

Mainland Policy and Cross-Strait Relations in the Current Phase

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I. Foreword

The peaceful and stable development of cross-strait relations is not only an important part of Taiwan's national existence, security and economic development, but also the greatest consensus among the people of Taiwan today. The government's Mainland policy seeks to maintain stability in the Taiwan Strait and promote regional peace, with the ultimate aim of upholding the rights, interests, welfare and dignity of the Taiwan people.

The inauguration of the new government on May 20 this year ushered in a rare historic opportunity for the two sides of the Taiwan Strait. In his inaugural address, President Ma Ying-jeou expressed hope that both sides of the Strait could seize this opportunity to jointly turn a new page of history for peace and co-prosperity. He urged both sides to "face reality, pioneer a new future, shelve controversies and pursue a win-win solution," and to strike a balance in pursuit of their mutual interests. This amply demonstrates the sincerity of the new government in promoting cross-strait relations. After several months of hard work, the two sides have resumed the institutionalized negotiation channel that had been suspended for nearly a decade. There has recently been a relative thaw in cross-strait relations and this has been conducive to the peaceful resolution to the controversies between the two sides.

Since May 20 this year, the majority of the people in Taiwan have expressed confidence in the government's ability to handle cross-strait relations and to stabilize future cross-strait relations. The people of Taiwan are especially satisfied with the resumption of the negotiation channel between the Straits Exchange Foundation (SEF) and the Association for Relations Across the Taiwan Strait (ARATS), as well as the completion of the two agreements concerning the issues of cross-strait charter flights and tourism. However, the people also expect more from the government in terms of the pace of cross-strait exchanges and related accompanying measures. As cross-strait interactions become more frequent, relations between the two sides are improving; however, mutual trust still needs to be established. As such, the government will be more cautious and steady in its promotion of Mainland policy,

with a view to meeting the demands of the people and upholding the national interests and rights of the people.

II. The Government's Basic Position on Cross-Strait Interactions

1. Developing cross-strait relations under the principle of "putting Taiwan first for the benefit of the people"

The government has always adhered to the principle of "putting Taiwan first for the benefit of the people." Moreover, based on the premise of "no unification, no independence and no use of force" and "maintaining the status quo," the government is seizing the current historic opportunity to actively develop cross-strait relations. President Ma advocates that cross-strait peace should be established on the principle of "three wants," which means "Taiwan doesn't just want security and prosperity. It wants dignity." He also believes that the government should relax relevant cross-strait policies and regulations in an orderly manner based on an overall economic development strategy of "richly cultivating Taiwan while linking up with the world." In promoting its opening-up measures toward the Mainland, the government seeks to forge Taiwan's links with the international community with the aim of upgrading Taiwan's competitiveness, rather than making Taiwan tilted toward mainland China.

2. Promoting pragmatic and parity-based cross-strait negotiations and exchanges based on the principles of "shelving controversies and pursuing a win-win solution"

The two sides should shelve unnecessary political controversies and pragmatically face up to the status quo in the Taiwan Strait. Through the current institutionalized negotiation channel between both sides of the Strait, the two sides should engage in negotiations on economic and trade issues as well as other issues arising from cross-strait exchanges, so as to gradually build up mutual trust. This is aimed at safeguarding the rights and interests of the people on both sides and promoting positive interactions across the Strait.

3. Viewing cross-strait interactions from the perspective of "minimizing threats and maximizing opportunities"

Due to mainland China's growing national strength and a long-term lack of mutual trust across the Taiwan Strait, the people of Taiwan have been increasingly

concerned that factors of this kind will affect Taiwan's survival and development as cross-strait exchanges become increasingly closer. Nevertheless, under the tide of globalization, it is no longer possible for Taiwan to ensure its existence and security by entirely excluding contacts with mainland China. In cross-strait relations today, Taiwan cannot view the Mainland side simply as a threat. Rather, we should regard it as an opportunity. We should seek to "minimize threats and maximize opportunities," and properly utilize our advantages in cross-strait interactions, and thereby transform such threats into Taiwan's competitive edge.

4. Promoting cross-strait reconciliation and truce through "flexible diplomacy" in the international arena

A dignified and autonomous international space and a strong national defense capability form an important foundation for ensuring lasting peace in the Taiwan Strait. In order to improve cross-strait relations, Taiwan adheres to the thinking of "flexible diplomacy" and will continue to promote cross-strait reconciliation and truce in the hope that the two sides can eventually help and respect each other in the international arena. In the future, on the basis of mutual trust and consensus that both sides across the Strait have established between them, the government will continue to develop diplomatic relations with allied countries, as well as actively participate in Asia-Pacific regional cooperation and functional international organizations beneficial to Taiwan's development. The government urges the Mainland authorities to face reality, shelve controversies, and flexibly and pragmatically deal with the issue of peaceful coexistence of the two sides in the international arena so as to achieve a win-win solution.

III. Recent Concrete Measures Taken by the Government to Promote the Development of Cross-Strait Relations

1. Resuming the institutionalized negotiation channel between the SEF and the ARATS

Since May 20, the government has actively promoted the resumption of the institutionalized negotiation channel between the SEF and the ARATS. This June, the two sides held the first "Chiang-Chen Talks" and signed the *SEF-ARATS Minutes of Talks on Cross-Strait Charter Flights* and the *Cross-Strait Agreement Signed Between SEF and ARATS Concerning Mainland Tourists Traveling to Taiwan*. This has not only created an opportunity for improving the cross-strait

situation, but has also been conducive to promoting the normalization of cross-strait relations.

2. Promoting normalization of the “Mini-Three-Links”

On June 19, the “Mini-Three-Links” were expanded to allow all the people of the Taiwan Area to travel between Taiwan and mainland China via the “Mini-Three-Links” route in Kinmen and Matsu. This has maximized the utility ratio of the “Mini-Three-Links” route to the benefit of the people of Taiwan (as of August 31, nearly 1.65 million cross-strait person-trips were made via the “Mini-Three-Links” route). On September 4, the government passed the *Program for Normalization of the ‘Mini-Three-Links’* to coordinate the promotion of the normalization of the “Mini-Three-Links” in Kinmen and Matsu as well as the opening-up measures—including the expansion of special direct cross-strait cargo transportation links in Penghu and the opening up of tourism in Penghu. In this regard, related policy adjustment measures were completed and put into practice before September 30 this year. After the legal process has been completed, the regularized “Mini-Three-Links” in Penghu are scheduled to be implemented from mid-October 2008.

3. Expanding cross-strait charter flight operations and smoothly implementing Mainland tourist visits to Taiwan

On the basis of the groundwork laid by the former DPP administration, the new government has been promoting the expansion of cross-strait charter flights and the opening up of tourism in Taiwan for Mainland tourists. According to the two agreements negotiated and signed this June between the SEF and the ARATS, cross-strait weekend charter flights and the opening up of tourism in Taiwan for Mainland tourists were implemented on July 4 and 18, respectively (as of September 29, air carriers from both sides of the Taiwan Strait operated a total of 468 flights, carrying a total of more than 181,000 passengers). After resolving related issues, the government has been promoting the visit to Taiwan by Mainland tourists. Although the number of Mainland tourist arrivals in Taiwan in the initial phase has fallen short of expectations, the number of tourist visits is anticipated to gradually increase once the tourism issues have returned to the market mechanism.

4. Easing restrictions on Mainland-bound exchange visits by county magistrates and city mayors

In order to pragmatically respond to the demands of local governments and strengthen cross-strait exchanges on the local level, the Executive Yuan on July 3 this year approved the *Program on Relaxing the Visit to the Mainland Area by City Mayors and County Magistrates*, thereby resolving a long-brewing issue. However, in response to public opinion and concerns shown by the media, the government has also designed a "transparent mechanism" to serve as part of the opening-up measures. It is hoped that on the basis of the political democracy that is subject to public oversight, the good effects of such exchange visits can be maximized.

5. Allowing mainland Chinese media organizations to station reporters in Taiwan

The media professionalism of mainland Chinese reporters has often been suppressed by political considerations due to the lack of press freedom there. In order to guide the Mainland towards greater freedom of the press, the new government has, since its assumption of office, announced that it would again permit the Xinhua News Agency and the People's Daily to station reporters in Taiwan (Note: Currently the Xinhua News Agency, the People's Daily, China National Radio, China Central Television, and China News Service have received permission to station reporters in Taiwan on a long-term basis). At the same time, the new government also agreed to extend the period that Mainland reporters may stay in Taiwan to three months, with one three-month extension allowed if needed. The government also simultaneously allowed five Mainland local media organizations to apply for permission to station reporters in Taiwan.

6. Expanding cross-strait economic and trade exchanges in an orderly manner

In order to implement its policy ideas of "richly cultivating Taiwan while linking up with the world," the government has successfully carried out several relaxation measures—including allowing the renminbi-NT dollar conversion business to be implemented in Taiwan, a "Plan to Ease the Ceiling on Mainland-bound Capital Investment and Simplify Investment Review Procedures," and the *Program on Relaxing Restrictions on Public Listing in Taiwan by Overseas Enterprises, and Appropriately Allowing Mainland Capital to Invest in Taiwan's Stock Market*. The government's promotion of relaxation measures concerning cross-strait economic and trade exchanges is aimed at linking Taiwan's economic development with that of the international community at the earliest possible time. This will not only provide enterprises with more room for investment decision-making and commercial

operations, but will also create an infrastructure environment for consolidating Taiwan's economic strength.

IV. Current Major Tasks

Over a long period, the public has presented a variety of comments and suggestions on cross-strait interactions, to which the government has paid great attention. On the issues of deep concern to the public, the government will continue to enhance and consolidate social consensus and solicit opinions from all walks of life as a reference in future decision-making and promotion of related work, thereby enhancing the effectiveness of government's policy implementation and gaining the recognition and support of the people. The following are the current major tasks of cross-strait affairs:

1. Continuing to solidify the foundation for benign cross-strait interactions through institutionalized negotiations

Since the resumption of institutionalized negotiations between the SEF and the ARATS this June, the two sides have actively conducted preparatory work for follow-up negotiations. In the future promotion of institutionalized cross-strait negotiations, the government will adhere to the principles of dealing with easier-to-resolve issues before tackling more difficult ones, and focusing on economic issues before political ones. In this way, the two sides can gradually build up experience and foster mutual trust. Based on stronger mutual trust and the existing negotiation foundations, it is hoped that all issues arising from cross-strait exchanges can be included in the cross-strait negotiation agenda and be resolved by negotiation under the principle of parity through institutionalized channels.

At present, the issues that will be included on the agenda of the second "Chiang-Chen Talks" include those concerning the cargo charter flights, designation of new air routes, expansion of weekend charter flights, direct cross-strait shipping links, joint crime crackdown, cross-strait food safety management, and an emergency reporting mechanism. In the future, the government will take cautious and steady steps to continue, through the SEF, to communicate and negotiate with the other side on issues of mutual concern so as to further consolidate the foundation for benign cross-strait interactions.

2. Strengthening the grasp of information on the cross-strait situation and enhancing incident response capability

Cross-strait developments are affected by a wide range of factors. In order to ensure the proper flexibility and speed in decision making and the ability to respond to various emergencies, the government will continue to closely watch the political, economic, cultural, military, social, diplomatic and Taiwan-related developments in mainland China, as well as follow changes and trends in the international and domestic environments. It will also mobilize ample human and material resources, as well as draw on assistance from scholars and experts, to strengthen the government's grasp of information regarding the development of the cross-strait situation and other information.

3. Increasing mutual understanding between both sides through closer cross-strait cultural and educational exchanges

Cross-strait academic, religious, cultural, athletic, and media exchanges are the most effective channels for building understanding and trust between the two sides. The government has long been integrating private resources to jointly promote and deepen high-quality cross-strait cultural and educational exchanges. Issues concerning recognition of academic diplomas issued by institutions of higher education in the Mainland, allowing Mainland residents to study in Taiwan, and other such issues have recently become topics of public discussion. Since these matters involve issues concerning domestic consensus-building, allocation of overall education resources, examination of professional certifications, and military and public service as well as teaching positions, the government will study and formulate specific feasible measures to deal with these issues under the principle of "merit-based opening and gradual expansion" and proceed in an orderly, gradual and cautious manner.

4. Actively normalizing cross-strait economic and trade relations and relaxing restrictions on economic and trade exchanges

The government will continue to review measures to ease restrictions on items allowed to be invested by Mainland-bound Taiwan businessmen, Mainland-capital investment in Taiwan, and the employment of Mainland business managers and professionals in Taiwan. Through such measures the government hopes to normalize cross-strait economic and trade relations, promote comprehensive economic liberalization and internationalization, and strengthen Taiwan's links with the global market. This will help Taiwan to develop as an operation headquarters for

local businesses and an Asia-Pacific operation hub for foreign enterprises, further honing the competitive advantages of Taiwan's economy.

5. Formulating and revising accompanying laws and measures in coordination with cross-strait developments

In order to implement a legal system for cross-strait exchanges, the government will establish legal mechanisms for the reasonable liberalization and effective management of such exchanges. Necessary amendments have been made to articles under the *Act Governing Relations Between People of the Taiwan Area and the Mainland Area* regarding cross-strait personnel contacts, transportation, and economic, trade, cultural and educational exchanges. The government will also continue to formulate and revise relevant laws and regulations in coordination with cross-strait developments. At the same time, the authorities will strengthen investigation and handling of violations related to exchanges through a sound exchange management mechanism so as to enhance the quality of exchanges and to preserve the order of exchanges.

6. Enhancing explanation of cross-strait policy to win local and overseas support

There has been widespread concern and debate recently over issues such as the coming of pandas from mainland China to Taiwan, the demand of Taiwan businesspeople to serve as members of the Chinese People's Political Consultative Conference, and the Sanlu milk powder contamination incident. These issues involve factors including specialized considerations, legal restrictions, public health and welfare, and other factors. The various responsible authorities will quickly deal with these issues according to their powers and duties. In the future, the government will also carefully listen to the voice of the people and externally explain the policy considerations involved in issues of deep concern to society. In addition, efforts will be made to build domestic consensus and handle related issues in an orderly manner, and to seek understanding and support regarding the government's policy at home and abroad.

In the future, the government will also continue to enhance communication and contacts with congress, the media and persons in various sectors both at home and abroad. Such outreach will include providing information on the cross-strait situation, explaining considerations in formulating policies, and soliciting views on government policy as a reference for policy implementation.

V. Conclusion

Cross-strait relations are deeply affected by factors in the international community, mainland China and Taiwan. It is therefore important to build consensus within society before any policies to be implemented can be pushed forward without unnecessary obstruction. The government will therefore be even more pragmatic and cautious in the future promotion of cross-strait relations.

Looking ahead, the government will continue to enhance the institutionalized negotiations and interactions between the SEF and the ARATS, strengthen the foundation for cross-strait mutual trust, promote normalized development of cross-strait relations, and maintain the peaceful and stable status quo in the Taiwan Strait. Under the principles of mutual benefit and win-win solutions, the government will also strengthen cross-strait economic and trade exchanges and cooperation, as well as promote direct air and sea transportation links across the Taiwan Strait. In the areas of investment, trade, and finance, the government will continue to plan and promote measures to relax cross-strait economic and trade exchanges with the goal of normalizing such ties in an orderly manner. In addition, legal systems will be reviewed and related regulations will be revised in context of new developments in cross-strait relations so as to create a sound and complete management mechanism, enhance the quality of exchanges, and to preserve the order of exchanges.

In face of a new age and a new environment in which positive developments have taken place in cross-strait relations, the people of Taiwan have good reason to hold cautious and optimistic attitudes toward the future. Although the two sides of the Taiwan Strait will not be able to resolve overnight all of the intertwined problems they face, the government will proactively and steadily foster an environment for cross-strait peace and prosperity. In the future, the government will first build a foundation of consensus domestically, and then it will cautiously promote cross-strait relations under the preconditions of safeguarding Taiwan-centric identity and the interests of the Taiwan people as well as effectively controlling risk. In this way, we are confident that future cross-strait relations will more closely accord with the expectations of various sectors of society and continue to develop on a peaceful and stable path.