

Keynote speech at the international conference on “Facing the Challenges of Cross-Strait Relations in 2012,” co-organized by National Chengchi University’s Institute of International Relations and the Carnegie Endowment for International Peace

**The Republic of China’s Mainland Policy:
Piloting Cross-Strait Relations to Create a
Peaceful Environment for Benign
Interaction between the Two Sides of the
Taiwan Strait**

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Vice President Paal, Director Yen, Ladies and Gentlemen:

Good morning!

I am very pleased to be able to take part in this international conference on “Facing the Challenges of Cross-Strait Relations in 2012.” I am sure we will gain precious insight and enlightenment from your collective probing into this important subject.

During the last three years, close cross-strait interaction and cooperation have brought peace and stability to the Taiwan Strait. Yet there are still many difficult challenges before us that need to be faced. Looking forward, I believe that, in the course of cross-strait interaction, Taiwan has a responsibility to share with mainland China the experience we have gained from the last six decades of our economic development and the process of our democratization. The Taiwan experience, particularly its core values of liberty and peace, can become a leading force in the advancement of cross-strait relations.

Today, on this theme, I will tell you about the main significance and practical achievements of the ROC’s mainland policy.

1. Upholding the ROC’s democratic constitutional system, while actively building peaceful and stable cross-strait relations

The Republic of China is one hundred years old. Its century of

development as Asia's first democratic republic has persisted through the utmost hardship. It has been riven by war and separation, steeped in blood and tears, embroiled in struggle. For more than 60 years, the realization of the ROC's nation-building ideals has taken root and blossomed in Taiwan. On our island soil, where people of many ethnicities live together, the interplay of various complex sentiments has coalesced into the common values of "liberty" and "peace" that we treasure today. And the institution that safeguards these values is the democratic constitution of the Republic of China.

Taiwan's democratic development has budded amid the many difficulties and challenges of the situation in the Taiwan Strait. After the second change of ruling party in Taiwan on May 20, 2008, President Ma actively set about improving cross-strait relations. On the second anniversary of his inauguration, he unveiled his idea of "protecting the country by promoting peace" as one of his "six steps to a better Taiwan." The crux of this idea is the promotion of peace as a means of establishing a new order in the Taiwan Strait, while adhering firmly to our democratic system. In other words, we will not compromise democracy for the sake of promoting progress in cross-strait relations. The process of cross-strait contacts will in no way shake or undermine the ROC's democratic constitutional system.

The experience of the last three years testifies to the establishment of peace and stability as the status quo in the

Taiwan Strait today. The two sides have been able to interact benignly on an equal and dignified footing, putting aside our sovereignty dispute. Government officials from both sides have sat down together to confer and negotiate. Exchanges and interactions between our societies have expanded in every sphere. All of these represent a massive change from the state of hostility across the Taiwan Strait that prevailed in the past. Moreover, in the process of cross-strait interaction, the democratic system of the ROC has not only been completely unharmed, but has actually been bolstered.

This state of affairs must surely stand out as a precious model in a world full of tumult, and amid the discords and conflicts in the East Asian region. Forty years ago, John Lennon's call to "Give peace a chance" was sung out to every part of the world. It may have gone largely unheeded by politicians in most parts of the world, but his dream has been turned to reality across the Taiwan Strait in the last three years. The conciliation in cross-strait relations has turned the threat of war into opportunity for peace and prosperity. The efforts made by the two sides of the strait to "give peace a chance" have been applauded around the world, and have matched the common hopes of the international community.

2. Creating external conditions for peace and prosperity, to make Taiwan a force for stability in the midst of historic

transition

The crux of the ROC's mainland policy is to create external conditions that will enable Taiwan to develop stably. We pragmatically recognize the need to cast off Cold War thinking in cross-strait relations, and to work together to create a winning situation for both sides. In a nutshell, it is what ancestors referred to as "turning swords into plowshares."

Our basic position in promoting cross-strait relations is that the ROC is a sovereign, independent country; that we will act under the framework of the ROC constitution to uphold the status quo of "no unification, no independence, and no use of force" in the Taiwan Strait; and that we will adhere to the principle of "putting Taiwan first for the benefit of the people" in pursuing the improvement of cross-strait relations.

We respect the different perspectives created by the different historical experiences that the two sides of the strait have gone through over the past 400 and more years. And we will strive to reconcile step by step the estrangements and misunderstandings of the past sixty-some years. We have resurrected institutionalized cross-strait negotiations on the basis of the 1992 consensus, with each side having its own definition of the meaning of "one China," while we assert that the "one China" is the Republic of China.

Internally, the ROC's mainland policy must reconcile differences of opinion between the ruling and opposition parties;

externally, it must staunchly uphold the interests of our nation and our people. Through such stance and principles, we can gradually bolster the Taiwanese people's self-confidence in dealing with mainland China, and need not have fears about engaging in dialogue and connections with mainland China on account of its rising political and economic power. Such self-confidence can enable Taiwan to maintain a firm attitude in continuing to improve cross-strait relations. It can turn the Taiwan strait from being an unsteady East Asian flash point, teetering on the edge of conflict, to instead become a buttressing force for regional stability. It can enable the two sides of the strait to interact rationally, and collaborate to achieve co-prosperity.

This is the right path to peace. We need to step steadily to go far along it. We will certainly walk along it with steady determination. Close to 90% of Taiwan's people support maintaining the status quo in all forms. This wish of the people to maintain the status quo in the Taiwan Strait is what solidly underpins the advocacy of "no unification, no independence, and no use of force" in the ROC government's mainland policy.

3. "Mutual non-denial" in cross-strait institutionalized negotiations, as the cornerstone for building up mutual trust

If we cast our eyes around the world, we cannot see anything

like the cross-strait situation elsewhere. In the past three years, six rounds of high-level cross-strait talks have been held, resulting in the signing of 15 agreements and the reaching of one item of consensus. In this short space of time, the two sides have made up the past deficiency in systemic regulation. This is an historic achievement that has hardly been matched in the ROC's 100-year existence. The signing of these agreements has exerted a push-pull effect, pushing the advancement of cross-strait interaction, and at the same time pulling unregulated aspects of cross-strait dealings onto a sound track. This has created active cross-strait cooperation in the economic, trade and social spheres. It has generated new prospects for internal development on both sides. And it has laid a sound basis for mutual trust and benign interaction between the two sides of the strait.

Now, cross-strait negotiations are conducted directly by government officials. After agreements are signed, mechanisms are set up for liaison between government agencies on each side, to jointly carry out the agreements and solve related problems. This kind of official-to-official and agency-to-agency conduct of business and interaction indicates that, though the two sides of the strait do not recognize each other's sovereignty, they have already substantively entered a state of "mutual non-denial of authority to govern" in systematized dealings.

In this process of reciprocating and interweaving benefits, the two sides have combed out sets of rules for orderly interaction. We no longer need to resort to violent altercation, no longer

have to deal with the lack of orderly arrangement. However, there are still many problems of order in cross-strait economic, trade and other dealings that affect the interests of people on both sides. But we hope that in the future these can be dealt with partly by the negotiation and signing of further agreements, and partly by the vigorous implementation of the agreements already signed.

At present, the two sides are actively negotiating on investment protection and nuclear power safety issues. We hope to conclude agreements on these matters at the 7th round of Chiang-Chen talks. Meanwhile, the Cross-Strait Economic Cooperation Committee convened its first regular meeting on February 22 this year, and the two sides have already launched ECFA follow-up negotiations.

We believe it is essential for the two sides of the strait to move forward in an orderly, step-by-step manner, and gradually build up experience of dealing with each other. Only thus can we solidify the foundations of mutual trust, and solve problems pragmatically. This mode of institutionalized negotiations has a high level of support in Taiwan, receiving approval from nearly 80% of respondents in public opinion surveys. The 15 individual cross-strait agreements that we have signed to date have also received high approval ratings of 60~80%. These poll results show that the Ma administration's mainland policy is in line with public sentiment and the general expectations of Taiwanese society.

4. Peace is the greatest dividend

President Ma's cross-strait policy has brought an enormous peace dividend. We have seen conspicuous growth and important breakthroughs in all kinds of cross-strait interflows. For example, last year there were 1.7 million visits to Taiwan by mainland Chinese, including 1.2 million tourist visits, which was twice as many as the year before. Also last year, Taiwan's trade with the mainland was worth US\$152.33 billion, up 39.4% from the year before.

The benefits delivered by ECFA are another concrete example of the peace dividend. Our export figures show that, in the first quarter of this year, our cross-strait exports of ECFA early harvest items were up by more than 20%. Among these, machinery and machine tool exports were 70~90% higher, while agri-product exports to the mainland posted a 16-fold increase. In the 2011 world competitiveness rankings issued by Swiss-based IMD, Taiwan was ranked 6th, up 17 places from 2 years ago. IMD stated that the signing of ECFA and the improvement of cross-strait relations were the main reasons for Taiwan's rise in competitiveness.

In addition to the economic benefits, the improvement of cross-strait relations has also expanded the scope of Taiwan's external relations and participation in international activities. Currently, we are making smooth progress in negotiating an

economic partnership agreement with Singapore, and we are conducting FTA feasibility studies with India and the Philippines. Meanwhile, we have maintained stable ties with all 23 of Taiwan's diplomatic allies.

Our involvement in international bodies has been enhanced not only by our accession to the WTO Agreement on Government Procurement, but also by our admission to the World Health Assembly for three successive years after 38 years of exclusion from all UN events. In addition to all of these positive developments, the number of countries and territories granting visa-free entry to Taiwanese citizens has more than doubled from 54 in 2008 to 116 at present; and a colleague in the Ministry of Foreign Affairs has told me that this number will soon increase to over 120. The improvement in cross-strait relations has made the international community more welcoming of Taiwan's meaningful participation in international activities. These peace benefits have at the same time alleviated mutual aversion and suspicion between the peoples on the two sides of the strait, enhanced our mutual understanding, and formed an atmosphere of goodwill that can nourish a virtuous cycle.

Of course, Taiwan also needs continued support from the international community. In the course of dealing with the recent tempest over the downgrading of Taiwan's status in an internal WHO document, the Secretary of the U.S. Department of Health and Human Services, Kathleen Sebelius, actively asserted to the

WHO that no UN organization had the right to decide Taiwan's position on a unilateral basis. This clear and forceful statement constitutes a key support for Taiwan's meaningful participation in international organizations. We consider that the mode of our participation in the WHA should be extended to all WHO activities, and that Taiwan has a right and a duty to contribute to collective action by the global community.

I would like to stress again that the Republic of China is a sovereign and independent country. If mainland China wants to best develop cross-strait relations, it must positively face and respect this fact! It must understand that the gradual loss of the ROC's identity on the world stage over the thirty-some years up to 2008 was a cause of deep regret and pain to the Taiwanese people. If Taiwan cannot enjoy meaningful and dignified participation in international activities, the Taiwanese people will continue to harbor negative views toward the mainland, and cross-strait relations will not easily be fundamentally improved.

5. Taiwan's way of life and democratic values are observational indicators of the mainland's political and social reforms

In recent years, the rise of mainland China's overall strength has turned it into a closely watched force in global affairs. Taiwan and the mainland have close historic, geographic, cultural and social connections. Hence, we have paid particular attention to

internal changes in mainland China during these years, especially to the reform of its political system, the problem of its rich-poor gap, and the state of development of its civil society. Addressing these structural issues is an extremely difficult task that the mainland authority will have to face up to in the course of development.

We have paid attention to mainland China's current search for a system that matches the needs of its society. And we have noted the clear statements that have emanated from the mainland authorities as to their need to rely on political reforms to secure the fruits of economic reforms. In the past process of mainland China's reform and opening up, Taiwanese capital and technology played a bellwether role in mainland China's entry into the global economy, while Taiwanese investors and professional managers earned mainland China its first pot of gold from foreign trade. Now, through the development of cross-strait relations, the Taiwan experience is exerting an even broader effect, influencing mainland China in the social and cultural realms.

Taiwan is using its way of life, democratic system, to interact with the changing mainland China, and to turn its core values and soft power into a driving force for the uplifting of cross-strait interaction. Of course, in this process, Taiwan needs to join forces with the international community's freedom-loving countries, to ensure that cross-strait relations develop in the right direction, so that the people on both sides of

the strait can share the blessings of liberty, equity, justice and other such values.

6. Regional allies must jointly protect the security of the Taiwan Strait

Taiwan is situated in a central strategic position in the first island chain of the Western Pacific, and is closely linked into the security of the Asia Pacific. We need the staunch support of the international community to enable us to continue exerting the optimum influence of the Taiwan experience in promoting peace in the Taiwan Strait. Although cross-strait relations have been greatly improved, there is still some risk that persists in dissonance with the current situation. Mainland China has not yet renounced its threat to use force against Taiwan, which remains a negative factor for peace and stability in the Taiwan Strait.

In a teleconference hosted by the Center for Strategic and International Studies on May 12 this year, President Ma stated that, to face up to the challenge of mainland China, we needed to have a strategy giving due balance of weight to security and prosperity. For this purpose, he outlined his three-pronged strategy for bolstering our national security, first, by institutionalizing cross-strait rapprochement, second, by enhancing Taiwan's contributions to international participation, and third, by aligning defense with diplomacy, to ensure that

Taiwan possessed sufficient deterrent force.

Recently, some American experts have expressed the view that, as the situation in the Taiwan Strait is no longer tense, US-Taiwan relations might have some impact on the development of relations between the US and mainland China. Some have even suggested the need to review and amend the Taiwan Relations Act and military sales to Taiwan. Though these are minority views, as an American's ally, Taiwan hopes that America can be pragmatic toward Taiwan as an ally. Asian security needs strong support from the international community, and Taiwan should not be omitted from the defense of the liberal alliance. At this key juncture in the development of cross-strait relations, there is all the more reason why the US should attach importance to Taiwan's power to exert a piloting influence on mainland China.

The military balance in the Taiwan Strait is growing more uneven by the day. In face of this situation, it is vital for Taiwan to raise its strength, to give it greater confidence in its dealing with mainland China. Continued support from the US, including the sale of essential defensive weapons, is a key factor in whether or not we will be able to effectively keep pursuing cross-strait conciliation, and is a sturdy prop for our being able to do so. Only when our security has been safeguarded will Taiwan be able to continue making a contribution to peace across the Taiwan Strait and stability in the Asia Pacific, and be able to continue exerting its influence on mainland China to best

effect.

Conclusion

I remember that, in his Nobel Peace Prize acceptance speech, President Obama said: “For peace is not merely the absence of visible conflict. Only a just peace based on the inherent rights and dignity of every individual can truly be lasting.” Therefore, to seek lasting peace, we must put the influencing force of Taiwan’s experience to optimal effect in piloting cross-strait relations. Taiwan’s strength lies in our democratic constitutional system and its defense of liberty, peace and other core values. I have to emphasize that core values will never just automatically exert an influence; they can only have a real effect on others through contact, dialogue, cooperation and mutual understanding.

My hope is that the improvement of cross-strait relations will enable Taiwan’s core values to be truly understood by the people on the other side of the strait, and even adopted as their own values. This will be a big step along the way to promoting lasting peace, and is what I mean when I speak of Taiwan’s “piloting” power. Of course, we also realistically recognize that there are basic differences between the two sides of the Taiwan Strait. We know it is not possible to resolve those differences in the near term. There are still many challenges to face along the road to cross-strait rapprochement and peace. But the

government of the ROC will continue to communicate and interact with mainland China in a positive and steady manner.

As we celebrate the centenary of the Republic of China, Taiwan is already firmly established as a bastion and model of democracy in East Asia.

The mainland policy carried out under President Ma's leadership during the last three years is one of the most outstanding achievements by any of the world's national leaders, and deserves to be highly commended by the international community. President Obama and Secretary of State Hillary Clinton have expressed high approval; and when I visited Europe last year, many of the EU's political leaders spoke praisingly to me of President Ma as a shining star of world politics.

I must stress to you all that the promotion of peace in the Taiwan Strait is also favorable to the US construction of an Asia-Pacific policy that brings benefit to itself as well as to others. The deepening and consolidation of the US-Taiwan alliance, and more concrete US support for Taiwan, will undoubtedly provide a favorable foundation for the beneficial effects of America's Asia policy.

Ladies and gentlemen, let me end by wishing you good health and happiness, and wishing this meeting the best of success.

Thank you!

And now please let me hear your views and counsel.