military power between China and Taiwan was preserved’.

In 1995, at the time of the missile crisis across the Taiwan Strait, the US administration reiterated quite forcefully its support for the ‘one-China’ policy, and further declared that the US ‘would oppose’ Taiwan independence, would not support ‘two Chinas’, and would not support Taiwan’s membership of the UN. Through 1998, the US declared that it would not support Taiwan’s membership of international organizations for which statehood was a requirement. This ensures that China would not perceive the US as supporting Taiwan’s claim of an independent sovereign state.

While categorically ruling out support for Taiwan independence, the US government came under domestic pressure to provide more support to Taiwan. This resulted in the Clinton Administration demanding that the democratic consent of the Taiwanese people was necessary for any changes in the status quo. Once again such statement was seen by China as constituting a repudiation of the ‘one-China’ principle. Beijing argued that if Taiwan is part of China, it should be the people of China as a whole to decide its status and not just the people of Taiwan. More importantly, it appears that the Clinton move on the ‘one-China’ principle was the beginning of the rejuvenation of US-Taiwan military ties.
There were concerns as to the rationale behind the increasing determination by the US to commit its strategic power to the defense of Taiwan. This raised questions: Was this part of a bigger balance of power contest? Or was the US trying to contain China due to its rising wealth and power that might pose a challenge to the US strategic pre-eminence in the region?

Under the Bush Administration, the US continued to provide strong support for the ‘one-China’ principle and had reiterated the previous policy of ‘no Taiwan independence’. However, the US still maintained the policy that any change in the Taiwan political status should be with the assent of the people of Taiwan. The Bush Administration made it plain that the US ‘one-China’ policy is premised on a peaceful outcome of the China-Taiwan dispute. Whilst reiterating its support for a ‘one China’, policy the US Ambassador, in a speech in Beijing in November 2002, stated that “we want Taiwan to have the confidence to negotiate with China”.

However, the statement had an underlying agenda and by lifting the veil, the intention was for the US to bolster Taiwan’s defense capability under the premise of providing that confidence. It appears that the Bush Administration policy took a new qualitative approach to enhance the US security relations with Taiwan. The administration saw a perceived need for the US to assert a right of passage in the Taiwan Strait and to strike a new military balance.

In an address to the Senate Select Committee on Intelligence in February 2002, the Director of CIA, George Tenet told Congress that:

Over the past years, Beijing’s military training exercises have taken on an increasingly real world focus, emphasizing rigorous practice in operational capabilities and improving the military’s actual ability to use force. This is aimed
not only at Taiwan but also increasing the risk to the United States itself in any future Taiwan contingency.

Thus, there was strong view in the Administration that the US policy towards Taiwan was ‘outdated, dangerous and embarrassing’ and in need of radical changes.

The report of the US Senate Committee on Foreign Relations in April 2001 called for, *inter alia*, an end to the policy of strategic ambiguity, in that there should be no doubt the US will defend Taiwan if it is attacked. However, analysts argued that the resulting uncertainty about US intentions actually shapes the intentions of the other two actors. Neither believes that it has a ‘blank cheque’. The concept of ambiguity constrained China from initiating an unprovoked attack on Taiwan premised on the possibility that the US would intervene, and on the other side, it constrained Taiwan from acting too irresponsibly in provoking China to attack, not knowing the extent of the US commitments in the defense of Taiwan. Hence, it would be unwise for the administration to declare in advance what it would do if Taiwan is attacked, since it would be impossible to predict all contingencies and that strategic clarity would merely reduce US flexibility and increase US obligations; not something the US is prepared to undertake in this political climate.

Nonetheless, the Bush Administration made several adjustments in its defense relationship with Taiwan, that tantamount to a restoration of a *de facto* military alliance. The change of policy facilitated new arrangements in that it allowed a working visit to the US by Taiwan’s defense minister for the first time since 1979;
it also introduced military exchanges with Taiwan. It also changed the timing and manner in which the US approved arms sales to Taiwan and expanded the scope of it’s arms sales. The US shifted its focus more on ‘combat interoperability’ between US and Taiwan military forces, and also linked Taiwan Strait contingencies to US nuclear planning. Finally, the US committed itself to supporting substantial reform in Taiwan’s administration of defense policy and the development of a joint force operational capability.

The adjustments in the US-Taiwan security relations sent a dangerous signal to Beijing. The US policy towards Taiwan thus created an undesirable effect on perceptions in China, in that the US actions could only be interpreted as inconsistent with the Administration’s declared aim of not supporting Taiwan independence. The US move merely aggravated the sense of mistrust and insecurity in China and may affect its political and military judgment and decision-making. Any miscalculations premised on this perception would have a disastrous effect on the peace and stability of the region.
Chapter 2 – Sovereignty & The Security Dilemma

2.1 Sovereignty: Is there a case for Taiwan?

Taiwan has always insisted that its sovereignty is non-negotiable and the DPP political platform maintains that national sovereignty is absolute and indivisible and not to be disposed of in any negotiations. The Taiwan Government therefore formed the fundamental view that the legal characteristic of the island always possessed sovereignty and that this status would have to be recognized if any unification was to occur. Taipei argues that it has always been their intention to be part of China. However, the root of the dispute has always been how Taiwan is going to fit into the equation. Would Taiwan be a subordinate authority to the government in Beijing or would it be considered some form of equivalent government as part of a larger union?

Sovereignty is one of the substantive issues in the political dispute between Taipei and Beijing. Both governments claim sovereignty over each other and this has escalated into a conceptual stalemate in cross-Strait negotiations. If the issue is to be resolved, serious concessions would have to be made in that either Taipei renounce its claim that its government possesses sovereignty or that Beijing significantly amend the ‘one-country, two systems’ formula. It is inconceivable to speculate that Taipei would ever renounce its claim on sovereignty under the DPP rule and accept the ‘one-country, two systems’ formula. Such an outcome is highly unlikely in the current political climate. Whatever formula is required to resolve the dispute, it would certainly involve each side of the Taiwan Strait insisting that each
maintains its own rights and obligations relating to international relations. This is going to be a long struggle for any resolution. Notwithstanding the ongoing issue, this chapter will look at the concept of sovereignty and statehood, and how it is interpreted. Is there a case for Taiwan on the issue of sovereignty and statehood? What legal arguments are there in favour of sovereignty over Taiwan? Who actually exercises sovereignty over Taiwan?

2.2 Concepts and Interpretations of Sovereignty and Statehood

The core idea of the concept of sovereignty involves a well-defined territory and population. The concept refers to "supremacy over all other authorities within that territory and population" on one hand, and "independence of outside authorities" and freedom from their intervention and interference in internal affairs on the other. Sovereignty therefore equates to "independence, the fundamental authority of a state to exercise its power without being subservient to any outside authority".

On statehood, the best reference to this concept can be found in Article I of the Montevideo Convention of 1933 which states that: The State as a person of international law should possess the following qualifications: (a) permanent population; (b) a defined territory; (c) government; and (d) capacity to enter into relation with other States.

In order to understand Taiwan’s position and its claim of sovereignty, it is useful to grasp an overall view of the distinct dimensions of the concept of sovereignty. Stephen Krasner in "Sovereignty: Organized Hypocrisy" distinguishes four distinct
dimensions of the concept of sovereignty. Firstly, what he terms as 'domestic sovereignty', and this refers to how public authority is organized within the state and how it might be effectively exercised within the state's borders. Thus, the issue here is who governs within.

The second distinction is what Krasner calls 'Westphalian sovereignty', and this refers to 'political organization based on the exclusion of external actors from authority structures within a given territory'. There is a sense of independence, from outside parties. Thus, the issue here is whether the governing authorities of a particular territory have the absolute right to rule within their domain. This right is established on the premise that other states accept the norm of non-interference in that territory's affairs.

The third dimension is 'international legal sovereignty', which refers to the possession of formal juridical independence and this facilitates entry to the international arena. The legal status of such entities are known as states in international law, and the status are secured through recognition as states by other states and membership in international organizations like the United Nations that by charter is open only to states. The issue here is whether a government and the people under its jurisdiction may participate in the international system.

Finally, the fourth dimension that Krasner refers to is 'interdependence sovereignty', which refers to the 'ability of public authorities to regulate the flow of information, ideas, goods, people, pollutants, or capital across the borders of their
state.' The process of globalization has degraded this fourth dimension of the concept of sovereignty, and to an extent the other types as well. It has become less significant.

These four types of sovereignty do not necessarily correlate with each other. A government may be recognized as a state and gain membership to international organizations, but at the same time faces challenges to its domestic authority from internal actors. It may also have no control over its borders, and may lack ability to defend itself from external forces. Of the four distinct dimensions of the concept, Taiwan appears to be weak on the international front.

So how do we interpret the idea of statehood and the four dimensional concepts of sovereignty on Taiwan? From a pragmatic perspective, Taiwan appears to satisfy all the Montevideo criteria, in that it has a formed a government that rules a well-defined territory with a permanent population, and it also conducts substantive international relations, albeit not diplomatic, with other states. In Robert H Jackson’s terms, Taiwan would possess “empirical statehood” if not “juridical statehood”[3]. Thus, Taiwan’s governing effectiveness far exceeds its internationally recognized status. Taipei has long used the formulation “independent, sovereign state” to describe itself. Does this imply Taiwan is a separate country?

Beijing asserted that in 1949, the ROC ceased to exist as the government of the state called China, and was replaced by the government of the PRC. Since then it has asserted its right to represent China in the international community and most
states have agreed that the PRC was the sole legal government of China. Further, Beijing averred that Taiwan was formally returned to China in 1945 based on three premises in that the Cairo Declaration in 1943 expressing the Allied Powers’ intention to return Taiwan to China; secondly, the Nationalist taking over of the island in 1945 indicative of China’s re-establishing control of the island after the Second World War, and lastly, since 1949 the formal recognition or acknowledgement by most states that Taiwan is part of China. Therefore in Beijing’s view, neither Taiwan nor the ROC has any international legal personality, and neither is it a state. Further, there appears to be anomalies at play here as to whether Taiwan actually meets the functional criteria of statehood.

Firstly, there is the conflicting view over the origin and identity of the state in question. Under the KMT rule, the ROC government asserted that it was the government of the state called China and that it has existed since 1912 to the present time. However, the conventional view within Taiwan opposition forces claimed that Taiwan was a separate nation-state that was not in anyway connected with the state called China. They averred that whatever the intention of the Cairo Declaration, the transfer of title over the island (Formosa) from Japan back to China was never properly executed, and hence KMT rule was illegitimate. The popular sovereignty that it currently enjoys that derived from a democratic system has thus created an alternative basis for state formulation, and it accordingly generated the argument for the establishment of a ‘Republic of Taiwan’.

The confusion was further enhanced by former President Lee Teng-Hui in using the term “Republic of China on Taiwan”, identifying the territory of Taiwan as being
under the control of the ROC, and that Taiwan was already ‘independent’. In 1999, the DPP threw the traditional ROC formulation even further into confusion when it asserted that:

Taiwan is a sovereign and independent country ... Taiwan, although named the Republic of China under its current constitution, is not subject to the jurisdiction of the People’s Republic of China.

It is interesting to note here that the entity that is sovereign and independent is Taiwan and not the Republic of China, which is the only current constitutionally prescribed name of Taiwan. It appears that the DPP was going further than the KMT in its assertion of statehood.

Secondly, if the ROC Government claims to be sovereign, what territory belongs to the ROC? There are disagreements within Taiwan itself as to its territorial control. The ROC constitution of 1947 did not define the territory. However, the ROC government asserted that the territory included Mainland China, Taiwan and the Pescadores. When the KMT regime retreated to Taiwan in 1949, it continued to maintain its position of sovereignty over all of China, and did not recognize the PRC’s jurisdiction over the Mainland. In the early 1990s, Taipei shifted its position concerning its territorial control, whilst maintaining its sovereignty over (all of) China, the Taipei Government confined its jurisdiction (the area of actual political and administrative control) only to the islands of Taiwan, Penghu, Kinmen and Matsu, and acknowledged the PRC’s jurisdiction over the Mainland.

The confusion is again highlighted in 1999 when Lee’s state-to-state formulation maintained that the ROC’s sovereignty was restricted only to Taiwan, Penghu and
the offshore islands. Similarly, the DPP also confused matters by using the term “jurisdiction” to refer to those territories and not “sovereignty”.

Most recently in February 2004, President Chen Shui-Bian asserted that the state’s territory does not include the Republic of Mongolia and the PRC. Hence, there is no definitive geographical boundary as to the actual territory the ROC claims to be sovereign of.

On analyzing the above, there appears to be inconsistency in what the Taiwan Government asserts the state to be. If it claims the historical ROC as the Government of the state known as China, the premise of such claim is weak as it is unable to meet the Montevideo criteria because of its territorial ambiguity. Does the state Taiwan claims embraces all of China? It appears not. Further, if it submits that it meets the Montevideo criteria premised on its rule of Taiwan and the surrounding islands, it does so only on behalf of a state called Taiwan. Thus, Taipei managed only to satisfy the ‘assertion’ test with respect to an entity, and it diminishes the entity of ROC that would most clearly display the other element of statehood. It is now asserting a separate ‘new’ state of Taiwan. The situation concerning statehood is therefore clouded with confusion.

On the issue of sovereignty, by applying Krasner’s four-dimensional concept of sovereignty, Taiwan has mixed achievements. Firstly, with regard to domestic sovereignty, Taipei had been consistent and effective with its autocratic rule from the late 1940s to mid 1908s, with the KMT exercising a dictatorial stance. It was only in the mid 1980s that there was a profound transformation from a party-state
into an open competitive political system. It started the process of liberalization and democratization. The culmination of the transformation process was the victory of the incumbent Chen Shui-Bian in the presidential election of 2000 and the domination of the DPP in the Legislative Yuan election of 2001.

Secondly, with respect to interdependence sovereignty, Taipei retains a significant capacity to control its borders regarding immigration, customs, quarantine and capital flow. The fact that Taiwan is an island facilitates an advantage here. The integration of economic activities on both sides of the Strait in the global supply chain has eroded the economic segregation that previously existed. However, on an institutional level, there is still little or no interaction between Taipei and Beijing. Taiwan is unable to collaborate with its neighbouring countries, particularly in the control of infectious diseases.

Thirdly, with respect to Westphalian sovereignty, the Taiwan Government has the absolute right to rule within the area of its jurisdiction without interference by outside power. Whatever political systems the island had undergone, the island’s central government has always been in charge, with the exception of the 1950s and 1960s when the US exercised economic leverage on Taiwan to restrain and influence Chiang Kai-Shek’s action. Washington succeeded in shaping Taiwan’s economic policy, substituting import dependency to export-led growth. A closer look at recent events in Taiwan, particularly after the election of Chen Shui-Bian, suggests that the PRC is attempting to interfere by penetrating or influencing Taiwan’s politics. Beijing is availing itself of a united front strategy seeking to
bring the opposition parties and key business leaders within Taiwan to the Mainland side.

Lastly, with respect to international sovereignty, Taiwan’s position is the weakest and most vulnerable. Conceptually, traditionally and politically states are the primary actors in the international system. There is a state called China, which is a member in most international organizations. Taiwan lacks this recognition. In the 1950s and 1960s, the ROC held the status of a state in the international system and was recognized by the majority of countries. However in the 1970s, after a long struggle, the PRC gained the upper hand and was accordingly recognized as the only legitimate government of China by most countries, and earned the rightful holder of China’s seat in international organizations. The ROC, thus, has been relegated only to no state-based international organizations and only the entity of ‘Taiwan’ is being acknowledged as member of such institutions. For example, organizations like APEC (Asia-Pacific Economic Cooperation forum) and WTO (World Trade Organization) for which membership is not restricted to states.

The fact that the ROC’s international sovereignty is weak does not mean that it lacks sovereignty altogether. Similarly it does not restrict any formula for unification with Beijing that would place Taipei in a subordinate position. On the contrary, Taiwan achieves significantly on other dimensions of sovereignty as suggested by Krasner, and it appears that Taiwan’s position is one that is most relevant to the formation of a national union. The ROC’s international sovereignty diminished only because Beijing had waged a relentless campaign against it, and
continues to do so, in the international arena, and most countries went along with it. The position Taiwan is maintaining in the current political climate by not accepting the 'one-country, two system formula', is premised on the belief that if it accommodates the formula its Westphalian sovereignty would be in compromised.

The disagreement over the legal identity of the governing authority of Taiwan, whether it possesses sovereignty, continues and is the core subject of the dispute between Beijing and Taipei, and will continue to be so unless some form of resolution can be found. Taipei's progressive departure of the 'one-China' principle and refusal to resume any cross-Strait dialogue is a deliberate breach in the belief that to reinstate the arrangement would be tantamount to conceding that its government does not possess sovereignty.

Notwithstanding the continuing disagreement between the two sides concerning the legal status of Taiwan, there has been speculative analysis in the international community whether sovereignty over Taiwan actually lies with the Chinese. This brings us to examine which authority actually exercises sovereignty over Taiwan; Is it the Chinese, be it the PRC or the ROC, or a foreign actor like the US? The following paragraphs examine some submissions by scholars and academics concerning the legal status of Taiwan's sovereignty.

### 2.3 Who holds sovereignty over Taiwan?

The legal question of which legal entity holds de jure sovereignty over Taiwan is a controversial issue. Many legal submissions have been made by the PRC, the ROC
and supporters of the Taiwan independence movement over this question, with various arguments being expounded by all sides. The question has significant bearing on the political status of Taiwan and touches many aspects of international law. On a *de facto* basis, it is clear that sovereignty over Taiwan is exercised by the ROC. However the following is an attempt to look at the sovereignty status of Taiwan on a *de jure* basis.

First, let's look at the legal arguments in favour of Chinese sovereignty. The following submissions are common to both the PRC and the ROC. Firstly, the waging of aggressive war by Japan against China in 1931 and beyond violates the peace that was brokered under the Treaty of Shimonoseki, and with the declaration of war against Japan, the treaty is considered void. Therefore with no valid transfer of sovereignty having taken place, Taiwan sovereignty naturally belongs to China. Secondly, the Cairo Declaration and Potsdam Declaration were accepted by Japan upon its surrender. Those documents clearly state that Taiwan was to be returned to Chinese sovereignty at the end of Second World War. Thirdly, the proclamation of Taiwan retrocession in 1945 by the ROC (when the PRC had not yet been founded) was entirely uncontested. Had another party been sovereign over Taiwan, that party would have had a period of years in which to protest, and its failure to do so represents cession of rights. The PRC can use this argument because it was founded only in 1949, as the successor state to the ROC (in its view) it acquired all the benefits and obligations undertaken by its predecessor. Fourthly, the San Francisco Peace Treaty's (SFPT) omission of China as a participant was submitted as an accident of history and possibly due to the cold war strategic direction, and was
accordingly protested. Excluding China from the conference itself could be illegal, or, if not, then at least a sign of bad faith on the part of the other allies, ignoring the history of the Second World War. Not specifically identifying the recipient of Taiwan was again submitted as an accident of history and/or sign of bad faith. Japan, as a not yet fully resumed sovereign state then (as it was under occupation), really had no role in determining the treaty terms. As neither Chinese government ratified its terms, this can be construed that they bind neither government and cannot alter the validity of their claims. Finally, the submission of a cultural and historical linkage in that Taiwanese and Chinese cultures are extremely similar, and the majority of Taiwanese are descendants from migrants who moved there from Mainland China.

Looking at the submission from a unilateral perspective the argument most unique to the PRC premised on the fact that the original Treaty of Shimonoseki 1895 was executed on unequal terms due to the aggressive nature of the war. Hence, the treaty was unjust and should be void *ab initio* (at first instance/from beginning). As the successor governing authority to the Qing Dynasty and the ROC, the PRC would naturally possess sovereignty over Taiwan, as it would have never been ceded in the first place. The PRC therefore does not recognize the validity of any of the unequal treaties executed by the Qing government as it considers them unjust and illegal.

On the other side of the political spectrum, the ROC also advanced a submission that was unique to them. The ROC submitted that the Treaty of Taipei 1952 formalized the peace between Japan and the ROC	extsuperscript{10}. In it, Japan agreed to cede
Taiwan (without explicitly specifying a recipient) and void all treaties conducted between China and Japan. Implicitly though, since the treaty was made between the ROC and Japan, the recipient of the cession would be the ROC. To support that contention, the residents of Taiwan were regarded as ROC nationals in the treaty. Otherwise the treaty generally follows the terms of the SFPT. As the undisputed direct successor government to the Qing, the ROC would be entitled to Taiwan's sovereignty since the transfer of sovereignty in the Treaty of Shimonoseki would be void, no such transfer would have actually taken place de jure. Further, the Treaty of Taipei was not protested by any state. Again, if some other party had held sovereignty over Taiwan, that party would have had an obligation to protest what would have been a void transfer; the lack of protest vitiated whatever claims the party had or may have. However, the PRC considers this treaty illegitimate and invalid as the Treaty of Taipei was concluded by the ROC after the PRC's founding proclamation. The position became more complex when Japan abrogated it upon establishing diplomatic relations with the PRC in 1972.

However, the pro-Taiwan-independence movement advanced entirely different submissions concerning their case for self-determination. They averred that the peace that was brokered in the Treaty of Shimonoseki was breached by the Boxer rebellion that lead to the conclusion of the Boxer Protocol of 1901 (Peace Agreement between the Great Powers and China)\(^1\), not by the second Sino-Japanese War. The Treaty of Shimonoseki was a 'dispositive treaty' therefore it could not be void or nullified\(^2\). This doctrine being that if the treaty specified a particular action to be completed, and once the action is completed, the treaty
cannot be void or reversed in the absence of a new treaty expressly repealing that clause. The ‘unequal treaty doctrine’ therefore could not apply to this treaty. Under the terms of the treaty, China paid 200,000,000 kупing taels to Japan and subsequently was not repatriated to China, and Taiwan (Formosa and the Pescadores) was ceded to Japan, the cession in the treaty was accordingly executed and could not be nullified. The cession of Formosa under this treaty was therefore a legitimate cession by conquest, and thus was not considered as theft as described in the Cairo Declaration being ‘all the territories Japan has stolen from the Chinese’. It should also be noted that historically the Qing Court exercised effective rule over primarily the west coast of Taiwan only, and even then it did not regard the areas as an integral part of the national land.

The pro independence movement went further to submit that the Cairo Declaration was merely an unsigned press communique that has no legal status. While the Potsdam Declaration and other instruments of surrender were simply *modus vivendi* and armistice, that function only as temporary records, they did not have any legally binding power to transfer sovereignty. They also concluded that culture and history did not constitute any legal basis for claim of sovereignty, and the ‘Taiwan Retrocession Day’ proclaimed by ROC in October 25, 1945 was legally invalid and impossible since Taiwan was still a *de jure* part of Japan prior to the execution of the peace treaties.

The movement also contended that sovereignty transfer by prescription did not apply to Taiwan's case. The rationale being since prescription is the manner of
acquiring property by a long, honest, and uninterrupted possession or use during the
time required by law, the possession must have been possessio longa, continua, et pacifica, nec sit ligitima interruptio (long, continued, peaceable, and without lawful interruption). Therefore for prescription to apply, the state with title to the territory
must acquiesce to the action of the other state. Yet, the PRC has never established
an occupation on Taiwan and exercise sovereignty for one single day. Prescription
as a rule for acquiring sovereignty itself is not universally accepted. A pro-
independence group, which formed a Provisional Government of Formosa in 2000,
argued that both the “228” incident of 1947 and the Provisional Government of
Formosa have constituted protests against the ROC Government’s claim of
retrocession within a 50 year acquiescence period. The Taiwanese residents were
unable to make a protest after the “228” incident due to the authoritarian rule under
the KMT regime, which suppressed all pro-independence opinion. Japan was not
able to cast a protest as it had yet to resume her sovereignty over Taiwan between
1945 and 1952 (until the execution of the SFPT).

The movement also contended that in the Six Assurances offered to Taiwan in the
80s, the US explicitly did not recognize the sovereignty claim over Taiwan from the
PRC. The US also denied the sovereignty claim from ROC in the Congress report
in the 70s. Following this claim, the pro independence movement further averred
that the San Francisco Peace Treaty (SFPT) is definitive, where Japan ceded
Taiwan without specifying a clear recipient. China was prohibited from benefiting
from Taiwan sovereignty in SFPT when the treaty was initially drafted. Subsequent
Japanese cessions (such as Treaty of Taipei) are void, as Japan could not cede what
it no longer possessed (the SFPT was effective April 28, 1952, whereas the subsequent Treaty of Taipei was effective August 5, 1952.) Since the peace brokered in the Boxer Protocol of 1901 was breached by the second Sino-Japanese war, the SFPT specifies that the date to be used in returning territory to China in the Article 10 was 1901, not 1895. The postliminium restoration of China was therefore completed without sovereignty over Taiwan, since Taiwan was not part of China when the first Chinese Republic was established in 1911. Moreover, the Treaty of Taipei was abrogated by Japan upon the PRC’s request in 1972.

The Cession of Taiwan without a recipient was neither unusual nor unique, since Cuba as a precedent, was ceded by Spain without recipient in the Treaty of Paris 1898 as the result of the Spanish-American war. At the end of Second World War, Libya and Somaliland were also relinquished without recipient by Italy in the Treaty of Peace with Italy 1947 and both achieved independence later. The pro-independence movement further submitted that as one of the ‘territories which detached from enemy states as a result of the Second World War’, as defined in the article 76b and 77b of the United Nations Charter which China was a signatory to in 1945, and also defined in the protocol of Yalta Conference, Taiwan therefore qualifies for the UN trusteeship program. China would have a treaty obligation to comply with the UN Charter and assist the people of Taiwan to attain a good living standard and enjoy the right of self-determination.

Due to the "limbo cession," the US would temporarily hold Taiwan's sovereignty in trust as the principal occupying power as defined in SFPT Article 23. International law specifies that the sovereignty of an area under military occupation is held in
trust by the principal occupying power, and this is an interim condition. Hence, the sovereignty of Taiwan was held in trust by the US beginning on October 25, 1945. Under Field Manual 27-10 Law of the Land Warfare, article 353 and 354, the ROC is therefore acting as the ‘agent’ for the US military government in this arrangement. On this premise, the PRC does not exercise sovereignty over Taiwan.

While Taiwan independence supporters once advanced the above arguments against the favour of Chinese sovereignty to dispute the legitimacy of the KMT controlled government that ruled over Taiwan, these arguments have subsequently been set aside by a majority (except the most extreme) of the supporters of independence as the result of the democratization process in Taiwan. This facilitated moderate supporters of independence, such as the present President Chen Shui-Bian, to stress the ‘popular sovereignty’ theory in order to accept the legitimacy of ROC, whose government the DPP now controls, in Taiwan.

In this sense, the ROC Government currently administering Taiwan is not the same ROC that accepted Japanese surrender in 1945, because the current ruling authorities were given popular mandate by different pools of constituencies: one is the mainland Chinese electorate, the other local Taiwanese. However, ‘popular sovereignty’ theory, which the pan-green coalition emphasizes, suggests that Taiwan could make fundamental constitutional changes by means of a popular referendum, whilst the ROC legal theory, which is supported by the pan-blue coalition suggests that any fundamental constitutional changes would require that
the amendment procedure of the ROC constitution be followed. The ‘popular sovereignty’ theory, however, does not contradict the argument in favour of self-determination. Nor does it affirm arguments in favour of Chinese sovereignty, meaning that the only obstacle towards declaring Taiwan independence is a lack of consensus among the Taiwanese people to do so. On the contrary, the majority of the Taiwanese population tends to prefer the status quo that has maintained peace and prosperity on the island since democratization.

Notwithstanding the above, there exists another theory in that the legal party that holds Taiwan’s sovereignty is the United States of America. Let’s consider the following analysis.

It is submitted that the Cairo Declaration, Potsdam Declaration and the Japanese surrender documents do not have the force of international law binding treaty arrangement to formally transfer the sovereignty of “Formosa and the Pescadores” to the ROC. These declarations and/or proclamations were merely statements of “intent”. Hence, there was no transfer of sovereignty following the execution of the above statements. The status of Taiwan’s sovereignty can be traced back from the following factual accounts.

In accordance with international law, it is easily established that October 25, 1945 (Taiwan Retrocession Day) marked the beginning of military occupation of the “Formosa and the Pescadores” by the ROC military force. Military occupation does not transfer sovereignty. When the ROC Government fled to Taiwan in late 1949, it became a ‘government in exile’. The ROC continued to exercise ‘effective
teritorial control' over this area that it was holding under military occupation. In the post-war San Francisco Peace Treaty (SFPT) and the Sino Japanese Peace Treaty, the sovereignty of Taiwan was not awarded to the ROC. Hence, the former Secretary of State Colin Powell was correct in saying that Taiwan does not enjoy sovereignty as a nation. Therefore who actually holds de jure sovereignty over Taiwan?

From historical accounts, we note that attacks made on Japanese fortifications and installations in Taiwan during the Second World War were carried out by the US military forces. According to the "customary laws of warfare in the post-Napoleonic period", the US was the principal occupying power. During the time when General MacArthur, head of the US military government, delegated matters regarding the Japanese surrender ceremonies and occupation of Taiwan to General Chiang Kai-Shek, this was simply a 'principal' and 'agent' relationship.

In the post-war peace treaties, the sovereignty was not expressly or even implicitly awarded to the ROC. Hence, it appears that Taiwan remains under the administrative authority of the US military government, and this is an interim status condition. In the SFPT, Article 4b clearly states that the US Government has final disposition rights over "Formosa and the Pescadores". In addition, Article 23 clearly reconfirmed the US as the principal occupying power. In effect, the US is holding the sovereignty of Taiwan "in trust," and in the Shanghai Communique, (in the Shanghai Communique of February 28, 1972, US. President Nixon and top PRC officials agreed that the PRC was to be "the lawful government" of Taiwan in the future. However specific details for the unification of the Taiwan by the PRC
and the Taiwan governing authorities were left up to the officials of both sides of the Taiwan Strait to negotiate separately. In this way, the United States arranged to make transfer of the sovereignty of the Taiwan cession to the PRC in the future without a timetable), the US president is empowered to make the necessary arrangements for the future handover of this sovereignty to the PRC, which is recognized as the sole legitimate government of China.

However, at the present time, Taiwan is considered still under the US administrative authority. As long as a final resolution has not been reached between the authorities across the Taiwan Strait, the transfer would be delayed sine die. Therefore before any transfer takes place, it can be said that de jure the US military government still administers Taiwan through the surrogate civil administrative government of the ROC. Hence, during the 1945 to 1952 period of belligerent occupation, and during the 1952 to present period of friendly occupation, the sovereignty of Taiwan is held in trust by the US military government, under this analysis.

This interpretation of the above analysis has gained some low level of acceptance in recent years. In a Rotary Club meeting in 2004, the former ROC President Lee Teng-Hui, who is an ardent advocate of pro-independence, publicly asserted that Taiwan is still a territory administered by US military government and therefore is not likely to be accepted in UN without a determined status. Still, one should note that this is a position held by a small minority, and the US Government has not expressly or formally claimed Taiwan's sovereignty, in spite of the possibility of making such a claim by virtue of the SFPT. Although the PRC continually stresses
that the sovereignty of Taiwan is a domestic affair and the US has ‘acknowledged’ the PRC’s position, the US Government has made it clear that the United States would not formally recognize Chinese sovereignty over Taiwan in its Six Assurances offered to Taipei (ROC) in 1982. However, since the ROC was an unrecognized government, the statement ‘Chinese sovereignty’ probably referred to PRC sovereignty.

As Taiwan continues to maintain the contention that it possesses sovereignty over the island, the legal status of Taiwan remains inconclusive in the light of the above analysis. Therefore this brings us back to our initial question, is there a case for Taiwan?

Looking at our earlier analysis on domestic sovereignty (the organization of internal political power) on Taiwan, this fits the focus only when it is limited to the territories under which Taiwan has jurisdiction. However, if we shift the focus on the organization of power within a state called China that encompassed both Taiwan and the Mainland and their respective governments, there would be various options of organizing that state. One would be the Beijing’s ‘one country, two systems’ model in that the PRC Government alone would control the central or national policy whilst Taiwan would be a subordinate unit, albeit with a measure of autonomy (of domestic or municipality level only). Yet there might also be another configuration of power within the Chinese state that permits the sharing of sovereignty among constituency units that are equal in their legal characteristics. An example of such an arrangement would be a confederation (that of a national union composed of sovereign units like the European Union), and this would of
course have other implications on the domestic sovereignty. For example, whilst the arrangements may accommodate individual constituent units in international roles, it also affects the regulation of the borders between them (it may lose its significant capacity to control its border). Thus, the crucial disposition is how the Taipei government might be part of the Chinese state. For all intent and purposes, if we look at Taiwan from the concept of statehood, Taiwan is able to make a decent case in that it is a sovereign entity in functional terms. However, the crux of the matter remains that Beijing’s inflexible approach to this has become a major obstacle to the very goal it seeks, that of unification.

2.4 The Security Dilemma

The security factor is the second substantive issue at the heart of this matter and remains the key obstacle to crafting a solution to the Taiwan Strait dispute. As the military equation changes significantly with China gaining the ability to project power towards Taiwan, and Taiwan’s acquisition of further advanced military assets to deter Beijing’s temptation to engage in coercion or warfare, the consequence being that both sides maintain a profound vulnerability, although for China, that vulnerability is more political than military.

Both Taiwan and China are caught in a security dilemma. Each side observes the power of the other and feels threatened by them, resulting in each side taking steps to guard against the perceived threat, only to trigger a restricted response from the other. The situation is further compounded by the mistrust of each other’s action, and that mutual mistrust complicates any effort to find a solution to this dispute. Each side generates the fear that if its action is conciliatory, the other will exploit its
generosity, rendering it more insecure. This inevitably makes it difficult to find a political settlement that would eliminate the security dilemma altogether, and with it presents the risk of military confrontation. To complicate matters, this particular security dilemma has two special elements in that China does not fear Taiwan's military power but rather the political initiatives of its leaders, and secondly, the role of the US in this dispute, on which Taiwan is solely dependent.

Before the chapter examines the insecurity in the Taiwan Strait, let's look briefly at the concept of the security dilemma and its implications. John Herz observes striving to attain security from ... attacks, actors are driven to acquire more and more power in order to escape the impact of the power of others. This, in turn, renders the others more insecure and compels them to prepare for the worst. There are three factors compounded in this vicious cycle, and now states are ever more tempted to opt for coercive power or war over the possibility of exposing themselves to greater danger at a subsequent date.

Firstly, there is the element of time. A state may fear that even if another state is friendly today, it may become an adversary tomorrow, and the state may also fear that it will become less and less able to protect its interests as time passes. Secondly, the fact that many weapons systems can be used for offensive and defensive purposes, one side might regard any weapons the other acquires for its own protection as offensive in nature. Thirdly, this is more of a psychological factor, in that while one state may view the military build-up of another as reflecting aggressive intent instead of the desire for self-protection, it sees its own
acquisition as friendly and ignores the possibility that the other may see them as hostile.

Acquiring weapons is not the only way states acquire power to cope with a security dilemma. Having allies is another. However, the dynamics of this approach in forming alliances presents the twin dangers of abandonment and entrapment. In abandonment, the state fears its ally will not fulfill its explicit commitments, it will not give support when expected, it will adopt a neutral stance, or in the worst scenario, it will even align with its opponent. In entrapment, the state is concerned that its ally will draw it into a conflict in pursuit of interests it does not share.

Therefore in the alliance security dilemma, it is important to evaluate the relative dependency of one ally on the other, what is the strategic interest that each has in defending the other, how explicit the alliance agreement is, what was the past behaviour like and how the stronger ally dealt with the adversary. These are important factors that may influence the risk of abandonment or entrapment. Both China and Taiwan are locked into this security dilemma that aggravates the difficulty of maintaining stability and minimizing tensions in the Taiwan Strait.

2.5 Security Dilemma in the Taiwan Strait

The security dilemma has dominated the cross-Strait relations since 1949, when the ROC government moved to Taiwan. Both the PRC and ROC perceived the worst in each other's effort in building up its respective military power. Taiwan, of course, depended on its US alliance, which has its own problems in that Taipei fears US
abandonment and simultaneously Washington is anxious about being entrapped in a conflict that it did not want.

In the 1970s, in the midst of the Cold War, the US saw an anti-Soviet strategic value in rapprochement with the PRC resulting in Washington ending its defense treaty with Taiwan. Taipei viewed this as abandonment on the part of the US in order to ally with its adversary. However, US support for Taiwan’s security did not completely end when Congress sought to restore at least a modest defense commitment by passing the Taiwan Relations Act, with the US administration declaring its intention to continue to sell arms to Taiwan on a defensive nature. Having weakened Taiwan’s US alliance, Beijing mounted a political offensive for unification under its ‘one-country, two systems’ formula, and continued to pressure the US to end the arms sales to Taiwan if any normalization talks were to continue.

In August of 1982, Beijing and Washington reached some sort of agreement concerning the transfer of arms to Taiwan. The 1982 communique, witnessed the PRC pledging to ‘strive for peaceful unification’, and the US administration agreed to limit the transfer of sophisticated weapons to Taiwan and gradually reduce the total dollar value of sales. Taipei of course felt a fresh sense of abandonment. In order to allay Taipei’s concern, the US administration, through political assurances, facilitated a qualitative program to assist Taiwan to produce advanced weaponry systems indigenously. Instead of selling finished systems to Taiwan, there was a transfer of technology to enable Taiwan to build its own arms and equipment.
By the 1990s, there were other trends that aggravated the security dilemma. Domestically in Taiwan, there were growing political conflicts over Taipei’s approach to unification of China. Former president Lee Teng-Hui’s frustration over the constraints of the ‘one country, two-systems’ proposal and Beijing’s inflexibility in its approach, incited him to take on a more active role in expanding the ROC’s international space. The reassertion of Taiwan in the international system by Lee was viewed by the PRC as a serious threat and an act of bad faith. Subsequent actions to resolve the political issues merely reinforced the underlying mistrust and increased the insecurity across the Taiwan Strait. The 1990s also saw the collapse of the Soviet Union resulting in the availability of advanced weapons systems for sale in the market. In something of an arms race, both Beijing and Taipei sought to take advantage of this and added new systems to their armed forces to counter the acquisitions of the other.

While Taipei sought to improve its security relationship with the US, under the terms of the 1982 communique, the US would only sell defensive weapons to Taiwan, in the belief that it might be destabilizing for the ROC forces to acquire the ability to strike targets on the Mainland. Hence, the question, would Beijing feel relatively more secure knowing that it could acquire offensive systems, whilst Taiwan has had to confine itself to defensive systems? One party to the security dilemma would have the offensive advantage and it therefore heightens the other party’s sense of vulnerability. However, the equation does not make Beijing feel more secure.
The security dilemma here is not the classic dilemma described in international relations literature. While the two sides of the Strait are engaged in some form of an arms race, it is not Taipei’s arms acquisitions that make Beijing feel more vulnerable. In reality, what Beijing fears is Taiwan’s political initiative to permanently separate the island from the Mainland. Beijing is concerned that both Taiwan’s military power and its alliance with the US may be used to defend such political initiatives. In the circumstances, the defensive capabilities of Taiwan had the opposite effect of heightening the security dilemma. As Thomas Christensen puts it:

Security dilemma theorists have assumed that international security politics concern merely defending sovereign territory from invasion and foreign acquisition. But to a large degree, the Taiwan question is one more of the island’s political identity than of the PRC’s territorial expansion. The danger to the PRC is that Taiwan might eventually move from de facto independence to legal independence, thus posing an affront to Chinese nationalism and a danger to regime stability in Beijing.

On further examination, it appears that the actions of both Beijing and Taipei are more politically orientated in this unique security dilemma, as opposed to real security threats from either side. The so called arms race in the 1980s and 1990s were not for the purpose of waging war against each other, but rather to be viewed as a political symbol in the hope that it would weaken the resolve of the other side. It was a race to gain better respect in the political arena. Thus, when Beijing sought to end the transfer of arms to Taiwan, the objective was to make Taipei feel weak and abandoned, leaving it with no reasonable choice but to negotiate on Beijing’s terms. On the other hand, Taipei’s maintenance of defense cooperation with the US signaled to Beijing that it still had a powerful backer and therefore no reason to
give in. Thus, the advanced systems both the PRC and ROC acquired during the 1990s were more political trophies than weapons of war.

Another political feature of this security dilemma is the issue of US support for Taiwan, and its impact on the balance of power across the Strait. The Taiwan Strait confrontation of 1995-96 provoked a coercive response from the PRC to the political initiative undertaken by Lee Teng-Hui and US support of it. At the time, Beijing concluded that Washington was behind Lee’s effort to break out of the political constraints that it sought to impose, and regarded this as a threat to China’s vital interests. If Taiwan was actively seeking US help to gain permanent separation, Beijing had to act accordingly to stop this covert operation. This was a “question of war and peace”.

Beijing employed coercive diplomacy as a show of China’s serious resolve concerning the drift of events, hoping to compel both Taiwan and the US to reverse course, and at the same time to deter other countries from following the US lead.

From the US perspective, the 1995-96 crisis reactivated the fear of entrapment by Taiwan. Lee’s visit to the US had created a serious deterioration in the Sino-American relationship, and when the PRC undertook a series of aggressive military manoeuvres in March 1996 prior to the Taiwanese presidential election, the US administration felt compelled to act by deploying two aircraft carriers to the vicinity of the Taiwan Strait. The US deployment was not calculated as a show of force in the defense alliance with Taiwan, but rather to be seen as a political manoeuvre to
prevent a war from occurring through accident or miscalculation. But most importantly, it sought to restrain Taiwan from any future destabilizing actions.32

The insecurity that Taiwan created for Beijing was political and not military. It was the PRC’s greatest fear of a ‘covert independence’ and the perception that Washington was facilitating this objective. This insecurity drove Beijing to take limited military action to neutralize the perceived threat. Whilst the coercive character of its strategy was real enough, its targets were also political. Beijing’s political objectives were to reduce electoral support for Lee in the presidential elections, to undermine the island’s economy and to create a psychological stress in the civilian populace. Although tensions across the Strait declined for a while, a new political development in 1999 exacerbated anxiety in China. Lee’s “special state-to-state” declaration provoked another round of antagonism, resulting in a show of aggressive Chinese air patrols over the Taiwan Strait.

The insecurity in the region did not end when Chen Shui-Bian’s election victories, in 2000 and 2004, provoked a warning from China that Taiwan’s independence meant war. Beijing demanded that Chen allay China’s concerns by accepting the ‘one-China’ principle and refrain from engaging in any effort to secure Taiwan’s independence. Beijing further warned that if Taipei government continued to maintain the stance that Taiwan was a ‘sovereign and independent country’, it would provoke ‘conflicts between compatriots across the Strait and within Taiwan, and endanger peace in the Taiwan Strait and the Asia-Pacific region’.33 Once again, it was Taipei’s political stance that Beijing saw as a threat to its national security.
Both sides refused to make any concessions, fearing that its goodwill would be exploited, and thus, both are locked into the security dilemma.

The 1995-96 crisis and the 1999 “special state-to-state” declaration made by Lee, and Chen’s elections not only heightened tensions across the Strait and exacerbated mistrust, but it brought into question how Beijing, particularly the PLA, saw the role of the military power in coping with the Taiwan issue. Beijing began to feel that it was not enough to display its forces as a means to deter Taiwan from undertaking provocative political initiatives, and that it may have to go to war to prevent Taiwan from separatism. So what is the PRC’s security policy in response to the dilemma?

2.6 China’s Security Policy

There are three elements of the PRC’s security policy that foster both insecurity in Taiwan and concerns in Washington. Firstly, the modernization program of the PLA that allows more effective power projection, rendering the PRC with the ability to attack Taiwan forcefully. Secondly, the evolution of China’s intention and rationale behind the use of force. Thirdly, the improvement in the PRC’s military capabilities facilitated a shift in strategy from deterrence to coercion and blocking US involvement. These have no doubt provoked debates in both the US and Taiwan on how to respond to the PRC’s security policy.

Since the early 1990s, the PRC has carried out a military modernization program, and its goal has been to acquire, over a period of time, the capability to project
military power outside its territory, and to fight short duration, high-intensity conflicts. The program has therefore shifted from a purely continental orientation to one that includes a maritime capability; from a strategy of in-depth defense and wars of attrition to one of ‘active peripheral defense’, offensive operations, and quick resolution; and from reliance on ground force to developing air, naval and missile forces; and increasingly a preparation to fight a war over Taiwan that might involve the Chinese forces against the US. Funded by a budget that is constantly growing at a double-digit rate, the PLA has gradually acquired a significant amount of advanced equipment (the subsequent chapter will look at the PRC’s military posture in more detail).

In 2004, the US Department of Defense concluded that the PRC’s ability to conduct an attack from the air with planes and missiles, a naval blockade, and information operations is improving. However, the PLA would still face difficulties in attempting an occupation of the island. Thus, what the PRC wants to achieve with its current capabilities is dependent on several interrelated factors like its objective, Taiwan’s vulnerability, the duration it would take to achieve a victory and the risk involved, etc. All these would take into account the ability of the US to respond, if it chose to do so. The PRC could not afford to miscalculate its action, as a defeat would be a political suicide and politically costly in terms of its international position and the communist regime’s legitimacy.

It would appear that a strategy of coercion, as opposed to a war of attrition in a domination strategy, is more consistent with the PRC’s current capabilities, like its
increasingly accurate ballistic missiles and information warfare assets. Here the target would be the island population’s will to resist and the military’s command and control facilities. Whilst the strategy might facilitate a rapid victory before the US could intervene, once again the risks of failure would be devastating.

The PLA is aware of its weakness and is serious about committing significant resources to the modernization and institutional reform of the armed forces. The PRC’s military capabilities will only get better in time. It is estimated that in the year 2007 to 2010 time frame, the PRC could attain three significant power-projection capabilities that are relevant to a Taiwan scenario. It may be able to attack a wide range of civilian and military targets in the East Asian region with as many as 1,000 ballistic missiles and several hundred medium range bombers armed with conventional ordinance and cruise missiles; it may be able to transport one to two divisions by sea and air transport as far as Taiwan and finally, it may be able to conduct limited air and sea denial operations up to 250 miles from China’s continental coastline, to keep US forces away from Taiwan.

Having reviewed the PRC’s military capabilities, what are their intentions and/or rationale concerning the use of force. Under what circumstances would the PRC be compelled to use force against Taiwan? One constant declaration would be if Taiwan declared independence and acquired nuclear weapons. In the present political climate, one could not be certain if Taiwan would or would not undertake those steps. Taiwan’s intention here is ambiguous.
Just before Chen Shui-Bian won the presidential election in February 2000, the PRC offered a new approach concerning the use of force. The PRC declared that:

If a grave turn of events occurs leading to the separation of Taiwan ... in any name, or if Taiwan is invaded and occupied by foreign countries, or if the Taiwan authorities refuse without a clear timetable the peaceful settlement of cross-Straits reunification through negotiations, then the Chinese government will only be forced to adopt all drastic measures possible, including the use of force, to safeguard China's sovereignty and territorial integrity and fulfill the great cause of reunification.

The declaration has several interesting points in that it attaches conditions, what action by Taiwan might trigger the PRC's use of force is not clear cut and not only if Taiwan undertakes an offending action like declaring independence but by not taking action to settle the dispute, it would also provoke the PRC to use force. The declaration was however not repeated through most of Chen's presidency. It was not until late 2003 that concern mounted again in the PRC when Chen advocated for a new constitution and the PRC saw this as tantamount to declaring independence. Despite opposing views from the island's opposition parties and concerns expressed by the US, the PRC was still worried that none of these would stop Chen from his separatist intention.

As momentum built in Beijing for a more authoritative expressions of the PRC's intentions concerning Taiwan, one that would show its seriousness and resolve, the controversial Anti Secession Law was passed in March 2005 by the PRC National People's Congress. The relevant provision, Article 8, reads as follows:

In the event that the separatist forces of Taiwan independence should act under any name or by any means to cause the fact of Taiwan's secession from China, or that major incidents entailing Taiwan's secession from China should occur, or that the possibilities for a peaceful reunification should be completely exhausted, the state
shall employ non-peaceful means and other necessary measures to protect the country’s sovereignty and territorial integrity. 

Once again, the legislation did not stipulate explicitly when force would be applied. The circumstances as to when force would be applied depend solely on Beijing’s subjective interpretation of the Act. In the process, Taipei had little guidance on where to show restraint. Beijing intentionally left it ambiguous to facilitate flexibility to meet the ever-changing environment of the cross-Straits relations.

Finally, on the issue of the PRC’s military strategy on Taiwan, there has been some disagreement amongst the experts. The Council on Foreign Relations and the Pentagon Report basically agree that the PLA is focused on developing a variety of credible military options to deter moves by Taiwan toward permanent separation. There is also a second set of objectives that includes capability to deter, delay, or disrupt third-party intervention in a cross-Strait military crisis. However, there appears to be a shift in strategy from deterrence to coercion, and the Pentagon Report goes further and concludes that Beijing now no longer seeks just to deter Taiwan from taking overt actions that China wants to avoid but if required, to compel by force the integration of Taiwan under Mainland authority. The PLA’s determined focus on preparing for conflict in the Taiwan Strait thus casts a cloud over Beijing’s declared policy of seeking peaceful reunification. China’s strategy appears therefore fundamentally coercive.

Hence, it is reasonable to conclude that the most likely objective of the PRC force development is to compel Taiwan to negotiate by threatening swift and effective
retaliation if it does not, demoralizing the island's will to fight and to preclude US intervention. So how does Taiwan react to a Chinese strategy of intimidation and its military build-up?

2.7 Taiwan’s Response

The Chinese military strategy has no doubt created anxiety on Taiwan. The Taiwanese concern is addressed in the Ministry of National Defense’s July 2002 White Paper and it acknowledged that the situation is seriously affecting the ROC’s psychological defense and also a crisis of military confrontation could still be triggered in the Strait. A similar report was also issued by the DPP warning the public that Beijing was assembling the capabilities to launch a sudden strike against the island. The concern about the Chinese threat is also shared by the civilian policy expert on Taiwan, and thus in 2004, the Foundation of International and Cross-Strait Studies issued its ‘Quadrennial National Security Estimate Report’ and concluded that:

PRC is embarked on a stunning program of military modernization designed to project power into the Western Pacific and restrict US access to Taiwan in a conflict; these have made it impossible for Taiwan to put up an effective defense ... even to the point of being helpless against them; PRC will become a world level military power by 2029 at the latest and by that time it will be able to capitalize on the missile threat to force Taiwan to the negotiating table and seek to hold off any potential intervention by US or Japanese forces.

The report further warns that the public lacks a ‘sense of urgency’ with regard to the security issue and its ‘defense consciousness’ concerning Taiwan.
It is not easy to gauge the Taiwan public's sense of vulnerability. The public's perception of China's hostility to Taiwan's people will always be less than its perception of China's hostility towards the Taiwan Government, and this is so because of the positive economic and social benefits derived from the interaction realized in the people-to-people arena. Some observers in Taiwan argue that economic interaction is a far more important indicator of PRC's intention than weapons acquisitions. They also believe that both policies of Lee Teng-Hui and Chen Shui-Bian have provoked China into acquiring military assets and that Chen's increased alignment with the US during 2000 and 2001 heightened the cross-Strait tension. This contrarian view had an unwelcome effect in that it prevented the Legislative Yuan in gaining the required support for funding the acquisition of weapons systems approved by the Bush Administration. Whilst others accept the threat as real, they are confident that the US will come to Taiwan's aid if required, premised on the 1995-96 episode and Bush's expression of support in April 2001 (George W Bush's pledge to do 'whatever it takes' to defend Taiwan). Hence, there is the perception that there is no necessity for Taiwan to build up its military defenses.

Whilst Taiwan is making progress in its defense military build up, it is not as fast as China in assembling its offensive build up, and it lags behind China in transforming its equipment into capabilities by improving its military doctrine and training. As Michael Swaine observes:

Yet it remains far from certain that this progress will reduce the threat of conflict with Beijing. The improvements in Taiwan's deterrent and war-fighting capabilities
might not be large enough to influence greatly Beijing’s overall political, diplomatic and military strategy towards Taiwan.

The Taiwanese public believe that Taiwan lacks the power to resist Chinese aggression on its own, and not surprisingly a clear majority think that the best way for Taiwan to survive in this complicated security environment is to maintain ‘friendly engagement’ with both the US and China. Since the US is the ultimate guarantor of its security, it is in Taiwan’s interest to ensure that there is no strategic divergence that might lead Washington to conclude that its de facto ally is entrapping it in a conflict it does not want to fight. So how does the US involvement influence the security dilemma?

2.8 The American Factor And The Security Dilemma

As expected, China is watching the US initiatives with serious concern. Beijing is of course worried about the impact of US arms sales on Taiwan’s military capabilities. However the main concern is the integration between the US and Taiwan militaries and how the US security cooperation would affect the political intentions of the island’s political leaders. In an article written in July of 2002 by Wang Weixing of the Academy of Military Sciences, he observed: “everything that the US government does, makes the ‘one-China’ principle hollow. This de facto military alliance between the US and Taiwan causes reunification and the security environment to face grave challenges.” The author further charged the US for “brazenly” violating the spirit of the commitment it made at the time of normalization concerning its security relationship with Taiwan. China’s perception remains that the US is publicly bolstering ‘Taiwan independence’ forces
and encouraging them to use arms to resist peace and reunification, thereby hindering the great cause of China’s peaceful unification. This had been the position until 2003 when there was an apparent shift of US strategy towards the cross-Strait relations.

During Chen’s presidency and prior to his 2004 presidential election, the US administration revised its assessment of China’s strategic role. After September 11 and the ongoing problems with North Korea, Washington came to the conclusion that it could work with Beijing to resolve the security problems in the region that threatened their respective interests. Further, Chen’s political initiatives as the island’s president also unnerved Washington and it worried that Chen might provoke China into a coercive response, through miscalculation or otherwise, and draw the US into a conflict it did not need with a country with which it wished to cooperate. The US fear of entrapment ultimately led President Bush in December 2003 to announce:

We oppose any unilateral decision by either China or Taiwan to change the status quo. And the comments and actions made by the leader of Taiwan indicate that he may be willing to make decisions unilaterally to change the status quo, which we oppose.

This was a public warning to Chen and also a political move to reassure Beijing where the US stands in this challenging environment.

At the same time, Washington is also worried that Taiwan was not moving fast enough to modernize its military capabilities to meet the PRC challenge. Whilst Congress had approved the sale of weapons systems to Taiwan, it has not been
acquired due to the contrarian views of the Taiwanese people. Pentagon believed that Taiwan needed to assign higher priority to force readiness and to strengthen its processes for strategic and force planning, and foster interoperability among its services and those of the US and other potential defense partners. The shift in US strategy impacted Taiwan's security dilemma in that if Taipei assumed that the US commitment was unqualified and that it would come to Taiwan's defense whatever the situation provoking, then there should be less reason for it to speed up its military transformation, and further there should also be no reason for Taipei to exercise political restraint. However this is not the case. Taiwan is therefore locked into this strategic ambiguity that exacerbated the insecurity it is already immersed in the pool of security dilemma.

2.9 A Stalemate in the Cross-Strait Dilemma

The current position presents a stalemate in the China-Taiwan security dilemma, as each side is not prepared to take steps to reduce the other's sense of insecurity for fear that if one gives in, the other may exploit the concession and increases its vulnerability. If there is to be any resolution, the parties will need to find ways to assure each other that its goodwill will be reciprocated and that neither will use its power, be it political or military, to put the other's interests at risk.

There have been attempts in the past to address this issue. However there has been limited success, if any at all. For example, China had sought to reassure Taiwan in January 1995 by declaring that 'Chinese should not fight fellow Chinese' but had been explicit in its refusal to renounce force. Beijing justification was that such
refusal was intended to guard against "the schemes of foreign forces to interfere with China's reunification and to bring about 'the independence' of Taiwan". Beijing's logic was that if it explicitly renounced the use of force, Taiwan would certainly declare independence. As China's Jiang Zemin pointed out in a press statement as reported in the New York Times in August 2001, "we cannot renounce the use of force. If we did, a peaceful reunification would become impossible". Once again Beijing is locked into this security dilemma in the belief that if it makes this concession, Taipei will certainly take advantage of its goodwill.

Further, there is also the concern on each side that any proposals of the other might actually contain traps that would leave it at greater risk than increasing mutual security. For example, Beijing's proposal that both sides should conclude an agreement to end the state of hostilities was first met with enthusiasm until January 1995 when the PRC reiterated that the discussions on such agreement be held under the 'one-China' principle. Taipei got cold feet and went off the idea in the belief that to accept the principle would undermine its position on sovereignty. In 1998, the subject of a peaceful pact to end the state of hostility resurfaced. This time it was at the instigation of Lee Teng-Hui when he addressed the National Unification Council. Taipei maintained the view that the existing dispute was between two equal sovereign entities. However in this instance, Beijing did not respond to Taipei's offer of such a pact to end the state of hostility on the basis that the dispute is a civil war between two belligerent forces of which China is the only sovereign entity.
The threat perceived in this security dilemma differs. The threat that Beijing perceives from Taiwan is mainly political. Whilst the threat Taipei perceives from China is primarily military. The US security support for Taiwan is absolutely vital for Taipei, whereas this arrangement is simply a source of frustration for Beijing. Both sides have given little attention to the issue of security as part of any settlement discussion, in contrast to the issue of sovereignty that has been and continues to be the contentious agenda. The only time the security issue came up was in the nine-point statement on unification that Beijing proposed in 1981 in that Taiwan was allowed to retain its armed forces. China’s Deng Xiaoping revisited the security issue and reiterated the pledge in June 1983 in that he stated the central government would not station PLA troops in Taiwan, and the Taipei authorities would administer ‘party, governmental, and military systems’. Beijing also reiterated that Taiwan armed forces could not be a threat to China. Beijing again in May 2000 stated that Taiwan may have armed forces ‘of a certain size’, and in January 2001, further declared that “if the army in Taiwan can maintain national defense and security, then there is no problem”. Thus, the secondary concern is how the Taiwan armed forces would equip themselves. As the result of China’s international pressure, few countries are willing to supply the Taiwan militarily, and the US is the only one that matters. China’s proposal on the security issue therefore suggests that as the exclusive sovereign under the ‘one-country, two systems’ formula, it would assert its rights to control the type of weapons Taiwan is allowed to acquire. Hence, Beijing’s pledges are unlikely to allay the concern of Taiwan’s security dilemma. If, for discussion sake, unification was to occur and followed by a subsequent dispute, Taiwan would be more vulnerable to the PRC.
intimidation than it is in the current climate because its armed forces would be weaker. Thus, it is important to take into account what the people in Taiwan would fear and whether it is worth running the risk in believing and trusting Beijing’s promises.

On a final note, in order to address the security dilemma in a resolution context, both sides must be conscious that it exists. Unfortunately the understanding is limited. As Iain Johnston concludes:

China’s leaders probably do not appreciate or accept the dynamic of the security dilemma either. They do not realize that the overtures that they craft as positive appeals to the Taiwan public do not always get a favourable response, that they actually are perceived as threatening, because they were not well designed. Security dilemma arguments rarely have had appeal inside China because they require a recognition that China’s own behaviour has been counterproductive and has undermined its own security53.
Chapter 3 – The Risk of Military Confrontation

3.1 An Overview

As we have seen from the previous chapter, the China-Taiwan relations in the cross Strait saga is entangled by the mistrust of each other’s action, and that such mutual mistrust complicates any effort to find a solution to this dispute and generates insecurity. This makes it difficult and challenging to find a political settlement that would eliminate the security dilemma altogether, and with it presents the risk of military confrontation. There is a real concern that Taiwan’s move away from the ‘one-China’ principle has challenged Beijing both politically and psychologically on the level of conflict, and at some point any miscalculation may see Beijing availing itself of a military option to resolve the conflict. While China has constantly reiterated its commitment to peaceful diplomacy, the risk of war in the Taiwan Strait must be taken seriously.

The risk of a Sino-US war over Taiwan remains quite real for the following reasons. Firstly, China is serious about being willing to risk war to prevent Taiwan’s secession. The Anti Secession Law would legitimize such action. Secondly, although many in China believe that the US will not get involved in an eventual conflict, the US is as serious about defending Taiwan, as is China in preventing Taiwan’s secession, and finally, even though the US forces remain far more superior to that of China, the Chinese do not need to be equal to US power to make any war over Taiwan a challenging involvement for the Americans.
The Chinese Communist Party has always considered Taiwan as part of China and operates on the assumption that Taiwanese secession would doom their own prospects for holding on to power. If Taiwan broke away, it could encourage separatist movements in places like Tibet and Xinjiang provinces to follow suit, and this would weaken China strategically at the moment when it is all set to regain its status as a global power. Therefore, China has no hesitation to adopt a military option to prevent secession even if it is an unsuccessful operation rather than being inaction that may be construed as being weak by internal political factions.

While some analysts may think that the US would not consider to fight a war so far away from its homeland in the defense of Taiwan, this option could not be ruled out as there are political reasons to do so, and with President Bush’s public declaration in 2001 that “it would take whatever to defend Taiwan”, US’s credibility as a dependable security partner would be in line in any conflict over Taiwan if it does not respond to Taiwan’s plight. Further, Taiwan’s vibrant democracy elicits strong political support from both camps in the US. In fact, it was the Clinton Administration that deployed two aircraft carriers in 1996 to the Taiwan Strait during the Chinese missile crisis. Hence, defending Taiwan matters in the eyes of the Americans. Unfortunately, many Chinese analysts doubt the US commitment to Taiwan, and some even argue that the US adversity to heavy casualties would question its commitment in a real military confrontation with China. They believe that the US would back down from a fight over a distant land and especially a fight against a nuclear-armed state. Whatever the analysis, the reality is that the risk of a military confrontation very well exists and it could destabilize regional order.
Even on the issue of military balance, China is still optimistic that it would emerge successfully in a crisis over Taiwan. Whilst a Chinese invasion of Taiwan remains highly unlikely given its inherent difficulties of amphibious assault, China still possesses other military tools and options, like threatening missile attacks and conducting naval blockades. Such a coercive strategy would demoralize the island's will to fight and prevent US intervention. While the chances of a Sino-US war over Taiwan are not enormous, they are sufficiently real and should be taken seriously. Therefore, there is the need for China, Taiwan and the US to undertake, both unilaterally and between each other, confidence building and transparent steps to lower the risks of miscalculation and misunderstanding that could otherwise lead to serious military consequences.

In this chapter the paper will examine both the PRC's and Taiwan's military posture in the context of cross-Strait contingencies. The paper will then look at the US military posture in the Taiwan Strait in its defense of Taiwan. The recent enactment of the Anti Secession Law by the PRC has serious implications in the cross-Strait relations. The paper will examine the implications and see how this military threat was put into law. Finally, the chapter will also question whether a military option is a practical solution for China in responding to a cross-Strait crisis.

3.2 The PRC's Military Posture

In July 2002, the US Department of Defense assessed the PRC's military posture as oriented almost entirely towards Taiwan contingencies. The report states that "preparing for a potential conflict in the Taiwan Strait is the primary driver of
China’s military modernization”. Since 1995 China has displayed a clear preference for the use of military coercion against Taiwan, albeit in limited, controlled and non-lethal fashion. There were no armed incidents in the vicinity of the Taiwan Strait in 2005, and there were trends that Beijing took a more tolerant approach over Taiwan President Chen Shui-Bian’s 2004 re-election and stated plan to amend the island’s constitution by the end of his term in 2008. In early 2006, Beijing also maintained a posture of restraint following Chen’s decision to suspend the National Unification Council and Guidelines. However, China’s expansion of missile and other military forces opposite Taiwan continues unabated, with the balance of forces shifting in the Mainland’s favour.

In September 2005, the PLA conducted a large scale, multi-service exercise that dealt explicitly with a Taiwan invasion. China has conducted eleven amphibious exercises featuring a Taiwan scenario over the past six years. China’s leaders have yet to adequately explain the purposes of their military exercises and expansion. While China continues its strategy of building ‘comprehensive national power’ with a declared emphasis on economic development, analysts could not help but to monitor with concern China’s heavy continuing investment in the PLA, particularly in its strategic arsenal and power projection capabilities.

In March 2006, China announced that its annual defense budget would increase by 14.7% over the previous year bringing the declared amount to approximately US$35 billion, equal to about 1.5% of its GDP. However analysts suspect that the Chinese defense expenditure is at least two to three times higher than the officially
disclosed figures. Hence, in the context of cross-Strait contingencies, the Pentagon’s report of 2006 on the military power of the PRC examined the force readiness and deployment of the Chinese forces facing Taiwan, and this paper summarized the position as follows.

Ballistic and Cruise Missiles: The frequency of ballistic missiles testing has increased in 2005, an indication of China’s priorities in strengthening its forces. China is developing qualitative upgrades to certain forces as well as methods specifically designed to counter ballistic missile defenses. By late 2005, China had deployed about 800 mobile CSS-6 and CSS-7 short-range ballistic missiles (SRBM) to strategic positions opposite Taiwan. SRBM deployment continues to expand at an average rate of about 100 missiles per year with newer versions that improve range and accuracy.

China is also modernizing its longer-range ballistic missiles by qualitative upgrading and replacing older systems. It is also introducing new ‘road-mobile, solid-propellant, intercontinental-range ballistic missile (ICBM), the DF-31 and the extended-range DF-31A’, that can target most of the world, including the continental US. These systems are supplemented by a new submarine-launched ballistic missile (SLBM), the JL-2, for deployment onboard the JIN-class ballistic missile submarine.

China is currently exploring the use of ballistic and cruise missile for anti-access missions, including counter-carrier and land attacks, and is working on reconnaissance and communication systems to improve missile command, control and targeting.
**Air Power:** China has stationed more than 700 aircraft based within un-refuelled operational range of Taiwan, with the airfield capacity to expand the number of aircrafts within this range. China is continuing to upgrade its air power inventory. China has acquired advanced fighter aircraft from Russia including the ‘Su-30MKK multi role’ and ‘Su-30MK2 maritime strike aircraft’. China is producing its own version of the ‘Su-27SK’, also known as the F-11, under a technology transfer from Russia.

China’s indigenous fourth-generation fighter, the F-10, completed development in 2004. US Defense Intelligence Agency (DIA) estimates that about 1,200 aircrafts would be produced over the life of this program. Reported to be similar in weight and performance to the ‘Euro-fighter Typhoon’ or the ‘Dassault Rafale’, the newer versions of the F-10, that is the ‘F-10A’ and the ‘Super 10’, now under development, would feature improved weapons, engines and radars.

There are also improvements being made to the older ‘FB-7’ fighter program to enable it to perform night maritime strike operations, and the capability to equip itself with improved weapons like the Russian ‘Kh-31P’ anti-radiation cruise missile and the ‘KAB-500’ laser guided munitions.

China is also currently developing special mission aircrafts like the ‘KJ-2000’ airborne warning and control (AWACS) aircraft, based on the Russian IL-76 transport platform. It is also modifying the Y-8/CUB transport into a variety of platforms, including Airborne Battlefield Command, AWACS and intelligence collection.
Naval Power: China’s naval forces now include 75 major surface combatants, about 55 attack submarines, about 50 medium and heavy amphibious lift vessels and approximately 45 coastal missile patrol crafts. China has received its first of two Russian made Sovremenny II guided missile destroyers (DDGs), with the second expected by the end of 2006 or early 2007. These DDGs are equipped with advanced anti-ship cruise missiles (ASCMs), and sophisticated wide-area air defense systems. The Chinese SONG-class diesel electric submarine is also in serial production. The SONG is designed to carry the ‘YJ-82’, an encapsulated ASCM capable of submerged launch. In 2004, China launched a new diesel submarine, the YUAN-class. China’s new-generation of nuclear attack submarine, the SHANG-class SSN, is now entering the fleet. In addition, China is also acquiring eight KILO-class diesel electric submarines from Russia to augment the four previously purchased. The new KILOs are equipped with supersonic SS-N-27B ASCM and wire-guided wake-homing torpedoes.

In 2005, the PLA Navy launched its latest ship, the LUZHOU-class guided missile destroyer equipped with the Russian SA-N-20 SAM system, controlled by the TOMBSTONE phased array radar. The SA-N-20 more than doubled the range of current PLA Navy systems. The LUZHOU-class complements the ongoing developments of the LUYANG I guided missile destroyer similar to the Russian Sovremenny II, and LUYANG II. The LUYANG I is fitted with the Russian SA-N-7B GRIZZLY SAM and the YJ-83 anti-ship cruise missile, whilst the LUYANG II is equipped with an integrated air defense system and the locally produced HHQ-9 SAM.
Air Defense: In addition to the ship-borne air defense developments listed above, China in 2004 purchased the Russian made S-300PMU-2 and expects its first battalion to arrive sometime in 2006. The S-300PMU-2 facilitates an intercept range of 200 km and provides increased lethality against tactical ballistic missiles and more effective electronic counter measures.

Ground Forces: Ground forces constitute 75% of the PLA. China has 400,000 ground forces personnel deployed in three military regions opposite Taiwan. China has been upgrading these units with tanks, armoured personnel carriers and a substantial increase in the amount of artillery pieces. In December 2005, the PLA downsized its personnel by some 200,000. This brought the size of the PLA to about 2.3 million according to official statistic. However, China has also paramilitary People’s Armed Police of more than 1.5 million personnel and reserves of about 800,000. The total figure of active, reserve and paramilitary units that can be called upon in any contingencies is more than 4.6 million. The 2004 Defense White Paper also declared that China could draw upon more than 10 million organized militia members, if required.

In terms of technology transfer and acquisition to enhance the PLAs’ capabilities, China has maintained pressure on the European Union to lift its embargo on arms sales. However, the US has been opposing this and opined that the lifting of the embargo would weaken the restraint on EU member states’ transfer of arms and other technologies with military application to China. China access to advanced European military and dual-use technologies would no doubt increase the quality
and production of its military capabilities for current and future systems. In September 2005, China signed a contract with Russia to acquire forty IL-76 transport planes and eight IL-78/MIDAS air refuelling aircraft. These acquisitions would enhance the PLA Air Force’s strategic lift capacity, in particular the ability to airdrop troops and military vehicles. The refuelling aircrafts would extend the range and strike potential of China’s bomber and fighter aircraft. According to the Pentagon’s report of 2006, China continues to employ covert and illegal means to acquire foreign military and dual-use technology.

Before we examine the implications of China’s military posture in the Taiwan Strait, let’s look at the Taiwanese military posture and its force readiness.

3.3 Taiwan’s Military Posture

Taiwan has maintained a robust military posture for decades. However, since the beginning of 1991, Taiwan formally lowered its posture of armed confrontation with China and continued to lower its defense burden accordingly. Even when the military threat from China resurfaced in 1995, Taiwan did not make any massive new investment in defense capabilities and defense mobilization. Taiwan is satisfied to use the robustness of its defense posture purely for political purposes, to underpin its distancing from the ‘one-China’ principle, and also as a means of winning international political support for an independence strategy, especially in the US.
Closer examination shows that there is considerable confusion in Taiwan about the balance between various elements of national political strategy, the international environment and how these relate to national military preparedness. There is a lack of understanding and appreciation in the formation of its national security policy.

Even the government’s own 2002 White Paper on Defense states:

Menaces to our national security include domestic destabilizing factors. Some of our people, for example, are confusing foes with friends, or are divided on the issue of national identity, undermining the unity of the people against external threats.

This confusion on Taiwan’s core political stance has been exacerbated by a degree of upheaval and lack of consistency in its decision-making processes for national security policy19. As one Taiwan newspaper puts it:

Taiwan lacks the tradition of civil research into military affairs and national security, when the ruling party and civilian leadership want to establish a national defense policy, it is extremely difficult to choose someone familiar with this aspect of military affairs. Accordingly, over the last 50 years, Taiwan’s military policy has been formulated by the military on its own accord without direction from the civilian ruling class20.

Hence, there is the need for Taiwan’s national security and defense institutions to integrate their political and military strategies21. So far as Taiwan’s strategy and force readiness are concerned, the official position of the Island’s ruling party that of the DPP, is to oppose confrontation with China that may jeopardize the twenty-three million civilian populations. The governing party’s platform is that “Taiwan must take a safe, cautious, gradual and well-examined approach”; and that it is the willingness of the DPP to adjust and change its positions in accordance with the current trends and popular sentiment22. However, we fail to see how the DPP is going to reconcile the above statement and compromise with its subsequent
declaration on the reality of sovereign independence: ‘Taiwan’s sovereignty is non-negotiable; National sovereignty is absolute and indivisible and not be disposed of in negotiations’. Again this is indicative of the non-cohesive and confused nature of the Taiwan political stance.

Notwithstanding this, The Taiwan Government laid out its security strategy in the 2002 Defense White Paper its three fundamental concepts of national defense. Firstly, preventing war on the basis of a sustainable defense capability. Secondly, to maintain stability in the Taiwan Strait through dialogue, transparency and mutual understanding; and thirdly, to defend the national soil by “uphold the truce” but have no fear of war; avoid provocation; conduct effective deterrence, resolute defense.

Most analysts believe that Taiwan’s defense forces are able to frustrate a range of conventional Chinese military operations in short to medium term. In 1999, the US Department of Defense reported that by 2005 Taipei would possess a qualitative edge over Beijing in terms of significant weapons and equipment. However, this ‘prophecy’ falls far short of its expectation as the subsequent report of 2006 suggested otherwise. The subsequent paragraph will examine its current developments.

While Taiwan has clear advantages in some areas in terms of modern fighter aircraft and ground-based air defense assets, China has a clear edge over Taiwan in other areas such as the offensive ballistic missiles capacity. No matter how the
comparison is gauged, the reality is that Taiwan’s potential capacity to defeat a range of conventional attacks by China is contingent upon the US in supplying its military provisions.

In the medium term, Taiwan’s national security strategy appears to be oriented towards the high intensity end of the conflict spectrum, while China operates much closer to low level military measures with political and psychological warfare. However on the idea of ‘maintaining stability in the Taiwan Strait’, this conforms directly with the DPP policy of constructive relations with China, but in a sense runs counter to the political goal of national sovereignty and achieving de jure independence. Nevertheless it is this concept of security dialogue and transparency in national defense policy that offers the best prospects for progress in moves towards demilitarization of the Taiwan Strait. Before the paper looks at the new developments in the Taiwan military posture and forces comparison, let’s examine briefly Taiwan’s defense budget.

Taiwan has devoted significant resources to military spending. Historically, it spent about the same percentage of GDP on defense as Pakistan that actually faces a more credible threat from its much larger and more powerful neighbour, India. One would have thought a country the size of Taiwan anticipating a major conflict with its more powerful neighbour and preparing its armed forces for it would be expected to spend more than 5 to 6 per cent of its GDP on defense.

However, according to the Taiwan Defense White Paper of 2002, Taiwan’s defense spending as a share of the GDP was only 2.5 per cent. As the official year book of
Taiwan for 2001 notes: "The defense budget for the ROC military has generally been reduced each year over the past decade"; the defense budget for 2001 was 16.9 per cent of the total national budget, and had been reduced progressively each year since 1991 when it was 31.8 per cent. In 2002, despite an increase in the defense budget, its size as a share of government expenditure was only 16.5 percent. There has been no appreciable response in gross defense effort by Taiwan to the 1995 change in China's coercive strategy. On the contrary, the reverse has occurred.

The high level of procurement of new weapons systems by Taiwan between 1997 and 1999 could be seen as an unambiguous sign of concern in the government and armed forces in response to the need for urgent and expensive measures to counter a possible military threat from China. However, the significant reduction in the procurement of new weapons systems by 2000 and thereafter reflected a realization that a large volume of new weapons systems was not the answer to the broad strategic problem China presents. Taiwan budgeted only about US$500 million (NT$17.6 billion) for foreign arms purchases in 2002, and it has come under pressure from the US to increase its capacity to purchase in order to enhance its readiness for combat operations. This paper will now examine the new developments in Taiwan military posture.

3.4 New Developments in Taiwan Military Posture

Taiwan unveiled its new security policy on 20 May 2006 pledging to increase defense spending by 20 per cent and initiated a new set of self-defense objectives
that include urging China to cooperate in creating a ‘military buffer zone’ to lower tension in the Taiwan Strait. Taipei will also boost military spending from 2.5 to 3 per cent of the GDP. The new security initiative also proposed building ‘political relations’ with China, and that this should include recognition of each other’s judicial authority in its own territory. The report also suggested that the establishment of a ‘neutral’ or ‘demilitarized zone’ should include the removal of missiles. As part of the strategy to ease tension in the Taiwan Strait, the report also proposed to exchange information about military drills, independent supervision of military contacts, plans to cut its 300,000-strong armed forces by one-third by the end of 2008, and to refrain from developing or use any weapons of mass destruction, including nuclear and biological weapons. By the same token, the administration also called on Beijing to publicly renounce the development and use of weapons of mass destruction. Beijing has not responded publicly on this issue.

In addition to a new security policy, Taiwan’s military posture is set for enhancement pursuant to the following developments on the weapons systems front.

Firstly, the Ministry of National Defense is assessing a plan to buy sixty-six F-16 C/D fighters from the United States for NT$130 billion (US$4 billion) in order to strengthen its air defense capabilities. Presently, Taiwan Air Force has a fleet of second-generation 340 fighters, including F-16s, Mirage-2000s, and IDF-3 fighters. In addition, it has first-generation 70-80 F-5E fighters that would be replaced in the next ten years. The F-16 C/D fighters would be equipped with F100-PW229 engines that have greater thrust than the F100-PW200 engines on
Taiwan's F-16 fighters. The new fighters would be replacing the F-5E fighters that have been in service for 20 years, and part of Taiwan's Mirage 2000 fighter fleet known for its high maintenance costs.

Secondly, budgets are prepared for the purchase of eight diesel-fuelled traditional submarines, 12 P-3C anti-submarine aircraft, and eight batteries of PAC-III missiles.

Thirdly, other weapons on Taiwan's priority procurement list are naval anti-aircraft missiles for the country's new frigates and 30 AH-64 and S-Z assault helicopters for the formation of an army squadron of airborne rangers.

In complementing the new proposed additions, Taiwan has acquired two E-2K Hawkeye early warning airplanes which are expected to bolster its defense capabilities against rival China. It has also produced three prototypes of new cruise missiles that could be used to strike the east coast of rival China. The cruise missile, called Hsiung Feng 2E (Brave Wind), could be deployed on mobile land-based platforms, and there are initial plans for the production of up to 50 missiles before 2010 and up to 500 missiles after 2010. Further, the Chung-shan Institute is also working on a short-range ballistic missile based on the Tien Kung (Sky Bow) air-defense missile system. The ballistic missile and cruise missiles are integral to Taiwan's "active defense" policy, which aims to counter any aggression before it reaches Taiwanese territory. Despite public pressure not to spend excessively on defense, which accounted for the fact that the Legislative Yuan could not rally support for the funding to acquire the weapons systems approved by the Bush Administration since 2004, Taiwan has made a concerted effort to
bolster its defense probably due to the US pressure and assessment of the Chinese threat.

### 3.5 Summary Analysis of the Military Balance

One of the greatest dangers to international security today is the possibility of a military conflict between China and Taiwan, and this in turn may lead to a war between China and the US. If this happens, it would be tragic and unnecessary. Neither Beijing nor Taipei wants a war. However, both sides have unfortunately adopted policies that run an unacceptably high risk of military confrontation over the next several years. Quantitative and qualitative statistics are often the basis of analysis of the cross-strait military factor. Analysts focus on what is known as the 'military balance' and usually any such analysis assumes a direct invasion scenario. Data compiled by various military analysts and institutions indicates that there are obvious major imbalances in combat power.

The Chinese military far outnumbered Taiwan in personnel as well as conventional weapons systems. On the premise of the military balance, China has a significant advantage when critical weapons systems like missiles forces and air power are considered. When nuclear weapons and the ability to deliver them are included in the equation, the same situation exits. The Chinese have an overwhelming military superiority over Taiwan. If there were no concern about the number of civilian casualties, China would have the capability to quickly destroy Taiwan. In an unlimited no holds barred war, Taiwan could not expect to survive without the intervention of the US.

One of the most important features in the development in the Taiwan Strait issue
was China’s acquisition of 46 SU-27 jet fighters from Russia in 1991 and 1995. The deal ultimately included the joint production of as many as 200 additional fighters in China. This could upset the balance of airpower in the Taiwan Strait. With such modern and capable fighters the Taiwanese could no longer maintain air superiority. This deal ultimately prompted the US to approve the sale of F-16s to Taiwan, with the view to offsetting the balance. The Taiwanese are still waiting for the final approval of finances from the legislative Yuan to proceed with the deal, much to the frustration of the US administration.

The second major acquisition by China that also had a significant impact on the Taiwan Strait balance was the purchase of four Sovremenny Class Missile Destroyers from Russia. Two were purchased in 1996 and one was delivered in January 2000 and the next three were contracted for in 2002 and are likely to be delivered in 2006 or 2007. These vessels when added to the Chinese Navy provide a major advancement in naval warfare capabilities. The package includes modern anti-ship and anti-aircraft missiles as well as an anti-submarine helicopter. These could possibly challenge the US Navy aircraft carrier groups with the SS-N-22 Sunburn (3M-80E Moskit) supersonic anti-ship missile. They can carry advance cruise missiles and missiles that can be made nuclear.

An analysis of the military balance reveals a significant gap in the military posture between China and Taiwan, and in the unfortunate event of a conflict in the Taiwan Strait, the survival of Taiwan is largely dependent on the assistance of the US that would ultimately tip the balance. The Chinese know that the US’s strategic superiority is clear as evidenced in their advanced technologies of the air power.
Such air superiority was demonstrated in the Gulf War easily destroying weapons systems that had been sold by the Chinese to Iraq. The 2002 War in Iraq reinforced this superiority.

So far as the technology is concerned, the Chinese know that there is a significant gap between the US and China, and that gap is ever expanding, not closing. Nonetheless, it is possible for the Chinese to suddenly develop a new weapon system that could close the gap, albeit only in specific areas. Hence, the US presence in the region may not necessary act as an ultimate deterrent in preventing a military conflict in the Taiwan Strait. This paper will look at the implications of the Chinese military posture in the region in the following section.

3.6 Implications of China’s Military Posture in Taiwan Strait

China’s impressive economic growth, growing international diplomatic leverage and the PLA’s military capabilities in contrast with Taiwan’s modest defense effort have tilted the cross-Strait balance in Beijing’s favour. As the result of a significant reduction in Taiwan’s defense spending, the growth of the PLA capabilities have outpaced Taiwan’s acquisition of advanced weapons systems, or lack of. The US Department of Defense Report of 2006 highlighted the need for Taiwan to significantly increase the defense measures in order to maintain a credible self-defense.

According to the Pentagon report 2006, China’s strategy in the Taiwan Strait entails the employment of all instruments of power (such as political, economic, cultural, legal, diplomatic and military) at its disposal in a coercive strategy aimed at
resolving the Taiwan issue in its favour. In the near term, Beijing is focused on preventing Taiwan from moving towards *de jure* independence, and Beijing is not prepared to rule out the use of force in achieving this objective. China sees the threat of force as an integral part of its overall foreign policy to dissuade Taiwan from pursuing independence and pressure it to accede to the reunification program on China's term. In March 2005, Beijing codified this threat and attempted to legalize it through legal instruments culminating in the enactment of the Anti Secession Law 2005. Some Chinese military strategist termed this as 'legal warfare'. The subsequent paragraph will examine the implication of the Anti Secession Law in detail.

The PLA has developed capabilities that enable them to pursue several courses of action against Taiwan. Hence, what sort of armed hostilities would China launch? According to Pentagon report 2006, the PLA is developing the capability to deter and/or slow third party, including the US, intervention to assist Taiwan. It is also developing capability to "defeat such intervention in an asymmetric, limited, quick war, or fight to a standstill and pursued a protracted conflict".

With increased economic links, Beijing has an edge over Taiwan and is influencing investment to the Mainland. The economic integration with the Mainland is increasingly subjecting Taiwan to the Chinese economic leverage. Beijing is therefore exploiting the economic ties and persuading Taiwanese businessmen operating in the Mainland to refrain from openly supporting the pro Taiwan independence parties or individuals. In the international arena, Beijing continues to
intensify its campaign to constrain Taiwan’s international profile. China simultaneously employs both diplomatic and commercial leverage to pressure other states to limit their relationships with Taiwan. The sustained military threat to Taiwan continues to serves as an important backdrop to the overall political, economic and diplomatic campaign of persuasion and coercion.

It is clear from analysis that China’s options for armed hostilities against Taiwan would remain quite limited unless and until the country moves to a war footing, and is prepared to confront the political and economic costs of a high intensity war that may involve the US. A campaign involving limited force options would include for example, computer network attacks against Taiwan’s political, military and economic infrastructure in order to undermine the island’s confidence. There is also the possibility of infiltration by the PLA special operation forces in conducting acts of political, economic and military sabotage. Beijing also believes that it could use small amount of coordinated SRBM and air strikes against the command, control and communication centres to force Taiwan leadership towards accommodation. This would no doubt escalate to a fully-fledged military conflict.

China could also avail itself of a rapid air and missile campaign. Surprise SRBM attacks and precision air strikes could support a campaign designed to degrade Taiwan defenses and neutralize its military and political leadership and break its will to fight before the US and/or other nations could intervene. To achieve this, China would have to employ the SRBMs to saturate Taiwan’s air defense system, air bases and radar sites, missiles and communications facilities.
Much is said about China's possible use of 'naval blockades' of Taiwan, relying not on military enforcement but simply prohibiting transportations bringing Taiwan to its economic knees. For example, China could declare that ships en route to Taiwan must stop at Mainland ports for inspection prior to transiting to Taiwan. Alternatively, China could attempt the equivalent of blockades to Taiwan ports by declaring naval exercise and missile closure areas in approaches to Ports and divert merchant traffic. This was what China did in 1995-96 missile firings and live-fire exercises. However, analysts believe that any blockade of maritime traffic to and from Taiwan, would unlikely be sustained, and would encounter serious problems, not only to China itself as it has substantial maritime trade interests, and would therefore be threatened by an effort to interfere with international shipping by the US which sees the freedom of navigation to be one of its vital strategic interests and hence, would trigger a retaliatory response to any 'blockade' by China. Further, any threat of blockades of Taiwan would also bring about a rapid strategic polarization in which many countries, especially Japan, would be distinctly hostile. Hence, any 'blockade', while having an immediate economic impact, may have adverse political results and diminish the ultimate effectiveness. China will have to evaluate the repercussions seriously before it decides to invoke this strategy.

As discussed above, China could undertake low level and short duration military operations designed largely for the psychological impact on Taiwan. It is still not well placed to undertake high intensity conflicts in a way that can be meaningfully linked to their political goal of future reunification. Any high intensity military options would turn opinion in Taiwan, and other Western countries, decisively
against China, At the same time, lower level military attacks on Taiwan, not for the purpose of reunification but to punish it in some way, should not be ruled out. Therefore the risk of a military confrontation across the Taiwan Strait has to be taken seriously.

3.7 US Military Posture in the Taiwan Strait

The main elements of the US strategy in the Taiwan Strait are outlined in the first chapter of this paper under the 'US Factor'. This paragraph will address the US military posture in the Taiwan Strait in the context of the defense of Taiwan. President George W Bush has said that his administration would do "whatever it takes" to defend Taiwan and this is the most unambiguous commitment ever made by a US President to a strict interpretation of the 1979 Taiwan Relations Act⁴⁵. This Act formed the foundation of US approaches to its defense relationship with Taiwan.

In a summit meeting with China’s President Jiang in October 2002, President Bush made it plain that the US “one-China” policy was premised on a peaceful outcome of the Taiwan dispute. However, in late November 2002, the US also indicated its position included the notion that "the US want Taiwan to have the confidence to negotiate with China"⁴⁶. What did US meant by ‘confidence’? In reality, this was a thinly veiled way of saying the US would bolster Taiwan’s defense capability, as well as maintaining its own deterrent posture towards China, as an additional boost to Taiwan’s confidence.
Since 1979, US support for Taiwan’s military capabilities was confined largely to the provisions of weapons systems and other military equipment. When the Bush Administration came into power in 2001, it formed the view that the military relationship based on large arms sales was not doing much either for Taiwan’s defense and deterrence of China. During the period of 1979 to 2000, the main vehicle for the security relations was the sales of arms, and it was known as the ‘arms sales’ alliance. The type and volume of weapons sold to Taiwan, accompanied by some low levels of US-based training and other forms of co-operations, especially in communication and intelligence, had helped Taiwan to maintain a relatively robust military posture. However, two decades of international isolation have had a substantially negative effect on the Taiwan’s forces readiness level. It is in this context that the US is seriously concerned and seeks to redress the deficiencies. On the hand, China’s claim that the arms sales were a threat to peace was merely political propaganda. The truth is China is more concerned about the moves by the US to redress the deficiencies in the operational readiness of Taiwan’s armed forces through a wide range of additional measures meant to restore a functioning, multi-dimensional alliance.

At the time when the Bush Administration came to power, there was a strong view that the US should end an “outdated, dangerous and frankly embarrassing” approach to the military relationship with Taiwan. It was suggested that US policy was totally inadequate for the task of helping Taiwan address deficiencies in its defense posture. Thus, the period between 2001 and 2003 became known as the ‘restoration of a normal alliance’, and the Bush Administration took a qualitatively
new approach to enhancing the US security relationship with Taiwan, making several adjustments in its defense relationship.

The adjustment facilitated a working visit to the US by Taiwan’s defense minister, for the first time since 1979. It also introduced new arrangements for military exchanges with Taiwan. It changed the timing and manner in which the US approved arms sales to Taiwan and expanded the scope of arms sales. In this adjustment, the US dedicated itself to pursuing combat interoperability and supporting substantial reform in Taiwan’s administration of defense policy and development of joint force operational capability.

Whilst the US position is clear and expect Taiwan to overhaul its defense administration, management and procurement policies, there is no clear direction of just how much of the defense burden Taiwan itself should bear. As Assistant Secretary of State for East Asia James Kelly observed, he did not believe the two sides of the Taiwan Strait could achieve a balance of military power because the quantitative difference in strength is too great. Nevertheless, the US goal is to maintain a ‘deterrence balance’ across the Strait, enabling Taiwan to possess superiority in certain key areas, and ensuring that China would pay a heavy price for any military attacks against Taiwan.

Taiwan responded positively and whilst the US may be seeking substantial military upgrades to Taiwan’s defensive posture, the Taiwan Government and its parliament may not be able or want to meet the direction since the ruling party, the DPP, does not enjoy a majority in the legislature. This creates an obstacle to funding for the improved defense program. Further, as Taipei assumed that the US commitment
was unqualified and it would come to Taiwan's defense whatever the situation provoking, then there should be less reason for it to speed up its military transformation. This therefore raised the question of burden sharing in a bilateral security relationship and it has already annoyed some Republican politicians in Washington challenging the position as to why the US should bother if Taiwan is not prepared to defend itself with appropriate levels of defense spending.

The qualitative new military relationship between Taiwan and the US indirectly brought the US strategic positioning in East Asia to question. Is the US direction representing a new order of commitment and risk? Whatever military transformation Taiwan is undergoing, the level of weapons acquisitions from the US at this juncture is not high enough to be of great concern to China. This brings us to further question whether the current US military posture effectively represents a deterrent towards China in the Taiwan Strait.

Beyond the military relationship with Taiwan, the US has taken a number of concrete measures in terms of planning and exercises in areas close to China, specifically aimed at opposing Chinese intimidation, to deter use of force against Taiwan, and to prepare US forces for any politico-military contingencies in the Taiwan Strait. To this extent the US has steadily improved its infrastructure and operational readiness by conducting carrier battle group exercises in the South China Sea and carrier transits of the Taiwan Strait. It has also rejuvenated military alliances with Japan and the Philippines. The US believes that its Pacific-based forces are strong enough to resist and contain a Chinese military attack on Taiwan.
The exact details of US operational military readiness in East Asia is being kept confidential, a situation the Department of Defense told Congress that it wants to maintain out of respect for Taiwan. In responding to the Taiwan challenge, China has its own timetable and is working through a variety of measures, and coercive diplomacy is one of them. Time and time again, Chinese leaders have explicitly declared that China is not afraid to risk war over Taiwan. While this could be seen as China’s determination and seriousness to resolve the political problem of Taiwan, China could confront severe constraints and high costs if it went down the path of military conflict. In the final analysis, whether China’s leaders would opt for military confrontation could only be answered at the time, according to the balance of national interests.

Since China has a range of coercive options against Taiwan that do not involve military operations, it can be argued that US military support for Taiwan does not really provide any counter to those options and as such there is no particular need for China to feel deterred by US military posture in the Taiwan Strait. However, there exists the danger that some US officials may be confused by the mistaken belief that the US can dictate China’s choices on its responses to Taiwan. Such miscalculation of intentions and events in the Strait may trigger a conflict that none of the parties ever wanted.
3.8 Implications of China’s Anti Secession Law

In March 2005, China enacted a law authorizing the use of force against Taiwan if it moves towards formal independence. It codified its long-standing threat to attack Taiwan, and this controversial law provoked a popular backlash in Taiwan and the international community, especially the US. The legislation, Anti Secession Law, states the government ‘shall employ non-peaceful means and other necessary measures to protect China’s sovereignty and territorial integrity’ but it was not specific about what would trigger such action against Taiwan. Instead, it uses language that provides the Chinese leadership with the flexibility to judge when an attack would be necessary.

The enactment of the Anti Secession Law represents a strong political commitment by China’s President Hu Jin-Tao to risk a confrontation with the U.S. military and employ force if Taiwan goes too far in its efforts to achieve formal independence. One of the dangers of the ambiguities of this legislation is that it did not specify how it defines ‘formal independence’, taking into account that Taiwan has already considered itself as an independent sovereign nation. So what is the implication of this law in the context of security in the Taiwan Strait?

It appears that China is attempting to unilaterally define the cross-Strait status quo. The enactment of the law marked an attempt by China to avail itself of a “legal war” to redefine the cross-Strait relations. According to a Taiwanese scholar, Wan Kun-Yi, China’s definition of “legal war” involves using ‘domestic and international law, especially statutes on armed conflict, including a series of
treaties, conventions and generally accepted international precedents, to launch "legal struggle" through a variety of channels.' He further averred that 'this seeks to give legitimacy to China's warlike behaviour and humanitarian aid, whilst revealing the illegality of the actions of its enemy, an effort to seize a legal advantage and win the political and moral support of the international community'.

To achieve this, China needs to strengthen its international anti-independence strategy by continuing to use the 'one China' principle as a precondition for establishing diplomatic relations with other countries. Consequently, the Chinese formulation of the 'one China' principle has gradually evolved to be an accepted principle that has general legal validity in contemporary international law, and any country that challenges this is seen as challenging the legal validity of international law. Through this validation, China has managed to achieve its objective by controlling Taiwan's claim of sovereignty in the international community.

Having achieved validation of the 'one China' principle in international law, China now uses domestic law to construct a more comprehensive and clearer legal foundation for its claims on Taiwan. The enactment of the Anti Secession Law represented an attempt to monopolize Taiwan's sovereignty on the basis of domestic law. Article 2 of the Anti Secession Law states that:

There is only one China in the world, and Mainland China and Taiwan belong to that one China. The sovereignty and territorial integrity of China is indivisible. It is the duty of every Chinese citizen to protect national sovereignty and territorial integrity, including people from Taiwan, which is part of China. The nation will not allow "Taiwan independence" elements separate Taiwan from China by any name or method".
Technically, this provision has the effect of turning the 'one China' principle into law with domestic legal validity. It appears that China has now 'legalized' the 'one China' principle internationally and domestically. China adopted this approach to the cross-Strait relations premised on the necessity to define Taiwan's sovereignty in legal terms, so that if China declares the right to wage war against Taiwan at some future date, the international community would be less inclined to interfere. China therefore believes that it was necessary to legally define Taiwan's sovereignty in a way that suits China, thereby avoiding international interference if they attack Taiwan. This is more of a strategic move by China.

The Anti Secession Law does not rule out adopting 'non peaceful methods' against Taiwan independence elements. This has the objective of cautioning the world that China has acquired the 'right to wage war'. Hence, if China believes that Taiwan has seceded, it now has the legal basis for attacking Taiwan, and the efforts of any other country/countries to intervene would be seen as violation of China's domestic law, that in turn provides a legal right for the use of force to remove or counter such interference. The legislation, thus, has the consequence of cutting off US and Japanese aid for Taiwan in the event of a cross-Strait crisis.

3.9 Is Military Option a Practical Solution to China’s Response to the Cross Strait Crisis?

Taiwan's future has profound strategic implications for the Asia-Pacific region. For Chinese leaders in Beijing, the recovery of Taiwan is 'a matter of supreme national interest' for which China must be prepared to fight 'at any cost'. Most Taiwanese,
however, do not want to become a part of a China that is ruled by the Chinese Communist Party. Taiwan has not been ruled from Beijing since 1895, apart from an unhappy interlude in 1945-49 at the close of China's civil war when a defeated Kuomintang fled to Taiwan. Many Taiwanese would like Taiwan to be independent. However, the majority prefer the status quo - neither independence or reunification with Beijing, but with the option of association with a new non-socialist China at some time in the future because of the island's historical linkage. China, however, has warned that the Taiwan issue cannot drag on indefinitely. It worries that time is running in Taiwan's favour, that any display of weakness on the issue threatens the integrity of China and that this could only be to the advantage of both the US and Japan, its strategic competitors. Militarily, however, China is in no position to successfully use force against Taiwan. This outlook is unlikely to change given the strength of Taiwan's defenses and the continued US support. More fundamentally, China would have to confront the power and prestige of the US. A conflict between China and the US over Taiwan would be a disastrous outcome for the Asia-Pacific region.

As discussed earlier, if there is any military confrontation, China would most likely undertake low level and short duration military operations designed largely for psychological impact on Taiwan. It is unlikely that it would undertake high intensity conflicts in a way that can be meaningfully linked to their political goal of future reunification. Any high intensity military options could see China confronting severe constraints and high costs, shifting the balance against the Mainland. Therefore on closer analysis, for reasons expounded below, it appears
that any confrontation in the Taiwan Strait would not be to the advantage of either parties as neither China nor Taiwan wants 'war', and more so for China because this would be a no-win situation and the consequences could be far more reaching than its intended objectives. The paper will now examine some of the deterring factors that influenced the analysis.

China is deterred from taking military action against Taiwan on two levels. Firstly, China does not yet possess the military capability to accomplish with confidence its political objectives on the island, particularly when confronted with outside intervention. Secondly, Beijing is also deterred by the potential political and economic repercussions of any use of force against Taiwan.

China's leaders recognize that a war could severely retard its economic development. From a broad national and historical perspective, China can ill-afford to make mistakes that jeopardize the delicate balance it has achieved between survival and development. In this regard, both Taiwan and the US are crucial for the success of China's economic developments. Economically, for instance, Taiwan is the most important source of direct foreign investment in China while the US is China's largest export market. Rationally, such considerations ought to have positive implications for the way in which China deals with the Taiwan issue and how it engages with the US. An extended military campaign against the island would wreck Taiwan's economic infrastructure, leading to high reconstruction costs, consequently setting back China's primary objective of economic development on the Mainland.
For logistical purposes, it would be a nightmare just to prepare for a successful crossing of the 130 km wide Taiwan Strait and this would derail China’s modernization program. A war with Taiwan would undoubtedly be fraught with risk. Critical Taiwanese investment in the Mainland would dry up. As well as the economic costs, an attack against Taiwan could end in humiliation that in turn might bring about the collapse of the Chinese Communist Party.

Further, a conflict would certainly trigger international sanctions against Beijing, either by individual states or by groups of states, and this could severely damage Beijing’s economic development. Also an insurgency against the occupation on the island could tie up China’s substantial forces for years, and that in turn would deplete China’s resources, although this did not stop the Chinese occupation in Tibet. Presently and over the next several decades, moreover, China faces a daunting array of critical economic, demographic and environmental challenges. It has to resolve the perennial contradiction between scarce and diminishing resources and meeting the basic needs of a huge and expanding population. Hence, in the event of a war in the Taiwan Strait, it follows that the critical internal conditions on the Mainland would deteriorate and may even result in civil unrest by its population. Conflict with Taiwan could therefore lead to instability on the Mainland, and maintaining internal security in wartime would appear to be an important consideration in the PLA planning, reflecting leadership concerns about the political stability.

A military conflict with Taiwan would also severely damage the image or reputation China has sought to project regionally and globally in the post-
Tiananmen years. Hypothetically, if Beijing chose to use force against Taiwan prior to the 2008 Olympics, China would almost certainly face a boycott or loss of the games. This would amount to a huge loss of face on the part of Beijing in the international arena, something the Chinese are extremely sensitive of.

Further from a strategic point of view, and according to the intelligence community, China would encounter difficulty protecting its vital sea lines of communication whilst simultaneously supporting naval blockades or invasion operations against the island. Therefore China’s present naval capabilities may be brought into question. Naval blockades and amphibious operations may not yield the kind of result that China had intended.

Finally, Beijing’s planning must take into calculation the virtual certainty of US intervention, and Japanese interests, in any conflict in the Taiwan Strait. Beijing has considered the US, especially in alliance with Japan, as having advantages over China in many scenarios involving the use of military force. The US demonstration of its military postures in the Afghanistan and Iraq wars has not been taken lightly by China. China’s leaders must also calculate that a conflict over Taiwan involving the US would give rise to a long-term hostile relationship between the two nations, a result that would not be in China’s eventual interests.

As the Pentagon report noted, Beijing seriously considered upgrading the priority attached to military modernization, but at the same time reaffirmed its stress on economic growth and development⁵⁹, this formulation reflected the Chinese
leadership calculations that China should, for the foreseeable future at least, avoid a direct confrontation with the US over Taiwan. On this basis, one could reasonably conclude that China had weighed all possible consequences of waging a military confrontation with Taiwan and that such outcome would not benefit the overall national interests of the country. The continuing threat to use force against Taiwan is merely an integral part of its foreign policy in the Taiwan Strait's politics, and any such threats projected by China are more political than military.
Chapter 4 – Is There a Chance for Peace?

As we have seen from earlier chapters, the irreconcilable positions on the ‘one-China’ principle continue between China and Taiwan. Taiwan has for some time now asserted not only that it is a separate entity, but also an independent sovereign country. As for China, it remains absolutely unwilling to compromise its position that Taiwan and the Mainland are part of one country, and it refuses to formally renounce the use of force as a means of achieving that principle. The risk of war in the Taiwan Strait continues and must therefore be taken seriously. Notwithstanding this outlook, this paper seeks to demonstrate that there is a real chance of continuing peace across the Taiwan Strait.

In this concluding chapter the paper will examine a proposal as a confidence building measure in the Taiwan Strait. It will also look at how the Taiwanese should respond to the controversial Anti Secession Law. These two measures, although not exhaustive, warrant exploration and consideration in the mitigation of the tension in the Taiwan Strait, and hopefully will be adopted as a strategy to prevent any miscalculations. Finally, the chapter will look at factors reshaping politics in the Taiwan Strait and how recent developments have deferred the crisis.

4.1 A Proposed Taiwan Strait Peace Zone

President Chen Shui-Bian is now faced with the difficult task of demonstrating to Beijing that Taiwan has the sincerity and goodwill necessary to initiate the
comprehensive normalization of relations. In his latest security policy announced on 20 May 2006, President Chen invited China to cooperate in creating a ‘military buffer zone’ to lower tension in the Taiwan Strait. This proposal would ultimately create a demilitarized zone and the removal of missiles. However, China has yet to formally respond to this initiative, and it is unlikely that China will do so without any input. The following proposal however offers an alternative strategy to guide this new rapprochement and attempt to alleviate the insecurity in the region. Instead of waiting for China to respond to the new security initiative, Taiwan perhaps should unilaterally take a bold step to induce a sense of mutual trust by advocating a ‘Taiwan Strait Peace Zone’ as a confidence-building measure.

The status quo of ‘one-China, different interpretation formula’, as reportedly agreed by both sides of the Taiwan Strait in November 1992, offers a foundation upon which substantial, far-reaching confidence building measures could be established and could also alleviate the security dilemma both sides confront. Further, there is also evidence that China has sustained a growing tolerance for the status quo in order to ease its stance on Taiwan. Therefore under this formula to date, Beijing has supported ad hoc arrangements for Taipei’s participation in a number of inter-governmental organizations. With Beijing’s acquiescence, Taiwan participated in the Asian Development Bank (ADB) and the Asia Pacific Economic Cooperation (APEC) meetings under the name of "Chinese Taipei". China has also agreed to Taiwan participation in the World Trade Organization (WTO) as a separate Taiwan-Penghu-Kinmen-Matsu tariff zone (or as Chinese Taipei). In fact as new WTO members, both Beijing and Taipei were subjected to
their first formal trade policy reviews this year. Beijing’s review took place in April. The trade policy review for the “Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu (Chinese Taipei)” occurred on 21-22 June 2006 in Geneva.

By the same token, Taiwan could also adopt the Chinese Taipei formula and enter into multilateral arms control forum, international regimes, and treaty based intergovernmental organizations as a separate Taiwan-Penghu-Kinmen-Matsu peace zone.

The concept of a Taiwan Strait Peace Zone is the brainchild of scholar I Yuan who is a visiting fellow of the Centre for Northeast Asia Policies Studies of the Brookings Institution, and his proposed idea of declaring the Taiwan Strait as a Peace Zone, a working paper, has three essential pillars, that of autonomy, equity and reciprocity. He states that autonomy involves the ‘development of procedures and institutions that will regulate cross-Strait security relations’. By equity, he means ‘achieving substantial consensus on the functional boundaries of the security arrangements and on the procedures for resolving disputes within those boundaries’. Lastly, reciprocity ‘requires the establishment of a mutually friendly relationship, realized through joint pledges to not endanger each other’s security and stability while in the midst of exchanges, and to not deny the other’s existence as a political entity’.

In summary what I Yuan proposed was that in order to declare the Taiwan Strait a
'Peace Zone', there should be an independent body or institution with the capability to develop its own rules and procedures governing the security of the cross-Strait relations without any interference or influence from either side of the Strait. Secondly, there should be an unambiguous agreement relating to the respective security arrangements, and procedures should also be set in place to deal with any disputes that may arise within the ambit of the boundaries. Finally, there should be reciprocal arrangement to facilitate a benign relationship on the understanding that each side will not endanger the other’s security and stability, and also to recognize each other’s existence as a political entity.

I Yuan further suggested that the proposed Taiwan Strait Peace Zone should have three operational dimensions, that of unilateral, bilateral and multilateral. On the unilateral dimension, it invited Taiwan to announce that it would not develop nuclear weapons for any political purpose. This serves to convey a positive signal to China. The unilateral approach acknowledged the fact that an offensive posture would be as much the cause of strategic instability as would be the defensive posture to the cause of strategic stability. Hence, under the Taiwan Strait Peace Zone formula, Taiwan would explicitly declare that it would adhere to a non-nuclear posture. This unilateral step, with any luck, would culminate in a written declaration on both sides agreeing not to introduce any nuclear weapons into the Taiwan Strait Peace Zone. In order to ensure that the parties adhere to their obligations, it is suggested that an ad hoc institution like the International Atomic Energy Agency (IAEA) should be established to verify such declaration.

On the bilateral dimension, it proposed that Taiwan should forgo future options to
participate in US-led Theater Missile Defense (TMD) development program in exchange for China’s reciprocity to remove all its short-range mobile missiles deployed within 600 kilometers of Taiwan. This approach would enhance security in three separate areas. Militarily, by not participating in the TMD development program Taiwan creates a stable security environment in the Strait, which in turn provides China with a favourable political environment. Politically, it eradicates certain politico-military cooperation between the US and Taiwan, which would invite positive political assurances from China. Strategically, Taiwan would be seen as forgoing any future limited military options to counter existing threats in exchange for gaining the strategic removal of China’s ballistic missile threat.

On the multilateral dimension, it asked China to support Taiwan in joining multilateral arms control forum, international regimes and/or treaty-based intergovernmental organizations as an observer under the name ‘Chinese Taipei’. Taiwan should also pledge to observe the full-state membership requirements of these UN specialized agencies and subsidiary agencies. In return, Taiwan should forge direct postal, transport and commercial links with China, followed by an exchange of visits by high-level officials, although some of these initiatives have been introduced and implemented. These concrete steps would create favourable conditions for future consultations and hopefully an eventual resolution.

I Yuan’s proposal requires the two sides to adhere to several fundamental standards. Firstly, each side should declare explicitly that they are prepared to adhere to a principle of peaceful resolution. Although this is not new since both
sides have repeatedly maintained that they both would like to see a peaceful settlement to the cross-Strait crisis. Any declaration to this would be a matter of formality. Secondly, as a general rule, China should recognize that Taiwan requires special ad hoc arrangements for its participation in international organizations before any ultimate resolution. Thirdly, China should state explicitly in written form that it would refrain from using nuclear weapons against Taiwan and likewise, Taiwan should also provide assurance that it would not develop any nuclear weapons (Taiwan has taken a similar measure to renounce the use of weapons of mass destruction). In this respect, this should not pose a problem to China, as China's 1998 White Paper on National Defense already states, "from the first day it possessed nuclear weapons, China has solemnly declared its determination not to be the first to use such weapons at any time and in any circumstances, and later undertook unconditionally not to use or threaten to use nuclear weapons against non-nuclear-weapon states or nuclear-weapons-free zones." Hence, on the basis of international relations, it is unlikely that China would avail itself of the nuclear capability against Taiwan in the cross-Strait dispute. Generally, this proposal would provide Taiwan with greater 'international space', while laying the foundation for trust, reassurance, and a peaceful resolution.

As with any proposals and recommendations, there are always caveats and criticisms, and this proposal is no exception. Any effort to envision a future radically different scenario from the present reality is always vulnerable to criticism, for being impractical and possibly even dangerous. Similarly, criticisms of the Taiwan Strait Peace Zone proposal emerge both from the domestic political
and realist view, as pointed out by I Yuan:

Firstly, a typical realist critique would argue that no peaceful solution to the conflict over Taiwan is possible unless China is deterred from attempting to take Taiwan by force. The two critical elements for deterring China are the US explicit commitment to defend Taiwan from aggression and Taiwan's own military capacity to counter any various military means, such as missile attack, submarine blockade, or an amphibious offensive, that China might employ against Taiwan. Hence, a realist approach would inevitably prolong the existing crisis and sustain the security dilemma that both China and Taiwan are presently locked into.

Secondly, domestic politics in both China and Taiwan also counter such proposal. In particular, Beijing's rigid insistence on the 'one-country, two-systems' formula is an indication of its unwillingness to show flexibility. Given a tense domestic situation and strong nationalism, China's leaders are under significant pressure to show progress, while avoiding compromise on the Taiwan issues. Beijing therefore tends to view most cross-Strait issues in zero-sum terms, in that whatever is gained by one side is lost by the other. Hence, if the proposal is seen as favouring Taiwan, Chinese leaders would have a hard time accepting it. Therefore any inevitable trade-offs made through the negotiating process detailed above must not be negotiated in secret between the US and China, but rather negotiated openly and with transparency between China and Taiwan, or between China and the US upon extensive consultations with Taiwan.

Overcoming the domestic political situation in Taiwan is equally challenging.
Many Taiwanese formed the preconceived idea that Taiwan's security has been compromised as the result of the aggressive Chinese military posture. They therefore argued that there is the urgent need for Taiwan to improve its military capabilities, not only in a defensive nature but also on the offensive, in order to maintain a credible deterrent posture against any Chinese attack. Under such condition, it appears that it would be extremely difficulty to rally any domestic political support to defer Taiwan’s future participation in the US-led TMD development program. Not surprisingly, the above critiques would merely create a stalemate in the cross-Strait relations.

Notwithstanding the above, I Yuan argued that there are at least three good reasons to counter those critiques. Firstly, he argued that the cross-Strait relationship does not have to restrict its scope to a near-exclusive military-driven mode of action and reaction. Secondly, the Cold War orthodoxy approach to the cross-Strait issue should be dropped as the proposal demonstrated a potential to integrate arms control approaches with political conflict resolution. The proposal shows how the Taiwan Strait Peace Zone process could transcend the narrow goal of regulating military balance and evolved to be a constructive tool for resolving the political problem. Finally, the possibility of progress towards a ‘peace zone’ should at least draw some attention from one or more of the continued dialogues on cross-Strait relations. Taiwan’s latest security policy has initiated a similar proposal. Perhaps I Yuan’s proposal has gained some support in Taipei. All it needs now is to refine the arrangement, as and when China reciprocates.
There was talk previously of a similar proposal, such as creating the Taiwan Strait as a Zero Ballistic Missiles Zone and removing all existing Chinese ballistic missiles designed for a deep strike against Taiwan, but it came to no fruition. However, dramatic shifts on the Korean Peninsula and the rising apprehension over an offense-defense race across the Taiwan Strait made this proposal more plausible. With the US and the international communities' support, the Taiwan Strait Peace Zone proposal could be a reality and may begin to address the Taiwan Strait conundrum in a more far-sighted and productive manner. Taipei's latest proposal of a 'military buffer zone' is a start. Stephen Young, Director of the American Institute in Taiwan, the de facto US Embassy, has praised Chen's government for laying out its new security approach which includes the call for creating a 'military buffer zone'.

The political relations between the two sides of the Taiwan Strait over the past few decades have been characterized by a traumatic cycle of aggressive political tension with military standoffs, and most of all, the missed opportunities for a mutually acceptable compromise. There was an expectation that the economic interdependence across the Taiwan Strait would facilitate both sides to restructure the Cold War mode of relations. However, the expectation evaporates quickly whenever Taiwan expresses its assertiveness. Unfortunately, the 1995-1996 episodes left both sides with few options to develop a closer relationship. Former Taiwan's president Lee's "state-to-state" formula may have poisoned the atmosphere in the cross-Strait relationship, and likewise, the approach made by President Chen Shui-Bian also aggravated the situation. Unless there is a departure
of the Cold War era type of relations that appears to characterize the cross-Strait diplomacy, there would not be any distinctly new form of dialogues and exchanges that could guide the future of relations between Taipei and Beijing. A unilateral proposal of establishing the Taiwan Strait as a ‘Peace Zone’ could produce a distinctly new form of confidence-building measure, as well as arms control mechanism that could guide the future direction of cross-Strait relations. However, one party has to take the initiative, and any such efforts made must be accordingly reciprocated.

I Yuan therefore concluded that in order to achieve such proposal, leaders on both sides of the Strait must exercise initiatives, courage and vision to recognize and integrate the five key understandings into their policy deliberations.

Firstly, there is the need to trade-off and this would often conflict with the requirements of Taiwan's search for international identity, to demilitarize the Strait, and Beijing's political demands. Taiwan's leaders would always be confronted with the need to select a policy that would satisfy both domestic demands and a grand compromise with Beijing. There would be no escape from this trade-off.

Secondly, it involves Beijing's political and opportunity costs. Beijing's cross-Strait policies are embedded in broader political and security contexts. Therefore Beijing needs to adopt a more pragmatic approach to trade its military intimidation for Taiwan's embrace of a form of cooperation. China's leadership is obliged to rethink how to preserve what is worth preserving and how to revise those outdated concepts in its Taiwan policy.
Thirdly, policymakers on both sides must clearly judge the costs and the risks they are willing to accept in return for payoffs to which they attach a particular value. Fourthly, both sides must decide whether to settle for a limited payoff in a particular situation or to strive for a substantially greater one. Lastly, it is a question of timing. When is the best time for both sides to re-engage? It would be an act of strategic ignorance if both sides failed to take advantage of opportunities for an enduring peace. The Taiwan Strait as a Peace Zone proposal would help leverage that opportunity.

I Yuan’s proposal of a ‘Peace Zone’ in the Taiwan Strait is not too far fetched, as some of the elements of his proposal have gained support as evidenced in the contents of President Chen’s latest announcement of its new security policy, the evolution of which has yet to be identified. As reported, the Chinese growing tolerance for the status quo formula may signal a change in the Chinese attitude towards the cross-Strait relations and foster a similar proposal to lower the tension and to renew dialogues. Hence, there is an encouraging speculative analysis that there is a real chance for continuing peace after all in the Taiwan Strait. Another area of interest that has contributed to sustaining a peaceful environment in the Strait was the call for Taiwan to refrain from over reacting to the challenge of China’s Anti Secession Law recently enacted on 14 March 2005. The subsequent paragraph will examine how the Taiwanese responded to this new law.
4.2 Taiwan’s Response Options to the Anti Secession Law

The Anti Secession Law passed on 14 March 2005 has unilaterally transformed the security equation in the Taiwan Strait and the political atmosphere in Taiwan. China passed the controversial law in defiance of US and Taiwan protests. In order to calm the situation the Bush Administration appealed to Taiwan to restrain from any actions that may further provoke China and destabilize the region. In Taiwan, President Chen vowed a tough response, and Mainland analysts expressed concern that Taiwan’s pro-independence camp would use the law to rally public sentiment against Beijing and push for measures that could escalate tensions.

Taiwan's government repeatedly condemned the Chinese Anti Secession Law as a ‘blank cheque’ to invade Taiwan, and suggested it might retaliate by pursuing sensitive revisions to the island’s constitution, a move China has warned could prompt a military response. Chen publicly announced that the law risked triggering a "full-phase backtracking of relations" and pledged to mobilize one million people to protest against the Chinese decision. Chen further averred that "the Taiwanese people would not remain silent and ... the proposed anti-secession law would backfire, and end up only driving both sides of the strait further apart".

In the US, the Bush Administration criticized China's Anti Secession Law authorizing the use of force against Taiwan, and calling its passage "unfortunate" and a potential setback to cross-Strait relations*. The White House spokes-person Scott McClellan said the US opposed “any attempts to determine the future of Taiwan by anything other than peaceful means”*. The US had clearly indicated to
China where it stood so far as the new law was concerned. This prompted Taiwan to respond with restraint.

It was natural for the Taiwanese to fear what the Anti Secession Law revealed about China's intentions and its future policy towards the island. In mitigation, China attempted to assure the parties concerned that the law was well designed with the intention to preserve peace and encourage cross-Strait cooperation. Did the statement allay Taiwanese concerns? Of course not, as the people of Taiwan were more concerned with how the new Anti Secession Law defined the legal status of the island and its government, and whether it increases the possibility that China would employ force or coercion to achieve its objective.

The ambiguities in the law stirred concerns as they affect the fundamental interests of Taiwan. As a democratic society, Taiwanese people exercised their rights to express their opposition, through demonstrations and resolutions by the Legislative Yuan, against the heavy-handed approach by China. By legitimizing the use of force, China has increased Taiwan’s fear and insecurity, and at the same time undermined its own unification appeals. Whilst the new law had the effect of increasing Taiwan’s insecurity, it had also the negative effect of strengthening the very political force it seeks to weaken. In fact, it had united a divided populace on the island. This paragraph will examine how Taiwan can strike the balance between challenging Beijing’s Anti Secession Law initiative and at the same time showing restraint.
The enactment of the Anti Secession Law did not provoke any offensive actions, with the exception of some protests, by Taiwan that could have obliged China in responding further to the crisis, and that the Taiwan's leadership struck the right chord to respond with restraint. Taiwan was right to avoid confrontation that may inflame the situation further or foreclose the possibility of positive cross-Strait interaction, if and when the political atmosphere changes for the better. In an article by Richard C Bush III, he rightfully justified why restraint was the right course of action and his observations are follow:

Firstly, Bush observed that if Taiwan did not exercise restraint in its response this would merely dignify China's use of the legislative means to achieve its political objective. The Anti Secession Law is not operative if there is nothing to activate it. It does not create authority per se, and the Chinese leaders could not simply invoke the law just because it has been enacted. There has to be an event to trigger the legislation. Hence, by opting for restraint, this could not provide China with the mechanism to activate the law. The rationale behind this piece of legislation was that China's leaders engineered the Anti Secession Law to demonstrate their political resolve to political forces in China and the leaders and people of Taiwan. Therefore if Taiwan took this initiative seriously because it is a law, it would undeservedly legitimize the exercise.

Secondly, Bush argued that the Anti Secession Law acts as reminder that the China's leadership is prone to miscalculation. The conditions the law states as the basis for the use of 'non-peaceful means' are vaguely drawn in that the actions
Taiwan should avoid are quite unclear. There is no clear definition as to what Taiwan can or cannot do. The legislation is not specific about what would trigger such action against Taiwan. Instead, it uses language that provides the Chinese leadership with the flexibility to judge when an attack would be warranted. If for example, the National Assembly in Taiwan approved the constitutional amendment instituting a popular referendum as the second stage of the future constitutional exercises, would Beijing regard this step as a ‘major incident entailing Taiwan’s secession from China?’ If so, what possible justification is there for that interpretation?

Bush further submitted that the decision announced on 17 December 2004, to proceed with the Anti Secession Law itself represented a miscalculation on Beijing’s part. The Anti Secession Law was designed to weaken a growing pro-independence trend. Beijing was under the mistaken belief that the pan-Green forces would win the Legislative Yuan elections in December 2004 and so accelerated that trend. However, when the pan-Blue maintained its majority in the Legislative Yuan and re-shaped the island’s political calculus in a more moderate direction favouring China, Beijing nevertheless decided to proceed with the enactment of the Anti Secession Law. Hence, according to Bush, when a country faces an adversary that is prone to miscalculation, excessive firmness is not necessarily the best response, as it can only feed paranoia and promotes rash action. Thus, while Taiwan must safeguard its fundamental interests, including its security, it should also avoid actions that would only increase the chance of miscalculation and unnecessarily heighten the risk of conflict.
The third reason for restraint, according to Bush, is related to the second. That reason is the role of the US. The fact that the US has assumed a commitment to Taiwan's security, and the risk that Beijing may miscalculate concerning the impact of Taiwan's actions on its interests, it is therefore essential that Washington and Taipei manage this situation skilfully and jointly through close coordination. The US administration made it absolutely clear to Beijing that it strongly opposed the Anti Secession Law. Therefore if China claims in the future that the Anti Secession Law conditions have been met, Washington would make its own independent judgment of that claim and act accordingly. The US would be able to constrain Beijing if it can count on Taipei's restraint, both now and in the future.

Bush's final observation led to the analysis that restraint would make it easier to resume the positive trajectory of cross-Strait relations, and in fact an agreement was reached to facilitate the New Year's charter flight in the following months. There is no doubt that such progress would not be possible had Taiwan responded otherwise. Building on that progress in a principled way would be in Taiwan's interest. Showing restraint now therefore preserved valuable possibilities for subsequent consultations. It would certainly gain the support and approval of the US administration.

Richard Bush concluded there exists another scenario that Beijing would read Taipei's restraint as a sign of weakness. Whether this was the case or not, it seems that such a perception would not have any effect on Taiwan, as the exercise of restraint has the counter effect of fortifying Taiwan's position. It would foster a
badly needed consensus in Taiwan on how to approach the China problem. By not 
exacerbating Beijing's tendency to miscalculation, it demonstrated to the 
international community that by exercising restraint, Taiwan was the force to the 
stabilization of the region. Therefore it is admirable to conclude that by opting to 
exercise restraint, it actually strengthened the foundation of Taiwan's security and 
its relationship with the US.

The most effective result of such restraint is reflected in the fact that the tension in 
the Taiwan Strait is now lowered, and the crisis in the cross-Strait relations is 
heading to deferment. Whilst exercising restraint by Taiwan has a positive effect 
on this relationship, it appears that there are also other underlying factors that are 
shaping the political environment and defer the crisis in the Strait. The following 
paragraph will examine some of the developments that are re-shaping the political 
outlook and facilitate an optimistic analysis of the future of the cross-Strait 
relations.

4.3 Developments Reshaping Politics in Taiwan Strait

This paragraph will examine the factors reshaping the political environment in the 
Taiwan Strait. There is a positive and an encouraging sign signalling the dawning 
of a peaceful era in the cross-Strait relations.

4.3.1 Status Quo vs. Independence

Since 1991, the DPP has enshrined the goal of Taiwanese independence in its 
charter. Since Chen Shui-Bian took office in 2000, he and his administrations have
been unable to translate the independence dream into anything reflecting real sovereignty. Instead, Chen engaged in largely superficial gestures like toying with the words on the island’s passports, the idea of creating a new flag or even changing the name "Republic of China" into something more Taiwanese. All these ideas and suggestions proved to be too ambitious for him to achieve and became superfluous. What was intended as a political platform became a liability in that there is now a growing public sense that the independence bandwagon, launched as an underground movement in the 1960s, appears to have reached the end of its political life.

The reality is that the general perception of the Taiwanese public now forms the view that independence is no longer plausible and it is not a viable option. Political analysts in Taiwan referred to recent polls indicating that only about 15 percent of island residents now described themselves as ‘enthusiastic independence advocates’¹². The majority of the populace developed the perception that there’s a sense of both economic and political risk in a struggle for independence, and would ultimately lose all economic and trade interests resulting in political isolation. Something they are not prepared to compromise. Hence, the majority now prefer the status quo. So what are the reasons behind Taiwan’s fading independence movements? The following paragraphs will document accounts leading to a shift of political preference on the island, and how the growing demise of Taiwan’s independence movement impacted the relationship between Taiwan, China and the US. More importantly, the chances of peace become more plausible as events unfold.
Although the independence movement enjoyed a high profile internationally, it never actually won widespread domestic support. The increasingly unpopular Chen and his Democratic Progressive Party (DPP), the driving forces behind the independence movement in recent years, have encountered several electoral defeats. The trend now appears to be that advocates of greater cooperation with the Mainland have gained substantial political ground. A more peaceful era in the cross-strait relations seems to be dawning.

The ‘Taiwanisation’ movement was a major force in Taiwanese politics in the mid-1990s. However, it has not resulted in widespread calls for a formal declaration of independence. China’s ever-growing military posture and economy formed a strong hold on the island, and its effect very much influenced the Taiwanese voters in that they preferred to accommodate China’s opposition to Taiwan’s independence than to risk all. More importantly, the rapid growth of China’s economy has provided Beijing with leverage over Taiwan’s economy. In 2001, China became Taiwan’s most important export market (in 2005, it bought approximately 40 percent of Taiwan’s exports), and since 2002, more than half of Taiwan’s foreign investment has gone to China. Cross-Strait trade reached US$91 Billion in 2005 with Taiwan enjoying a surplus of more than US$58 Billion according to Beijing’s statistics. The statistics further show that 37% of Taiwan’s exports were destined for China, while 75% of the island’s exports (of electronic-products) were actually manufactured in coastal China. It is not surprising that most of Taiwan’s business fraternity, who previously supported Chen during his first and second presidential campaign in 2000 and 2004 respectively, have now
disassociated themselves from the DPP\textsuperscript{13}. China’s economic leverage over Taiwan could cause significant chaos in Taiwan if the economy is disrupted by any ‘blockade’ for example. As a result of both military and economic factors, Chen and other politicians who support independence do not command much support among Taiwan’s voters in the present climate.

In fact, Chen’s political success was not a reflection of the popularity of his policy towards China. He won the presidency in 2000 with 39 percent of the vote only because there was a split in the opposition votes. Although he won a majority in 2004, it was the only time his party had excelled since the island began holding presidential elections in 1996. In 2004, Chen won by only a 0.1 percent margin, and this was only after an alleged assassination attempt on Chen and his running mate the day before the election. There was speculation of sympathy votes. Despite the widespread belief that Taiwan has an identity separate from China, voters have consistently supported the so-called ‘mainlander parties’, including the KMT and the PFP, the so-called Pan Blue coalition.

In the run-up to the legislative elections of December 2004, Chen repeatedly indicated that he might seek to adopt a new constitution that would reflect what he called Taiwan’s “present realities”, perhaps by changing the country’s formal name from “the Republic of China” to “the Republic of Taiwan”\textsuperscript{14} or by renouncing Taipei’s formal territorial claims to the Mainland. Beijing has long maintained that it would consider such changes as acts of war. However, Chen and his supporters dismissed such threats as having no substance, and counter-argued
that China’s domestic problems (such as high unemployment together with rural instability and the regime’s declining legitimacy) combined with the US commitment to defend Taiwan, had accordingly reduced China to a ‘paper tiger’.

On the contrary, Beijing responded to Chen’s insult and provocations by escalating its threats to use force, which immediately prompted the Bush Administration to step in and discourage Taipei from such moves. President George W Bush even publicly criticized Chen and voiced his opposition to Taiwanese independence in a joint press conference with China’s President Hu Jin-Tao, in November 2004.

The DPP eventually lost the elections by not being able to maintain a majority in the Legislative Yuan, frustrating Chen’s plan to amend the constitution. This was an early indication of a fading independence trend as reflected in the decline in the popularity and support of Chen’s political party, the DPP.

In March 2005, China’s National People’s Congress enacted the Anti Secession Law that codified Beijing’s threat to use force against Taiwan if it declares independence. This accordingly inflamed public opinion in Taiwan against the Mainland. Seeing this as an opportunity by the KMT to regain popularity and to demonstrate its capability to resolve the tension, Lien Chan (Chair of the KMT party) travelled to Beijing in April 2005. This was the first visit to the Mainland by a leader of one of Taiwan’s major political parties since 1949. This culminated in a joint declaration by Lien and Hu affirming their opposition to Taiwan’s independence and their support for the “1992 Consensus” (the “one China” with two interpretations concept). Polls taken shortly after Lien’s trip showed that
about 51-60 percent of Taiwan’s population supported his visit, whilst prior to the trip, the poll suggested that only about 40 percent thought that the trip was a good idea17. Thus, this demonstrated a clear shift in the Taiwanese electorates’ view that the KMT was the party more capable of handling the cross-Strait relations.

Lien Chan’s visit prompted other opposition politicians to follow suit, bringing home commitments by Beijing to expand cross-Strait trade and cultural ties. By circumventing Chen’s ‘obstructionist’ approach, the KMT managed to secure trade agreements with Beijing granting preferential access to the Mainland’s market for Taiwan’s agricultural products. In addition, the visit also resulted in the KMT and the Mainland’s Taiwan Affairs Office establishing bureaus to facilitate communication and the resolution of business disputes on the Mainland involving Taiwanese companies. The DPP suffered a major defeat in the December 2005 local and municipal elections and this was because the voters opted for cross-Strait stability and pragmatic diplomatic and economic policies. Since the elections, there has been a fall in the level of support for Chen and his party. There is the problem of growing divisions within the party, as younger politicians are now trying to restructure the party towards a more pragmatic approach, and competing for leadership with the party’s ‘fundamentalist’ pro-independence elders.

Rather than adjusting to this political challenge, Chen criticized the KMT’s cross-Strait activities; he stopped all visits to Taiwan by Mainland negotiators, and rejected the unofficial agreements negotiated between Beijing by Taiwan’s opposition parties. To make matters worse, in his 2006 New Year’s Day speech,
Chen reiterated his support for independence and a new constitution. He called for further constraints on cross-Strait economic integrations despite the widespread defection of business leaders to the KMT, and the government polls reporting that over 75 percent of voters supported trade liberalization. Chen blatantly ignored the wishes of the electorate.

Another example of Chen ignoring the public’s wishes was in January 2006, when China publicly offered to send two pandas to Taiwan as a gesture of goodwill. Despite public outcry in favour of accepting the pandas, Chen’s government turned down the offer and accused Beijing’s ‘panda diplomacy’ as intending to undermine Taiwan’s vigilance against the threat from China. Again, Chen’s personal ego prevailed over international diplomacy.

In the interim, the KMT’s popularity continued to grow. Following the December 2005 election, Taipei Mayor, Ma Ying-Jeou (now the Chair of the KMT party), received a significant majority approval rating in opinion polls. Like Lien Chan, Ma publicly opposed independence and supported the ‘1992 Consensus’. To promote Taiwan’s economic growth, Ma advocates liberalizing trade with the Mainland and allowing direct shipping and direct flights (currently, passengers are required to go through Hong Kong). Taiwan’s electorate has consistently rejected a declaration of independence as the risks are simply too high. The risks would only escalate as the Mainland’s military power continues to increase and its economic leverage over the island becomes firmer. The US could not provide full defense against the 800 Chinese missiles currently positioned towards Taiwan and also
they are unable to offer any alternative to economic engagement with China. Further, it is expected that the independence movement would weaken even more as greater numbers of Taiwanese are taking advantage of the educational and economic opportunities in China. Such interaction offers the chance of peaceful coexistence between citizens of both sides of the Strait.

The growing demise of Taiwan’s independence movement would consequently remove the only conceivable source of war between the US and China. Nonetheless, both the US and China will continue to improve their military postures as they compete for regional hegemony in East Asia. However, as the threat of war over Taiwan seems to move further away from reality, one can only hope that both the US and China will moderate their defense policies towards each other in time to come.

Beijing could only relax its military posture if and when it gains greater confidence that Taipei seeks not independence but co-operation. The evolution of the electorates’ political preference on the island may signal a positive sign to the Mainland. Instead of ‘panda diplomacy’, a unilateral approach to freeze new missile deployment and also the redeployment of missiles away from the Taiwan Strait by Beijing would certainly increase support amongst Taiwan’s voters for the KMT’s policy of engagement with the Mainland. Such actions could only promote good relations between China and other countries in the region as it would merely affirm China’s declared objective of a ‘peaceful rise’.
Although there is a wide apprehension in the region over China's threat to use force against Taiwan, there is also little sympathy in the region for Taiwan's independence movement. In fact Washington's commitment to Taiwan has been a divisive issue in US relations with South Korea and Australia.

US interests in Taiwan would not be diminished by Taiwanese voters' support for the status quo in the cross-Strait relations. Washington remains the guarantor of Taiwan's security. US defense ties with Taiwan are stronger today than at any time since the Nixon Administration. Washington has long considered Taiwan's move towards independence a threat to US security because they could lead to a war, a war that the US could ill afford in the current political climate. Now that Taiwan's independence movement is waning, and the risk of war between China and the US are receding, hence, the continuing peaceful environment in the Strait therefore becomes sustainable.

The following paragraphs seek to give a chronology of recent events that characterize the development in the cross-Strait relations.

4.3.2 The Scandal

The year 2006 saw new scandals evolve around the Presidential family. In April, the first lady Wu Shu-Chen was accused of involvement in the Sogo Department Store bribery scandal. In May, President Chen's son-in-law, Chao Chien-Ming, was accused of insider trading and subsequently detained. Chen Shui-Bian has been under mounting pressure to resign over the scandals implicating his family
and a former top aide. Opposition parties called a special session of the legislature to launch a recall motion against Chen Shui-Bian. However, he survived an unprecedented recall motion in parliament to force him out two years early, but Chen’s opinion poll ratings fell to an all time low; a single-digit level.

These scandals weakened Chen, and this led to a political deadlock in Taipei. There were concerns as to whether Chen was able to complete his term of office. However, Chen vowed to stay in office as the DPP opened its annual congress amid a string of corruption scandals that analysts said have tarnished its image. In the latest round, the DPP suffered another blow with the arrest of the vice interior minister for allegedly taking bribes over a cable car construction project. Yen Wan-chin resigned his post and the party is deliberating whether to expel him.

A group of academics and social activists, who have long supported Chen and the DPP, urged Chen to quit to take responsibility for the scandals. Political analysts warned that, if this matter is not handled properly, the latest campaign could trigger an avalanche of anti-Chen sentiment that would eventually force him to step down. Whilst the Beijing official media have gleefully reported Chen’s tribulations, Beijing has not sought to capitalize on his hardships, quite the contrary. This was because in the midst of the recall move, Taiwan opposition politicians have urged Beijing to stay out of the fray on the basis that any attacks by Beijing would only help Chen’s cause.
4.3.3 Transit Development

Notwithstanding the political deadlock in Taipei following the scandals, there was progress in the cross-Strait issue behind the scene. In June 2006, Taipei and Beijing announced agreement on several modest steps to expand on the successful New Year's charter flights. There were quiet talks between airline associations of the two sides, under government guidance, for some months, and by May 2006 the contents of the possible agreements took shape. The announcement of such agreements on 14 June 2006, a day after the commencement of the special Legislative Yuan session called to consider the opposition’s recall motion against Chen, was strategically timed. This progress was intended to indirectly distract the session for the recall motion against Chen, and predictably the motion failed.

The resulting effect of the agreements facilitated the two sides to allow direct two-way cross-Strait passenger charter flights around five major Chinese holidays, beginning later in 2006. In addition, an agreement was also reached to permit charter flights for medical emergencies and for humanitarian purposes, such as bone marrow transfers. The two sides also agreed to allow cargo charter flights for Taiwan companies to ship equipment and parts to Taiwan invested enterprises in China. These agreements not only gave Chen some positive news at a difficult moment but also took the pressure off his administration. So what was Beijing’s calculation in these agreements?

According to the Mainland Taiwan Affairs Office, the steps taken would benefit the people of Taiwan and the agreements were part of President Hu Jin-Tao’s
policy to reach out to the people of Taiwan. As expected, Beijing also emphasized that the agreements were concluded on the efforts made by private associations from both sides, and not the governments. This was to ensure that Chen's administration did not take any credit for it. However, the limits to what was agreed allowed the opposition parties to continue attacking the Chen administration, in that it did not meet the needs of Taiwan business or open the doors to PRC tourism to Taiwan. Beijing accordingly criticized Taipei's unwillingness to take more comprehensive measures to expand cross-Strait transportations. The political game continues.

4.3.4 National Reunification Council and Guidelines, a Controversy

In the early quarter of 2006, the shadow of the National Unification Council (NUC) controversy continued to hang over cross-Strait relations. In February 2006, Chen shelved the National Unification Council and the Guidelines focused on eventual reunification. Chen's move alarmed China's leader who feared that Chen might be preparing to take further independence leaning steps to secure his political legacy and to revive his troubled DPP. Chen's reckless decision could be perceived as raising the danger of conflict in the Taiwan Strait. It also aroused concerns that Chen might even go back on other issues assured in his inaugural addresses of 2000 and 2004. This outraged both China and the US. This resulted in the US reiterating its expectation that Taiwan stick to its commitments regarding the country's cross-Strait policy. As the US was unsuccessful in its efforts to get a clear reaffirmation of the other "Four Nos" from Chen during that controversy,
Washington remained deeply concerned as to what steps Chen might take to threaten cross-Strait peace during the remainder of his term.

When the American Institute of Taiwan Chairman Raymond Burghardt visited Taipei in early June 2006, there was a change of heart. Chen publicly reaffirmed the “Four Nos,” (Chen scrapped the NUC and its guidelines in February, despite repeated urging from Washington not to do so. This effectively reduced the "Five Nos" policy to a "Four Nos" policy). He iterated his commitment to ensure that the constitutional reform process would not touch upon sensitive name, flag, and territorial issues that would affect the cross-Strait status quo, and said that these commitments would not change during the remainder of his term.

The State Department immediately welcomed Chen’s statement and commented that the US attached “profound importance to these pledges, which are a cornerstone of cross-Strait peace.” Beijing was somewhat encouraged by Chen’s statements, particularly those related to constitutional reform which Chinese analysts considered as potentially the most dangerous issue. Nonetheless, Beijing was still uncertain as to Chen’s intention and concerned that Washington might ease pressure off him.

It is interesting to note that the 16-year-old National Reunification Council has been dormant for a long time and there is no real prospect of reunification anytime soon, irrespective of whether the two sides maintain the status quo. The Taiwan Affairs Office argued that Chen deliberately provoked a crisis to divert attention
from domestic political troubles, including corruption charges levelled at the DPP official involved in a bribery scandal concerning a multi-million dollar high speed train project at the time. Other analysts also suggested that the set back in the recent local election led Chen to accentuate his militantly pro-independence attitude as a way to rally party loyalists.

While the National Reunification Council has been long dormant, it has considerable symbolic importance. Since China suspected that this was Chen’s deliberate provocation to resuscitate his political career, the best course of action here would be to act in restraint as any further threat from China would merely assist in Chen’s cause. The unambiguous support from the US in opposing Chen’s move provided China with some form of assurance in the continuity of the ‘one China’ principle as agreed in the three joint communiqués.

4.3.5 Pragmatic Politics

Notwithstanding the National Reunification Council issue, further development was made in the cross-Strait relations. On April 27, Taipei unexpectedly announced approval for investments in China in the areas of small LCD screen production and computer-chip packaging and testing. This was one of the investment liberalizations Taiwanese investors had been seeking for the past two years and the announcement was certainly welcomed by the business communities. It is believed that specific pressure from Taiwanese investors for approvals of pending investments had influenced the government’s decision. Regardless of what prompted this, the decisions reflected a welcome pragmatic step to ease burdensome restrictions on cross-Strait investments.
Further, in June 2006, Taipei and Beijing announced the launch of a new ferry service between the offshore island of Kinmen and the Fujian provincial city Quanzhou. Since then, this transit expanded rapidly with about half a million transits taking place in 2005. These contacts flourished in an environment that was largely shielded from the upheaval of other cross-Strait developments. The islands are not a central concern of the DPP administration and also to those promoting Taiwan’s identity. For Beijing, these contacts could be seen differently because there was no issue of separatism with respect to these small islands, in which both sides considered geographically to be part of Fujian (a province already under the Chinese territory). Consequently, Beijing allowed discreet direct contacts between officials from Fujian and the islands without requiring public pronouncements of support for its “one China” principle. Pragmatism therefore benefits both sides.

Another encouraging development in 2006 was on April 15 where both the KMT and CCP co-sponsored a conference in Beijing on cross-Strait economic issues. Beijing availed itself of the occasion to announce more unilateral measures to expand ties with Taiwan. The conference resulted in Beijing, on 21 April 2006, announcing the expansion of number of Taiwanese fruits, from 18 to 22 types, approved for duty-free import to China as of May 2006.

4.3.6 International Relations and Security

In the realm of international relations, the ‘war’ continues between Taipei and Beijing. Taipei’s 10th application for observer status at the WHO’s World Health Assembly (WHA) was again rejected in May 2006. However on the other hand, the World Trade Organization (WTO), which had been a venue for similar
diplomatic sparing in the past, provided a locus for some business-like contacts between Beijing and Taipei on trade issues. As new WTO members, both Beijing and Taipei were subjected to their first formal trade policy reviews this year. Beijing’s review took place in April 2006. The trade policy review for the "Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu (Chinese Taipei)" occurred on 21 and 22 June 2006 in Geneva. The review took place in a business-like fashion with active PRC participation.

Since cross-Strait trade formed a large element in Taiwan’s trade and economy, the cross-Strait issues were a prominent part of the Taipei review. Taipei was criticized by a number of participants for continuing to prohibit some imports from China, contrary to its WTO obligations. Participants also urged Taipei to ease restrictions on cross-Strait trade that were affecting their companies. WTO officials concluded that ‘the growing importance of cross-Strait movement of goods in Chinese Taipei’s economy would seem to indicate the need for further liberalization of cross-Strait traffic; such liberalization would contribute to improving the efficiency of the Chinese Taipei economy and its attractiveness to inbound direct investment’. Hence, on the margins of the WTO review of Taiwan’s trade, trade officials from the two sides held consultations on the issue. While such consultations are routine between other WTO members, this was the first time Beijing has agreed to a consultation on a cross-Strait trade issue in the WTO context.
On the security front, Beijing opted to maintain a low profile on military issues whilst continuing to expand its capabilities for dealing with Taiwan contingencies. In Taipei, the opposition parties continued to block any expenditure on major new arms procurement through either the regular or special budget mechanisms. In Washington, as discussed in the previous section of this paper, the Defense Department’s annual report on the PLA again made the case for Taiwan investing more in its own defense to counter growing PLA capabilities. In May 2006, the Chen administration published Taiwan’s first National Security Report. Whilst the document identified the PRC’s military threat to Taiwan’s national identity and Japan’s quest to be a normal country, both these countries were considered as the two principal regional factors affecting Taiwan’s long-term security, and it did not lay out any comprehensive set of policies for dealing with the challenges facing Taiwan. So what lies ahead?

4.3.7 What Lies Ahead?

Given the political turmoil in Taipei and the growing divisions within the Chen administration, it is remarkable that anything constructive could be achieved in the cross-Strait relations. Chen’s commitment to reaffirm the “Four Nos” was important in order to maintain the stability of the relations. However, there is always the danger of whether subsequent changes in the political conditions would lead Chen to change his policies. On the security issue, there are reports that Taiwan’s military is preparing to test-fire an offensive tactical missile in September capable of striking targets in China. The credibility and detail of such reports are sketchy and could not be validated. Meanwhile, the Taiwan Ministry of
National Defense has denied such a test-fire. Political analysts argued that if such first strike tactical missiles exist, this would be a provocation that could tarnish US relations, and is counter productive since Taiwan war planning hinges on the expectation of US military intervention. China is taking a nuanced approach to this.

In the interim, the charter flights agreement set out a promising framework for more direct cross-Strait flights to be arranged in the months ahead. It also holds out the possibility for further agreements on flights and Chinese tourism to Taiwan. With regard to the domestic political environment, how the political confrontation in Taipei would unfold remains to be seen. There are recurring rumours of more damaging charges involving the first family. Manoeuvring within the DPP for future leadership is already underway and can be expected to have a growing impact on policy, both in Taipei and in Beijing.
Conclusion

The preceding chapters demonstrated an array of both historical and present events surrounding the ‘one China’ principle, and the result of the Chinese-American-Taiwanese diplomatic jockeying appears to be that as long as China’s claim of sovereignty over Taiwan is not flouted by any moves on Taiwan towards *de jure* independence, Beijing appears to remain content with the status quo. Beijing is playing a game of face. It allows Taiwan to maintain a separate system and a separate administration as long as it does not do so in a manner that would humiliate Beijing. An adjunct to this theory is that over time the contacts between the two entities will foster economic and political convergence, so that at sometime in the future a formal confederation or some sort of unification will take place, at least this appears to be the strategy currently adopted by China. The two countries have already developed an extensive relationship that has facilitated both of them a stake in being patient and moderate. Economically, Taiwanese businessmen have invested significant amount on the Mainland, and China is now the single most important area of economic growth for Taiwan, that has the technology and the capital to synergize with China’s land and labour.

However on the other side of the political spectrum, there also exists the possibility that China may resort to the use of force to reunite Taiwan. As China’s economic and military power grew, its desire to see all of China’s historic territory comes under a single roof will be stronger as well. While it is true that for the past
twenty-five years or so, China had been following Mao’s dictum that there was no urgency on Taiwan as there were larger important strategic issues to focus on, there are no larger strategic issues now. China’s desire to be a great global power may supersede its patience and accommodation when it comes to the question of control and sovereignty over what they deem to be their national territory. Beijing has so forcefully maintained that Taiwan’s separate status is nothing more than the residue of an unfinished civil war in China and this is purely a domestic concern. Therefore China will reunite Taiwan one way or another.

After all, what would be so terrible for Taiwan if it were to be reabsorbed by the Mainland? China is growing more prosperous and more capitalist each day, and reunification might even be a blessing for Taiwan, which has the talent and capital to use in China’s economic growth. One fundamental development would be the major cause of Sino-American friction would be removed. The solution of China’s Taiwan problem in this sense would be the solution of US’s China problem.

As we have seen from earlier chapters that there are strategic reasons for US intervention in this ongoing saga in the Taiwan Strait. If China were to embark on a military offensive against Taiwan, the US would have little choice except to intervene. The US must continue to support Taiwan militarily for the simple reason that the weaker Taiwan is, the more likely is a Chinese invasion, and an unopposed Chinese invasion would profoundly unsettle the entire balance of power in Asia. It appears that without the US commitment to intervene in a China-Taiwan conflict, there would be little standing in the way of Chinese domination of all of East Asia, and this is the view also shared by both Australia and Japan. The form of the US
intervention varies depending on Taiwan’s specific need and the severity of the Chinese assault. Whatever forms the US involvement may be, any military conflict in the Taiwan Strait would signal the beginning of a new stage of conflict between China and the US, a move from strategic posturing across the Pacific to a war that would profit absolutely nobody. It would be tragic.

On a consolatory note, one important factor here would be that perhaps the passage of time has dulled the hostility that was once felt by the two sides (China and Taiwan) for each other. While in the security context, one senses uncertainty and distrust, there appears to be no major hatred between the people of Taiwan and the Mainland, who after all, speak the same language and share a commonality in culture. Further more, analysis of the military posture in the earlier chapters indicates it is unlikely that China will move to take Taiwan by force, as it would be too costly to China in several ways. The damage that China would sustain to its economy and to its international relations with other countries appears to be so great that recourse to military confrontation, or invasion, will remain a remote and less likely possibility for the decade to come.

The analysis of the latest developments in the Taiwan Strait promulgated an optimistic scenario. The findings of this paper are premised on the chronology events that occurred up to 31 July 2006 and yielded the following observations.

Firstly, the Chen Shui-Bian Government moves toward dismantling Taiwan’s political and cultural links with China have been the main cause of increased cross-Strait tensions. The moves were, however, largely symbolic as they proved to be
too ambitious to achieve and became superfluous. The momentum of these moves has diminished in recent months. This was largely due to the ongoing corruption scandal within the first family and his party, DPP. The latest dimension was irreconcilable accounts in Chen’s office discovered by the Ministry of Audit that prompted a judicial investigation.

Secondly, there is a strong and generally anti-independence opposition in Taiwan, and a willingness of these politicians to coordinate some activities with Beijing. The improvement in the cross-Strait relations were highlighted by the visits of two prominent opposition leaders, Lien Chan of KMT and James Soong of the PFP, to China in April and May 2006 respectively. These historical contacts gave the Chinese confidence that a use of force against Taiwan would not be necessary. China adopted the strategy of a united front approach with the view to achieving its ultimate objective. Further, China also sensed that there is a trend of waning independence movement. Polls in Taiwan reflected a majority consensus in the preference for status quo. As such, China has softened its stand on Taiwan and appears to be more tolerant for the status quo. Given the political turmoil within the DPP camp, China is optimistic that Chen and his party will be voted out of the office in the next general election scheduled for 2008, and most likely will be replaced by Ma Ying-Jeou, the KMT leader, who favours better relations with the Mainland. This shift in the Taiwan policy appears to defer a crisis, at least for the time being. There appears to be a revival of the ‘one China’ principle, although premised on the “1992 Consensus”.

Thirdly, in the absence of further effort by Taipei to push for independence, Beijing sensed that the chance of a resolution of the Taiwan issue moves more
favourably to China and this increases with time because of the relative growth of China's economic, political and military strength. The vast economic interactions between China and Taiwan facilitated China with economic leverage over the island, and this has led to an eventual growing economic dependence on the Taiwanese side. According to government estimates, Taiwan investors have injected between US$100 and US$150 billion into China. In 2005, China absorbed 71 per cent of Taiwan's total investment outside the island. The opposition forces and the business communities in Taiwan continue to lobby for closer cross-Strait exchanges and argue that further restrictions would hurt the island's competitiveness.

Fourthly, China's strategy towards Taiwan is mainly political and not military. The continuing reference to military threats is part of China's broader political strategy. Based on the visible trends and for reasons expounded in the earlier chapters, the possibility of a military conflict over Taiwan in the near future now seems low. The situation is well maintained and it is unlikely that there will be any military conflict over the 'one China' principle. On the balance of probability, it is highly unlikely that there will be any military confrontation and/or significant political breakthroughs in the cross-Strait relations at least in the months ahead, and the best that can be expected is relative calm and very modest policy steps.
APPENDIX I


<table>
<thead>
<tr>
<th>Taiwan Strait Military Balance, Ground Forces</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>China</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Personnel (Active)</td>
</tr>
<tr>
<td>Group Armies</td>
</tr>
<tr>
<td>Infantry Divisions</td>
</tr>
<tr>
<td>Infantry Brigades</td>
</tr>
<tr>
<td>Armor Divisions/Brigades</td>
</tr>
<tr>
<td>Armor Brigades</td>
</tr>
<tr>
<td>Artillery Divisions</td>
</tr>
<tr>
<td>Artillery Brigades</td>
</tr>
<tr>
<td>Marine Brigades</td>
</tr>
<tr>
<td>Tanks</td>
</tr>
<tr>
<td>Artillery Pieces</td>
</tr>
<tr>
<td>Taiwan</td>
</tr>
<tr>
<td>Taiwan Strait Area</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Group Armies</td>
</tr>
<tr>
<td>Infantry Divisions</td>
</tr>
<tr>
<td>Infantry Brigades</td>
</tr>
<tr>
<td>Armor Divisions/Brigades</td>
</tr>
<tr>
<td>Armor Brigades</td>
</tr>
<tr>
<td>Artillery Divisions</td>
</tr>
<tr>
<td>Artillery Brigades</td>
</tr>
<tr>
<td>Marine Brigades</td>
</tr>
<tr>
<td>Tanks</td>
</tr>
<tr>
<td>Artillery Pieces</td>
</tr>
</tbody>
</table>

Note: The PLA active ground forces are organized into Group Armies. Infantry, armor, and artillery units are organized into a combination of divisions and...
brigades deployed throughout the PLA’s seven Military Regions (MRs). A significant portion of these assets are deployed in the Taiwan Strait area, specifically the Nanjing, Guangzhou and Jinan military regions. Figures for the Taiwan Strait area do not include the 15th Airborne Corps and garrison units. In 2004, Taiwan began transforming motorized rifle and armored infantry brigades to mechanized infantry. Taiwan has seven Defense Commands, three of which have Group Armies. Each Army contains an Artillery Command roughly equivalent to a brigade plus.

<table>
<thead>
<tr>
<th>Aircraft</th>
<th>China</th>
<th>Taiwan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Within range of Taiwan</td>
</tr>
<tr>
<td>Fighters</td>
<td>1,525</td>
<td>425</td>
</tr>
<tr>
<td>Bombers</td>
<td>775</td>
<td>275</td>
</tr>
<tr>
<td>Transport</td>
<td>450</td>
<td>75</td>
</tr>
</tbody>
</table>

Note: The PLAAF and PLANAF have a total of around 2,300 operational combat aircraft: air defense and multi-role fighters, ground attack aircraft, fighter-bombers and bombers. An additional 470 older fighters and bombers are assigned to PLA flight academies or R&D. The two air arms also possess approximately 450 transports and over 90 surveillance and reconnaissance aircraft with photographic, surface search, and airborne early warning sensors. The majority of PLAAF and PLANAF aircraft are based in the eastern part of the country. Currently, more than 700 aircraft could conduct combat operations against Taiwan without refueling.
### Taiwan Strait Military Balance, Naval Forces

<table>
<thead>
<tr>
<th></th>
<th>China</th>
<th>Taiwan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>East and South Sea Fleets</td>
</tr>
<tr>
<td>Destroyers</td>
<td>25</td>
<td>16</td>
</tr>
<tr>
<td>Frigates</td>
<td>45</td>
<td>40</td>
</tr>
<tr>
<td>Tank Landing Ships</td>
<td>25</td>
<td>22</td>
</tr>
<tr>
<td>Medium Landing Ships</td>
<td>25</td>
<td>20</td>
</tr>
<tr>
<td>Diesel Submarines</td>
<td>50</td>
<td>28</td>
</tr>
<tr>
<td>Nuclear Submarines</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Coastal Patrol</td>
<td>45</td>
<td>34</td>
</tr>
</tbody>
</table>

**Note:** The PLA Navy has a large fleet that includes 74 principal combatants, 55 submarines, some 50 medium and heavy amphibious lift ships, and about 45 coastal missile patrol craft. In the event of a major Taiwan conflict, both fleets would be expected to participate in direct action against the Taiwan Navy. The North Sea Fleet would be responsible primarily for protecting Beijing and the northern coasts, but could provide mission critical assets to support the other fleets. Taiwan most likely decommissioned its remaining Gearing-class destroyers before the arrival of replacement KIDD-class destroyers. Two of the four in-bound KIDDs arrived in December 2005 and are not yet operational. The remaining KIDDs are scheduled for delivery in 2006–2007.
<table>
<thead>
<tr>
<th>China’s Missile Inventory</th>
<th>Launchers/Missiles</th>
<th>Estimated Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSS-4 ICBM</td>
<td>20/20</td>
<td>8,460+ km</td>
</tr>
<tr>
<td>CSS-3 ICBM</td>
<td>10-14/20-24</td>
<td>5,470+ km</td>
</tr>
<tr>
<td>CSS-2 IRBM</td>
<td>6-10/14-18</td>
<td>2,790+ km</td>
</tr>
<tr>
<td>CSS-5 MRBM Mod 1/2</td>
<td>34-38/19-50</td>
<td>1,770+km</td>
</tr>
<tr>
<td>JL-1 SLBM</td>
<td>10-14/10-14</td>
<td>1,770+km</td>
</tr>
<tr>
<td>CSS-6 SRBM</td>
<td>70-80/275-315</td>
<td>600 km</td>
</tr>
<tr>
<td>CSS-7 SRBM</td>
<td>100-120/435-475</td>
<td>300 km</td>
</tr>
<tr>
<td>JL-2 SLBM</td>
<td>DEVELOPMNETAL</td>
<td>8,000+ km</td>
</tr>
<tr>
<td>DF-31 ICBM</td>
<td>DEVELOPMNETAL</td>
<td>7,250+ km</td>
</tr>
<tr>
<td>DF-31A ICBM</td>
<td>DEVELOPMNETAL</td>
<td>11,270+ km</td>
</tr>
</tbody>
</table>

Note: China’s SRBM force has grown significantly in the past few years. China’s Second Artillery maintains at least five operational SRBM brigades: another brigade is deployed with the PLA ground forces, garrisoned in the Nanjing Military Region. All of these units are deployed to locations near Taiwan.
NOTES

Chapter 1


4. The Cairo Declaration 1943 is a legal document that is part of the official records of Japan and the US. While the proponents for Taiwan independence argued that the document is merely a statement of intent and non-binding, as it is not signed, the Cairo Declaration provides important insights into the intentions of the parties that signed the Potsdam Declaration, the Japanese Instrument of Surrender and the Treaty of Peace between Japan and China. The main points of the document are that the Allied insisted the deployment of brutal military force until unconditional surrender of Japan; Japan should returned all the territories stolen from the Chinese since the beginning of the First World War in 1914; Manchuria, Formosa and the Pescadores shall be restored to the ROC, and Korea shall become free and independent. Whilst the Potsdam Declaration of 1945 is a
statement issued on 26 July 1945 by Harry S Truman, Winston Churchill and Chiang Kai-Shek that outlined the terms of surrender for Japan as agreed upon at the Potsdam Conference. The agreement stated that if Japan did not surrender, “They would face prompt and utter destruction”.


6. Hungdah Chiu, “The Question of Taiwan in Sino-American Relations” in Hungdah Chiu (ed). China and the Taiwan Issue, New York 1979, pp.161-162; see also Frank P Morello, The International Legal Status of Taiwan, The Hague, 1966. The 1951 Peace Treaty was the document formalizing the agreement that committed the Allies to the position that Japan should return Formosa (Taiwan) to China.


9. The Straits Exchange Foundation (SEF) was represented by Koo Chen-Fu, who was a member of the KMT Central Standing Committee, whilst on China side the Association for Relations across the Taiwan Straits (ARATS) was represented by Wang Daohan, a former mayor of Shanghai. The "Koo-Wang Talks" essentially provided a legal foundation to conduct normal business across the Strait.


13. This is an extract of a document agreed by Taiwan’s Unification Council on 1 August 1992. The text is available in the document of the Mainland Affairs Council, “Consensus Formed at the National Development Conference on Cross-Strait Relations”, February 1997.


160


21. See DPP Policies, www.dpp.org.tw : “The DPP’s priority on cross-Strait relations with China is the safeguarding of the sovereignty and rights of Taiwan’s twenty million people, acting in the best interests of the island’s security, and furthermore, undertaking Taiwan’s responsibility in preserving stability in the East Asia-Pacific region”.

22. See DPP website.


24. ‘Taiwan’s sovereignty is non-negotiable. National sovereignty is absolute and indivisible and not to be disposed of in negotiations’, see DPP Political Platform 1999 Elections: www.dpp.org.tw


26. See Chapter 3 of this paper on sovereignty and security dilemma. The paper shows why China would never formally renounce the use of force.
27. For full text see: www.bbc.co.uk/hi/world/asia-pacific/2972970.stm


30. Hu Qihua, “Missile System Threatens Relations”, China Daily, 16 August 2000. According to the PLA Deputy Chief of Staff Xiong Guangkai, a US TMD for Taiwan would constitute a new version of the 1954 US-Taiwan mutual security treaty. This treaty was abrogated in 1979 as a pre-condition to the establishment of diplomatic relations between China and the US:- General Xiong Guangkai’s address to the Australian Defense College, Canberra, 7 November 2000.


34. Reported in the PLA Daily, Beijing, 28 January 2000.

35. See Greg Austin (ed), Missile Diplomacy and Taiwan’s Future: Innovations in Politics and Military Power, Strategic and Defense Studies
Centre, Canberra, 1997; and Suisheng Zhao (ed), *Across the Taiwan Strait*, Routledge 1999.


42. See “A Moment That Goes Down in History”, People’s Daily, 30 April 2005. Lien Chan, Chairman of the KMT invited to visit the PRC and was greeted personally by President Hu Jintao. This is the first meeting between top leaders of the KMT and the Communist Party of China after an interval
of 60 years. See also: Joe McDonald, “China’s Hu, Taiwan Opposition Leader Meet Taiwan, China Agree to First Direct Flights”, Associated Press, 29 April 2005; and “PRC Visits by Lien and Soong Reflects Political Sea Change”, Editorial, China Post, 21 April 2005.


45. Jim Yardley, “China Denies Taiwan Law on Secession Is a War Bill”, New York Times, 14 March 2005. (Prime Minister Wen Jiabao also addressed this at the China’s National People’s Congress)


50. Section 2(b) 6 of the Taiwan Relations Act commits the US to maintain its own capacity “to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system of the people of Taiwan”. Section 2(b) 4 considers “any effort to determine the
future of Taiwan by other than peaceful means, including boycott or embargoes, a threat to the peace and security of the Western Pacific". Section 2(b) 5 commits the US to “provide Taiwan with arms of a defensive character”.

51. See Shirley A Kan, “China/Taiwan: Evolution of the One China Policy-Key Statement from Washington, Beijing and Taiwan”, Congressional Research Service, 12 March 2001. The assurances offered had actually been sought by Taiwan, and President Regan agreed to a revised form of what Taiwan had offered; On the legal status of Taiwan, see Christopher J Carolan, “The Republic of Taiwan: A Legal-Historical Justification for a Taiwanese Declaration of Independence”, New York University Law Review, Vol.75, May 2000, p 438: “It is important to underscore that the United States consistently has stopped short of endorsing the PRC’s claim that Taiwan is part of China...the official US position on Taiwan remains that Taiwan’s final status is as yet undetermined”.


54. Statement to the Senate Select Committee on Intelligence, 6 February 2002: www.cia.gov/cia/public_affairs/speeches/dec_speech_02062002.html


56. Richard C Bush, “Untying the Knot: Making Peace in the Taiwan Strait”,

165
Chapter 2


5. This statement was made by the DPP when it prepared Chen Shui-Bian’s campaign for presidency in 1999, and took the traditional ROC formulation and gave it a novel and significant twist to the cross-Strait relations.

6. Chen in an interview referred to “territory” and not jurisdiction that made it a controversial statement. See “The President grants an interview to Los Angeles Times of the United States”, Office of the President, 8 February 2004 (Foreign Broadcast Information Service, CPP20040203000077, 15 February 2004).

8. Treaty of Shimonoseki signed in May 1895 by Japan and China, ceding Chinese dominion of Formosa and the Pescadores to the Japanese under Articles 2b and 2c of the treaty. In 1871, Japan and China had had an agreement on the "un-reclaimed" lands of Formosa by China in which the Japanese dropped their claims of terra nullius for the Chinese gold given in compensation for murders by Formosan islanders. Several ceded areas were "reoccupied" by China under later revisions of this treaty. The Chinese had always considered this treaty as an unequal treaty.

9. When Japan unconditionally surrendered under the terms of the Potsdam Declaration, the representative of the Supreme Allied Commander in the China Theater, General Chiang Kai-Shek of the ROC military force, was directed to go to Taiwan and accept the surrender of the Japanese troops that subsequently surrendered to the ROC military force, and the Chief Executive Chen Yi, soon proclaimed “Taiwan Retrocession Day” on 25 October 1945.

10. The Treaty of Taipei was concluded between the ROC and Japan (effective 5 August 1952) where Japan basically reaffirmed the terms of the San Francisco Peace Treaty (SFPT), and formalized the peace between the ROC and Japan, implicitly repealing the Treaty of Shimonoseki.

11. The Boxer Protocol of 1901, also known as the Xinchou Treaty in China,
was a peace treaty signed between the Qing Empire of China and the Eight Nation Alliance (UK, USA, Japan, Russia, France, Germany, Italy, Austro-Hungary, Belgium, Spain and the Netherlands), after China’s defeat in the Boxer Rebellion by the Eight Power Expeditionary Forces. China later regarded this as one of a series of “unequal treaties” which it signed since the First Opium War.

12. A Dispositive Treaty is a treaty that has stipulations relating to the disposition of property. Importantly, in regard to a territorial cession, international law holds that once the obligations of territorial cession have been fulfilled, the relevant clause of the treaty itself ceases to exist. Hence, the act of territorial cession is not affected by later cancellation, abrogation, or nullification of the treaty.

13. Modus vivendi is a Latin phrase Modus means mode, way. Vivendi means living. Together, way of living, implies an accommodation between disputing parties to allow life to go on. It usually describes informal and temporary arrangements in political affairs. When two sides reached a modus vivendi regarding the territories disputed, they may not agree with each other’s value or attitude. However, they have worked out a way of living with their differences. This sense of the term has been used as the keystone of the political philosophy espoused by John Gray. In the diplomatic arena, a modus vivendi is an instrument recording an international agreement of temporary or provisional nature intended to be replaced by an arrangement of a more permanent and detailed character, usually a treaty. It is customarily made in an informal way, and never
requires legislative or parliamentary rectification. Armistices and instruments of surrender are *modi vivendi*. Armistice is an agreement between countries that are at war with one another to stop fighting for a time and to discuss way of making a peaceful settlement.

14. Prescription is (1) the process of acquiring title to property by reason of uninterrupted possession of specified duration, (2) acquisition of ownership or other real rights in moveables or immovable by continuous, uninterrupted, peaceable, public, and unequivocal possession for a period of time.

15. The 228 Incident or the 228 Massacre was an uprising in the ROC that began on 28 February 1947 and was suppressed by the KMT government, resulting in the killing of about 30-60,000 civilians. The number "228", hence, refers to the date of the incident. This event is now commemorated in Taiwan as "Peace Memorial Day". Many of the details of the incident are still highly controversial and hotly debated in Taiwan today.

16. The Six Assurances are guidelines used in conducting the US-ROC relations. They were proposed in 1982 by the ROC during negotiations between the US and the PRC over the Joint Communiqué on Arms Sales to Taiwan. The US not recognizing the sovereignty claim over Taiwan from the PRC is one of the assurances offered to the ROC.

17. Postliminium is: (1) [Roman Antiquity] the return to his own country, and his former privileges, of a person who had gone to sojourn in a foreign country, or had been banished, or taken by an enemy, (2a) In international law, the right by virtue of which persons and things taken by an enemy in
war are restored to their former state when coming again under the power of the nation to which they belonged, (2b) that right in virtue of which persons and things taken by the enemy are restored to their former state, when coming again under the power of the nation to which they belong. [Note: the transfer of the title of territory by treaty is an internationally recognized valid method for transmission and reassignment of "ownership." Regardless of the future outbreak of war between the affected parties, or the military occupation of each other's countries, international law does not recognize any claim to "retroactive reversion of title" to previously ceded territory, and the doctrine of "postliminium" cannot be invoked under such circumstances.]

18. The Treaty of Paris signed on 10 December 1898 ended the Spanish-American War. In accordance with the treaty, Spain renounced all rights to Cuba and allowed an independent Cuba, ceded Puerto Rico, the islands of Guam and the Philippines to the US, and gave up its possessions in the West Indies. The defeat put an end to the Spanish Empire in America and marked the beginning of an age of US colonial power. The Spanish-American war resulted in the US gaining control over the former colonies of Spain in the Caribbean and the Pacific. Cuba declared independent in 1902.

19. The Treaty of peace with Italy is a treaty signed in Paris on 10 February 1947 between Italy and the victorious powers of World War II formally ending hostilities.

20. The UN Charter is the constitution of the United Nations. It was signed at
the UN Conference on International Organizations in San Francisco, on 26 June 1945 by the 50 original member countries. It came into force on 24 October 1945, after being ratified by five founding members, ROC, France, Soviet Union, UK and the US, and a majority of the other signatories. The Charter is a constituent treaty and therefore bound all signatories. Furthermore, it explicitly says that the Charter prevails over all other treaty obligations. The Yalta Conference, sometime known as Crimea Conference, was the meeting from February 4-11, 1945 between the heads of government of the US, UK and the Soviet Union during Second World War.

21. Self Determination is a theoretical principle that people ought to be able to determine its own governmental forms and structures. The right to self-determination has found increasing international acceptance among stateless peoples and diaspora. In most cases, there is an ethnic or religious minority within a specific geographic area seeking independence from a majority to escape prejudice and persecution. However the right to self-determination has been most effectively employed in the decolonization movement. Given the perceived risk of constant fragmentation of states that could result form this, states have approach self-determination cautiously.

22. The US Army's Field Manual 27-10, The Law of Land Warfare, is one of the major resources used for educating US military personnel on the law of war. It contains numerous pertinent direct quotations from the various Geneva and Hague Conventions, as well as several official interpretations of these conventions.
23. Popular sovereignty, also known as squatter sovereignty, is the doctrine that the state is created by and subject to the will of the people, who are the source of all political power. It is closely associated to the “social contract” philosophers. Popular sovereignty is a distinct concept from ‘territorial sovereignty’. As many instances of territorial cession shows, territorial sovereignty is held by the government, and not by the people. The distinction is particularly important when discussing the topic of military occupation. International law specifies that military occupation does not transfer sovereignty. Hence, military occupation as a result of a war, while representing actual possession to all appearances, cannot imply any right whatsoever to dispose of territory. As long as hostilities continue, the occupying power cannot annex the occupied territory, even if it occupies the whole of the territory concerned. A decision on that point can only be reached in a peace treaty. This universally recognized rule was endorsed by jurist and confirmed by numerous rulings of international and national courts.

24. Pan Green coalition is an informal political alliance in the ROC consisting of the Democratic Progressive Party (DPP), Taiwan Solidarity Union (TSU), and the minor Taiwan Independence Party (TAIP). The name came from the colours of the DPP that originally adopted green in part because of its association with the environmental movement. The Pan Green coalition tends to favour Taiwan independence over reunification. In contrast, the Pan Blue coalition consists of Kuomintang (KMT), People First Party (PFP) and the smaller New Party (CNP). The name came from the party
colour of the KMT. This coalition tends to favour a Chinese nationalist identity over a Taiwanese separatist, and favours a softer policy and greater economic integration with the PRC.


48. For an articulate Taiwan discussion of which side was being more provocative, see article by Holmes Liao, “Referendum-Taiwan’s Provocation?”, China Brief, 1 July 2003.


Chapter 3

1. Chris Rahman, “Defending Taiwan, And Why it Matters”, Naval War


10. Ibid.
11. Ibid.
14. Ibid.
15. Ibid, p. 5
16. Ibid.
22. “Resolution Regarding Taiwan’s Future”, DPP Policies; see: www.dpp.org.tw
25. US Department of Defense Report to Congress Pursuant to the FY 1999
Appropriations Bill, 1 February 1999.


35. “Taiwan Unveils Two Early Warning Aircrafts”, Agence France Presse, 16 April 2006.


37. Ibid.


42. Ibid.


44. Ibid, p.39.


47. Senate Committee on Foreign Relations, “US Defense Policy Towards
Taiwan: In Need of an Overhaul”, Staff Report, 107th Congress, First Session, April 2001, p 1.

48. See also Chapter 1 of this paper: “The American Factor”, p 32


50. Ibid.


53. In September 2002, Deputy Secretary of Defense, Paul Wolfowitz wrote to Congress expressing this sentiment in response to provisions in draft legislation that called for reporting by the Pentagon on how it was responding to China’s threats against Taiwan. See also: Shirley A Kan, “Taiwan: Major US Arms Sales since 1990”, Congressional Research Service, 18 April 2003, p 16.

54. See Chapter 1 of this paper: “China’s Response”, pp 23-32.


56. Wan Kun-Yi is an Associate Professor of the Graduate Institute of International Affairs and Strategic Studies, Taiwan’s Tamkang University.

181


Chapter 4

1. It seems that there was no such consensus as to whether China actually accepted the KMT’s version of each side maintained its own interpretation of the meaning of “one China”, according to the Formosan Association for Public Affairs as reported in the China Post, 26 March 2006 under the article “Ma Cites Chen’s ‘Five Noes’ as the Definition of Status Quo”.


5. Taiwan pledge never to develop or use any weapons of mass destruction, including nuclear and biological weapons. See article by Ko Shu-Ling,


8. Ibid.


11. See: “US Dismay at China’s Taiwan Law”: The US has reacted with dismay to an anti-secession law that would allow China to use force against Taiwan, BBC, 9 March 2005; see also: “US Warns China on Anti Secession Law Against Taiwan”, Reuters, 15 March 2005.


14. “Chen Wants Name Change from ROC to Taiwan”, Associated Press, 3 September 2004; see also: “China Criticizes Chen for Remark on Taiwan’s Name”, Reuters, 4 September 2004.


19. Ibid.

20. Ibid.


24. Ibid.


26. Simon Montlake, “Next Troublesome Missile Test: Taiwan?”, Christian


29. For a definition of a united front, see article by Willy Lam, “China-Taiwan Military Threat Unlikely”, China Brief, Volume 1, Issue 3, 7 April 2001. In the Taiwan context, united front strategy mainly targeted the opposition parties, primarily the KMT and the PFP, and the business communities that have significant investments on the Mainland.


BIBLIOGRAPHY


• John W Garver, “Face Off: China, the United States and Taiwan’s Democratization”, University of Washington Press, 1997.


• Hurst Hannum, “Autonomy, Sovereignty and Self Determination: The


• Dr Gary Klintworth, “China and Taiwan-From Flashpoint to Redefining One China”, Foreign Affairs, Defense and Trade Group, 7 November 2000, Parliament of Australia, Department of the Parliamentary Library.


• Willy Wo-Lap Lam, “China-Taiwan Military Threat Unlikely”, China Brief, Volume 1, Issue 3, 7 April 2001


• Holmes Liao, “Referendum-Taiwan’s Provocation?”, China Brief, 1 July 2003.


• Joe McDonald, “China’s Hu, Taiwan Opposition Leader Meet Taiwan, China Agree to First Direct Flights”, Associated Press, 29 April 2005.


• Wang Weixing, “The United States and Taiwan Start a Quasi Military Alliance”, Shijie Zhishi, 1 July 2002.

• Jim Wolf, “US Clears Two Stage Path to Taiwan Submarine Deal”, Reuters, 14 January 2006.


• “US Security Policy in Asia and the Pacific: The View from Pacific Command”, joint hearing before the Subcommittee on East Asia and the Pacific and the subcommittee on the Middle East and South Asia, Committee on International Relations, House of Representatives, 107th Congress, Second Session, 27 February 2002.


• “Relations Across the Taiwan Strait”, published by the Mainland Affairs Council, Executive Yuan, Republic of China, July 1994.
• Taiwan 2002 Defense White Paper.
• “Resolution Regarding Taiwan’s Future”, Democratic Progressive Party Policies.
• “Taiwan Redefined China Relations”, Associated Press, 10 July 1999.
• “Chen Wants Name Change from ROC to Taiwan”, Associated Press, 3 September 2004.
• “US Against Move to Alter Taiwan’s Name”, Agence France Presse, 7 December 2004.
• “Taiwan Unveils Two Early Warning Aircrafts”, Agence France Presse, 16 April 2006.
• “Taiwan Made 3 Cruise Missiles Prototypes: Jane’s”, Agence France Presse, 9 January 2006.
• “First Cargo Plane to Fly from Taiwan to China”, Agence France Presse, 19 July 2006.
• “Taiwan President Vows to Stay in Office as Party Congress Open”, Agence France Presse, 22 July 2006.
• “US Urges Taiwan to Honor Cross-Strait Pledges”, Central News Agency, 16 March 2006.
• “Ma Cites Chen’s ‘Five Noes’ as the Definition of Status Quo”, China Post, 26 March 2006.
• “PRC Visits by Lien and Soong Reflects Political Sea Change”, Editorial, China Post, 21 April 2005.


• “Qian Qichen on Jiang’s Proposal for Taiwan”, Xinhua Press, Beijing, 28 January 2000.

• “Chinese President is Optimistic about Relations with the US”, New York Times, 10 August 2001.


• “China Criticizes Chen for Remark on Taiwan’s Name”, Reuters, 4 September 2004.

• “Taiwan KMT, China End Civil War Hostilities”, Reuters, 29 April 2005.

• “Chen’s Office Faces Probe Over NT$37M Expenses”, Reuters, 29 July 2006.


