

Opposing Views on a
Contentious Issue:
Two Essays on Conflict Prevention
between Mainland China and Taiwan

Fu Liqun
Lai Chung-Nang
Wang Yang-Cheng

SILK ROAD PAPER
March 2007



Central Asia- Caucasus Institute
Silk Road Studies Program

**Opposing Views
on a Contentious Issue:
Two Essays on Conflict Prevention between
Mainland China and Taiwan**

Fu Liqun

Lai Chung-Nang and Wang Yang-Cheng

© Central Asia-Caucasus Institute & Silk Road Studies Program –
A Joint Transatlantic Research and Policy Center
Johns Hopkins University-SAIS, 1619 Massachusetts Ave. NW, Washington, D.C. 20036
Uppsala University, Box 514, 75120 Uppsala, Sweden
www.silkroadstudies.org

"Opposing Views on a Contentious Issue: Two Essays on Conflict Prevention between Mainland China and Taiwan" is a *Silk Road Paper* published by the Central Asia-Caucasus Institute & Silk Road Studies Program. The *Silk Road Paper* series is the Occasional Paper series of the Joint Center, published jointly on topical and timely subjects.

The Central Asia-Caucasus Institute and the Silk Road Studies Program is a joint transatlantic independent and externally funded research and policy center. The Joint Center has offices in Washington and Uppsala and is affiliated with the Paul H. Nitze School of Advanced International Studies of Johns Hopkins University and the Department of Eurasian Studies of Uppsala University. It is the first Institution of its kind in Europe and North America, and is today firmly established as a leading research and policy center, serving a large and diverse community of analysts, scholars, policy-watchers, business leaders and journalists. The Joint Center aims to be at the forefront of research on issues of conflict, security and development in the region. Through its applied research, publications, teaching, research cooperation, public lectures and seminars, it wishes to function as a focal point for academic, policy, and public discussion regarding the region.

© Central Asia-Caucasus Institute and Silk Road Studies Program, 2007

ISBN: 91-85473-33-2

Printed in Sweden

Distributed in North America by:

The Central Asia-Caucasus Institute
Paul H. Nitze School of Advanced International Studies
1619 Massachusetts Ave. NW, Washington, D.C. 20036
Tel. +1-202-663-7723; Fax. +1-202-663-7785
E-mail: caci2@jhudig.admin.jhu.edu

Distributed in Europe by:

The Silk Road Studies Program
Uppsala University
Box 514, SE-75120 Uppsala
Sweden
Tel. +46-18-471-2217; Fax. +46-18-106397
E-mail: info@silkroadstudies.org

Editorial correspondence should be addressed to Svante E. Cornell, Research and Publications Director, at either of the addresses above (preferably by e-mail).

Sponsor of this publication



The Swedish Foreign Ministry

Table of Contents

1. Preface.....	9
2. Seeking the Mutual Benefit of a Win-Win Situation: The Fundamental Approach to Conflict Prevention in Northeast Asia.....	13
Introduction.....	13
Lessons of <i>Two Models</i>	13
Experiences from Europe and East Asia.....	14
Lessons Learnt for Conflict Prevention.....	15
A Way Out for Avoiding a Taiwan Strait Clash.....	16
A New Phase of Cross-Strait Relations.....	17
Beijing's New Approach to Cross-Strait Affairs	18
Three Central Points in Safeguarding Cross-Strait Peace and Stability	20
The One China Principle	20
Three Direct Links.....	22
Strategic Mutual Trust between China and the U.S.....	24
Pushing Forward the Six-Party Talks	25
The Fourth Round of Six-Party Talks.....	25
Four Currently Highly Significant Matters.....	27
To Stabilize Sino-Japanese Relations through Economic Cooperation	28
Cooperation in the Economic Field.....	29
Multilateral Cooperation.....	30
Environment Protection.....	31
Free Trade Agreement in Northeast Asia	31
Expanded Economic Cooperation within the ASEAN+3.....	31

3. The Role of Conflict Prevention across the Taiwan Strait.....	35
Executive Summary	35
Introduction	35
The Concept of Conflict Prevention.....	37
Conflict Prevention Must Be Based on the Will of Both Sides.	37
Conflict Prevention Aims to Reduce the Probability of Misjudgment ...	38
Conflict Prevention Measures Cannot Guarantee National Security	39
Security Dilemma across the Taiwan Strait.....	40
Sovereignty and Security	41
Politics and Military Affairs	42
Economically Dependent and Politically Separated	43
Lessons Learned from History	44
Fundamentals of Mutual Trust.....	44
Communication at Working Level	44
Integration of Culture and Society.....	45
Process and Result are Equally Important	45
Possible Ways to Prevent Conflict across the Taiwan Strait	45
Build a Deterrent Military Power.....	45
"1 Plus 1 is Greater than 2" Tactic.....	46
Increase National Strength to Gain International Support	47
Create Effective Communicative Channels	49
Conclusion	50
About the Authors	51

1. Preface

Niklas L.P. Swanström

The cross-strait conflict between mainland China and Taiwan is one of the most dangerous conflicts in Asia. Indeed, in a militarized form, the cross-strait conflict would have global repercussions of devastating proportions. Firstly, it would affect the global trade negatively due to shrinking investments, decreased trade and slugging profits for all companies and states with businesses in any of the affected areas. Secondly, global security would be greatly destabilized due to a possible military engagement by the U.S., Japan, Australia, the European Union and others that could be drawn into such a conflict. It could also radicalize international relations and threaten to polarize international organizations such as the U.N. The combined effects of a cross-strait conflict would not only throw the international community back into a Cold War, it would also, with all likelihood, push the global economy into a recession unmatched since the World Wars.

This said, the conflict between China and Taiwan has been relatively stable the last decades despite the growing confrontational mode of hardliners on both sides. Moreover, the unwillingness to communicate seen among different actors is striking and the domestic opinion is fed by increasingly negative perceptions presented by the respective governments. On the positive side, the conflict is still, to a large extent, contained to the respective governments, especially the Chinese Communist Party and the Democratic Progressive Party. The civil societies on both sides have increased their contacts and people-to-people exchanges across the Strait have increased markedly through tourism and trade. The difference between the flourishing relations at the level of the civil society and the business community thus stand in stark contrast to the lack of interaction at the governmental level.

The increasing economic interdependence between the Mainland and Taiwan, but also between the Northeast Asian states in general, save North Korea, has created an environment of economic cooperation and integration. The Mainland is today one of Taiwan's top three trading partners and one of the largest recipients of Taiwanese foreign direct investment. Moreover, there has been an unprecedented increase in the exchange of academics and

civil society members. Nevertheless, winning the hearts and minds of people has not been a priority of the two governments, or at least, any such attempts have had limited success.

The positive developments in the economic and social fields have, however, not been repeated in the political and military sphere. This has increased the interest by the business community and civil society to further engage in these issues with the aim of increasing the positive effects. However, this involvement is not always greeted by the political leadership. Moreover, on both the Mainland and in Taiwan, strong voices have been raised against the economic integration and the infiltration of economic interests. It is argued that the development toward extensive economy integration can be a threat to the sovereign capacity of both entities. Since Taiwan is by far the weaker of the two economies, such alarmist calls have been voiced more strongly in Taiwan.

Seen in this light, it is rather surprising that some of the measures that have been adopted and implemented to prevent conflicts between the two sides have emerged from within the two militaries. Such measures have been put in place to avoid a military conflict as far as it is possible, even if both sides still regard war as a potential, even if unwanted outcome. It is also within the military that the worries are most obvious, as illustrated by the fact that Northeast Asia is the region with the fastest growing military expenditure in the world. In fact, it has been argued that it is the only region where military expenditure has expanded since the end of the Cold War.

A major explanation for this is that the region, to a large extent, still is caught in the old zero-sum realist thinking of the Cold War. A more modern "win-win" approach would better suit the new realities in the region and the world at large. There is thus a need for integrated thinking that incorporates military security, cooperation on the political level, economic integration and a revitalization of civil society. At large, the old thinking in the region has been segmented into a narrow focus on each single issue of concern, such as military security, sovereignty or economic cooperation, and multi-faceted problems across the Strait have rarely been addressed in an integrative manner.

This joint paper results from a series of workshops and conferences on conflict management and prevention organized by the Silk Road Studies

Program the past few years.¹ The uniqueness of these events is that they engage military officials, academics and policymakers although not always as joint efforts. This publication is a result of several separate seminars and conferences aiming at the creation of models of conflict prevention across the Strait. Such efforts have included addressing questions about future political and military integration, as well as the priority order of the unresolved issues. Although these papers may depart from the official view of the respective governments, they offer some frank and constructive models of how to handle the current situation.

The two essays in this publication do not indulge in the background to the conflict, as the conflict development is well known and extensively developed elsewhere.² Rather, in this particular publication, the writers address the cross-strait issue in a more integrated manner, influenced by a realization that new thinking is necessary to move ahead. In each paper more than one aspect is analyzed and addressed from a practitioner's sober view. Needless to say, not all important aspects are included in these two papers, but they offer an important foundation for more in-depth thinking of how to meet the missing prerequisites for a continued cross-strait dialogue. It is hoped that these papers will offer new insights on how the present obstacles to wide-reaching conflict prevention can be overcome. At the same time, they serve as a reminder of a pressing political reality that requires further cooperation and research, especially within the field of conflict prevention and management.

Niklas L.P. Swanström

Program Director, the Silk Road Studies Program

¹ For further information on these events, please visit www.silkroadstudies.org.

² As part of the conference series mentioned above, the Silk Road Studies Program has published several books and articles addressing historical grievances, obstacles to conflict prevention, CBMs, and the implementation and non-implementation of conflict prevention and management measures between the two sides. Such publications include, but are not limited to: Niklas L.P. Swanström, ed., [Conflict Prevention and Conflict Management in Northeast Asia](#), Uppsala & Washington: CACI & SRSP, 2005.; Niklas L.P. Swanström & Sofia K. Ledberg, [The Role of CBMs in Cross-Strait Relations](#), Policy Report from the Central Asia-Caucasus Institute & Silk Road Studies Program Workshop, Uppsala, Sweden, December 15, 2005, Washington & Uppsala: CACI&SRSP, March 2006, 26 pp; Zhao, Quansheng, [China's New Approach to Conflict Management: The Cases of North Korea and Taiwan](#), Silk Road Paper, May 2006, Uppsala & Washington: CACI & SRSP, 2006.

2. Seeking the Mutual Benefit of a Win-Win Situation: The Fundamental Approach to Conflict Prevention in Northeast Asia

Fu Liqun

Introduction

Northeast Asia is one of the most dynamic economic regions in the world, and it is also a highly fragile and instable region in terms of security. The tension across the Taiwan Strait, the North Korea nuclear issue and politically frosty Sino-Japanese relations constitute three major noticeable sources of instability. A lot of specific ways and measures can be suggested for preventing these sources of tension from developing into open conflicts, but all the specific ways and measures should be based upon the following fundamental principle: actively pursuing and incessantly enlarging common interests thereby achieving win-win results through cooperation of mutual benefit and equal competition. This may sound somewhat utopian, but I believe it is of utmost importance for conflict prevention in Northeast Asia.

Lessons of *Two Models*

As everybody knows, the root cause of international conflicts lies in the confrontation of national interests, which is normal given the existence of different interests among different countries and social groups. But the key to conflict prevention lies within the ideology and way of dealing with different interests. When policy makers believe in Social Darwinism and view world politics as zero-sum, the handling of international frictions will follow the principle "what one side gains, the other will lose". Thus any dispute is bound to escalate and may even develop into an armed clash. On the contrary, when disputes are treated in accordance with the win-win principle of "you win when I win", they will not evolve into conflict and all the concerned nations can share progress and prosperity. Our time provides us with quite some successful examples.

Experiences from Europe and East Asia

The European experience may be the most valuable example in this regard. Through the establishment of the European Coal and Steel Community in 1952, and its gradual development into the European Community in 1970s and successively into the present day Europe Union, the European countries have been stating their unswerving support for international cooperation of mutual benefits on the continent. Not only have the Europeans realized reconciliation between the bitter enemies France and Germany, but they have also achieved stability and prosperity for several decades.

As far as East Asia is concerned, the relationship between China and the Republic of Korea (ROK) over the past ten years is also a successful example of the mutual benefit of a win-win situation. The two countries have, of course, experienced a series of bilateral interest frictions since the establishment of diplomatic relations. Such controversial issues include the "Garlic war" in 2000 and the "Kimchi dispute" in 2005. But both the top authorities in Beijing and Seoul kept a clear head. They were fully aware that both sides would lose if they took biased measures to protect their own unilateral interests, and that intensifying the differences only would damage both parties. They also knew that both sides' interests will be ensured and enlarged by making compromises. Thus, the erroneously waging of a trade war got corrected quickly, and the mutually beneficial trade developed rapidly.

At present, the win-win relationship between China and the ROK is flourishing in many fields. Cooperation has been extended not only in bilateral fields, such as trade, diplomacy, national security, science and technology, party and congress exchange, etc., but also in regard to multilateral affairs. Today, South Korea and China are working together in, for example, the six-party talks on the North Korea nuclear issue; the process of reconciliation and cooperation between the two Koreas; Northeast Asia's regional cooperation and integration process; the reform of the UN; the ASEAN regional forum; the APEC; the fight against terrorism and transnational crime; the reduction of air pollution; and bird flu prevention. Now, China has become the largest trading partner and investment target of the ROK, while the ROK has become China's third largest trading partner and the second largest investment resource. Trade volume in 2004 grew by 39.2 per cent over 2003, and will surely surpass U.S. \$100 billion within shortly. There are hundreds of thousand of people studying, working and

living in the other country. There are about 400 charter flights every week between the two states, and about 10,000 people travel across the border on a daily basis.

A joint communiqué was issued in November when President Hu visited the ROK, and several new measures were jointly initiated to drive the bilateral ties forward in a long, healthy and stable way. It is safe to say that China and the ROK have become good neighbors, good friends and good partners, even though they fought each other in a war half a century ago.

Lessons Learnt for Conflict Prevention

The two cases above highlight a series of enlightenments that are consequential for our study on conflict prevention in Northeast Asia. As far as my insights, these can be summarized as:

The traditional way for national states to achieve their interest objectives used to be by defeating their opponents or by using their power to coerce. But we are now living in a time with extensive global economic interaction which has meant that the interests of different countries are becoming increasingly similar. As a result, achieving national interests now depends more and more on international cooperation. This prevailing trend provides every country with an even wider foundation to enhance international cooperation of mutual benefit, which in turn makes it possible to dissolve international conflicts in accordance with a win-win principle. Under such circumstances, policy makers, especially those of major powers, should stress shared interests with other countries and respect other parties' justified requirements when pursuing their own country's interests. In other words, the old mentality of "intolerance of the other" ought to be abandoned and a non-zero sum game should be actively implemented in international life.

When dealing with interest differences according to the principle of "win-win" in international affairs, compromises are usually necessary, both regarding bilateral and multilateral issues. Without mutual compromises, there will be no win-win result, and the interests of each party concerned will finally be negated. No country, big or small, powerful or developing, should continue to regard its own interests as absolute and sacramental in the current time of globalization. Otherwise, frictions are bound to escalate and even evolve into conflict. When assessing a country's greatness internationally, the benchmark should not only be if it is good at self-motivation but also if it is good at making compromises.

The win-win principle does not mean that all differences of interests can be overcome smoothly, or even that immediate agreements are plausible. On the contrary, it requires each concerned party to maximize the commonalities while minimizing the disparities. If consensus on some problems cannot be achieved in a short term, the best way may be to put them aside for the time being, or even to leave them for later generations to solve. Meanwhile, major efforts should be made to push forward cooperation in fields where shared interests exist. As "win-win" results accumulate, mutual trust will be built up and conflicts easier to resolve.

Conflict prevention, through the approach of implementing the mutual beneficial principle of "win-win", recognizes the new outlook on security by the international society, which advocates both common security and security by cooperation. It is proved that no single country in our time can enjoy peace without the universal security of other countries and that the effective settlement of regional security problems depend more and more on joint efforts by the concerned parties. As long as this new outlook on security prevails within the international society, there will be fewer military conflicts in the world.

A Way Out for Avoiding a Taiwan Strait Clash

Today's Taiwan issue is entirely different in nature compared to the Strait crises in the 1950s and 60s. During that period, the conflict was, at large, a continuation of the Civil War between the Chinese Communist Party (CCP) and the Kuomintang (KMT) and the main conflicting issue was whether Beijing or Taipei was the legitimate representative of China. Although the military confrontation across the Strait lasted for decades, the antagonism between the two sides could be dispelled comparatively easy by political means since both Beijing and Taipei shared the view that there was only one China in the world of which both the Mainland and Taiwan were parts. This is why the two governments kept political contacts through unofficial channels in spite of the ongoing military confrontation.

In 1965, Chinese Premier Zhou Enlai and Mr. Zhang Zhizhong, a former high-ranking commander of the KMT army, accompanied by Luo Qingchang, director of Taiwan Work Office of the CCP, sailed to a small island off the Guangdong coast and met with a personal representative of Chiang Kai-shek, Commander Chen Cheng, and Chiang Kai-shek's son Chiang Ching-kuo. During the talks, they exchange opinions on the

conditions of a peaceful reunification cross the Strait. Later on, in the mid-1980s, the Mainland military authority stopped the air patrol in the Strait area and dismissed the Fuzhou Military Region which presumably targeted the other side of the Strait. Soon after that, the then Taiwanese leader Chiang Ching-kuo lifted the martial law in Taiwan which had been in effect for 40 years, and opened up for conditional people-to-people exchange between the two sides. Thus, the cross-strait relationship was brought on a peaceful track by joint efforts of Beijing and Taipei. This trend continued in 1992 when the Association for Relations Across Taiwan Strait (ARATS) on the Mainland and the Strait Exchange Foundation (SEF) in Taiwan reached the famous "1992 Consensus" that there was only "One China, but different interpretations". Immediately after that, the following year, the so-called Wang-Gu talks were realized.

A New Phase of Cross-Strait Relations

The cross-Strait relationship would surely have become more and more inspiring if things had continued in this direction. But the situation was completely reversed in the mid 1990s when Lee Teng-hui openly promoted Taiwan independence and even advocated a split of China into seven segments. From then on, the cross-Strait relationship has evolved into a fundamental confrontation between those attempting to split China and those safeguarding the integrity and unity of China. Beijing was forced to undertake military preventive preparations while continuing to adhere to the principle of solving the matter peacefully.

When Chen Shui-bian, the leader of the Democratic Progressive Party (DPP) and a notorious preacher of "Taiwan independence", came to power in 2000, the Mainland was still patient and adopted the policy of "listening to his words, and observing his deeds". Beijing sincerely hoped that the DPP leading circle would take the common interests of the people on both sides of the Strait into concern, and not continue with its separatist policies. But disappointingly, Chen Shui-bian did not keep his pledge of the "five no's". On the contrary, in 2003, he outlined a timetable for Taiwan independence *de jure*, planning to split Taiwan from China formally in 2008 by creating a "New Constitution" of separatism. This challenge posed by the factions promoting "Taiwan Independence *de jure*" seriously threatens China's integrity and presses the Mainland to take preventive measures, including military contingency preparations, in order to protect China's unity from being segmented.

When reviewing the above process, it is clear that the Taiwan independence advocates are the sole trouble-makers and that there would not be any tension across the Strait without the repeated provocation made by these factions. The independence advocates have long been arguing that the Mainland's military deployment is the cause of the tension in the Strait. However, this is only propaganda and gives an entirely reverse picture of the factual situation. The fact is that the Mainland's military deployments along the western coast of the Strait, including the deployment of ballistic missiles in Fujian province, only are a response to the challenge posed by Taiwan independence factions. Indeed, if that sum of money could instead be spent on the national economy and the people's livelihood, we are all too glad! This awareness is necessary for the study on conflict prevention in Taiwan Strait.

Beijing's New Approach to Cross-Strait Affairs

Here I would like to stress that we, the Mainlanders, have carefully examined our own policies and practices regarding the Taiwan issue and have learnt a lot from the reflections and voices of our Taiwanese compatriots. In June, 2004, Chinese President Hu Jintao personally chaired an important session on Taiwan affairs at the CPC Central Committee which resulted in several new insights and conclusions. In March last year, immediately after the Anti-Secession Law was passed by the National People's Congress Committee, President Hu announced his "four points of view" on developing cross-Strait relations. These events indicate that the Mainland's top leaders have readjusted both their thinking and policy regarding the Taiwan issue and that a new flexible and pragmatic approach has been shaped.

The essence of the new vision can be expressed as "4 points of upholding": upholding the "One China" principle; upholding the commitment to a policy of a peaceful reunification, upholding the faith in the Taiwanese people; and upholding a stance against Taiwan independence. Some people would argue that these "4 points of upholding" contain very little new information, but I would like to stress that they really contain a series of new contents in terms of actual intensions. According to my understanding, the new intensions can be summarized into the following main points:

- a. A re-definition of the basic goal nowadays regarding Taiwan issue. In the present period of time, which may lasts for quite many years, the Mainland's principle objective is to oppose the separatist factions and their intentions to separate Taiwan from China. This is done in order to maintain the issue

within the framework of "One China". Long-term thinking and farsightedness should be adopted on the cause of reunification.

To realize a reunification across the Strait is thus the final goal rather than a realistic objective in the current period. The Mainland will do its utmost to expand and deepen the exchange and cooperation across the Strait, to enhance mutual understanding and confidence between the people on the two sides, and to lay a solid ground for an eventual future resolution when conditions are ripe.

b. The "One China" principle is not a government concept, but a concept of a nation-state to which both the Mainland and Taiwan belong. The recognition of this principle does not mean that reunification across the Strait only can be achieved in the short term, nor does it equal the recognition of "one country, two systems".

c. At present, the recognition of the "One China" principle means to support the status quo across the Strait. The fundamental implication is that both the Mainland and Taiwan belong to the same one nation-state. The specific meanings of maintaining the "status quo" can be explained as three "no's": no independence, no reunification, and no allowance to change Taiwan's political status in international law unilaterally.

d. The "1992 Consensus" embodies the essential spirit of the "One China" principle. Whenever the Taiwan authority recognizes this consensus, conversations on any topic between Beijing and Taipei can be started on equal footing at once, including consultations on the establishment of a military mechanism of mutual trust between the two sides of the Strait.

e. Promoting exchange and cooperation across the Strait actively, creating as many benefits as possible for the Taiwanese people.

f. The military forces of the Mainland are the very last means to prevent Taiwan's separation from China, and will not be used for a forced reunification if this would mean ignoring the will of the majority of the Taiwanese people.

Lately, especially since the CCP and the three Taiwanese opposition parties reached consensus on a number of issues aiming at achieving common prosperity across the Strait, the tension has eased. At present, conditions favorable to the development of cross-relations along the direction of peace and stability are developing energetically. But on the whole, the root cause that could provoke a cross-strait military conflict has not disappeared.

The Taiwan independence advocates insist on carrying out their program and actions of separation. Especially after the failure of the Pan-green coalition in the "three-into-one" election by the end of 2005, Taiwan's top leader announced again that a referendum on a "new constitution" would be held within the next two years. With this new constitution Taiwan *de-jure* independence would be formally declared. If this dangerous step is actually taken by the separatist factions in Taiwan, it will equal to declaring war with the whole Chinese people, and there will be no peace and stability in the Strait area.

Three Central Points in Safeguarding Cross-Strait Peace and Stability

The One China Principle

First, and also most fundamental, is a mutual recognition of the "One China" principle while opposing and containing the Taiwanese independent advocates. At present, preventing conflict and maintaining peace and stability in Taiwan Strait has become the greatest common point of shared interests of Chinese on both sides of the Strait, as well as that of related countries. In the view of all people on the Mainland, the recognition of the "One China" principle is a must for pursuing a win-win strategy regarding the shared interests. In addition, upholding this principle also means maintaining the interest balance of all parties concerned.

With regard to the Chinese, especially on the Mainland, territorial integrity is a core national interest, and the "One China" principle plays an important safeguarding role for this core interest. As long as the essentials of the principle are recognized, the Taiwan issue can be controlled within the framework of "one nation state" and China's territorial integrity can thus be guaranteed. Mainlanders are not impatient for reunification across the Strait in the short term. Rather, they are fully aware that reunification is a long-term process that can only be achieved through extensive and sustained efforts over a long period of time. Another reason for the patience of the Mainlanders is our confidence that time is on our side.

The most effective and fundamental way to achieve unification across the Strait is believed to be the achievement of a more thriving and powerful Mainland economy; improved living standard; political democracy; social harmony; and a just ruling system. Such an attractive Mainland is believed to win the hearts of the absolute majority of the Taiwanese people. We, the Mainlanders, fully believe that the absolute majority of Taiwanese people

will welcome a peaceful reunification with the Mainland some day sooner or later.

At present, the Mainlanders are willing to do their utmost to promote sufficient mutual trust between the two sides, thereby creating the conditions needed for an eventual reunification. However, the Mainlanders can never tolerate that the "One China" principle is being violated, since this basic principle has been the guarantor against violations to China's territorial integrity. Beijing has made it very clear that the Mainland's military build-up is not aimed at an armed unification, but for preventing a splitting of China. As long as the Taiwan authority recognizes the "1992 consensus", the Taiwan issues can be kept under the framework of "One China" and the Mainland will not resort to the use of force. This is clear to anyone who reads the Anti-secession Law passed by the National People's Congress.

Chen Shui-bian has requested military confidence building measures (CBMs) several times during the last few years, but has simultaneously refused to recognize the "One China" principle. Such a CBM proposal can never be accepted by the Mainland, because what Chen really wants is nothing but separation by peaceful means. Needless to say, military CBMs can not be implemented without a basic political agreement. The Taiwanese authority must recognize the "1992 consensus" first, if it has a sincere interest in peace keeping across the Strait. In fact, Beijing has always kept the door open to exchange and dialogue between the two sides. DPP officials ranking below mayor and county magistrate are welcome to the Mainland at all times. But it would be a fatal mistake of the Taiwan independence factions to regard the kindness showed by the Mainland as a sign of weakness. Should the Taiwanese government declare "*de jure*" independence someday in the future, the Mainland will have no option but to resort to the final means to prevent its Motherland from being segmented. Chinese people on both sides of the Strait, as well as the international community, should guard against this risk together.

A related question also needs to be addressed. During the years of the stand-off, the Taiwanese independence factions have been depicting the dispute across the Strait as antagonism of social institutions, i.e. as a clash between democracy and autocracy and the Mainland's opposition of their separatism activities as opposition against the democratic rule on Taiwan. I must say that this is, merely a trick to mislead the public. Just as mentioned above, the nature of the dispute between the two sides has been a dispute between forces attempting to split China versus forces that aim at safeguarding China's

unification. The core of the disagreement has been between adhering to the "One China" principle versus breaking the principle. In other words, the dispute between the two sides is not about political systems. To build a democratic society is the common goal by all progressive peoples, including the Chinese. While pushing forward the socialist democracy construction in our own society, Mainlanders completely respect the Taiwanese compatriots' choice of social systems (of course, we wish they would let real democratic politics be the rule of the day instead of populism).

As many Taiwanese scholars have pointed out, the question of "unification versus independence" has been used as a tool of election politics, thereby provoking ethnic confrontation in the Island and disregarding people's democracy. Beijing has welcomed and developed exchange and cooperation with any party which recognizes the "One China" principle, regardless of political conviction or social institution. For example, Ma Yingjiu, the current KMT Chairman, is well-known for his stand against communism. Nevertheless, we are willing to make friends with him and exchange ideas on all issues regarding the cross-strait relations because he also advocates "one country two regions". Although Li Ao, a famous Taiwanese thinker, made critical comments on the Mainland's shortcomings in the construction of democratic institutions during his "tour of culture" last year, Beijing arranged a live broadcast of his program and listen attentively to his constructive criticism.

Three Direct Links

The second point is to realize the "Three Direct Links" as soon as possible, thereby facilitating exchange and cooperation in every field. Economic interests are the most fundamental interests that the two parties share. Both sides have shaped a structure of mutual compensation and benefit in the economic and trade fields in the past years. The Mainland has received capital and know-how from Taiwan and Taiwan has obtained a remarkable surplus in its trade with the Mainland. "Taiwan receives orders, and the Mainland produces" has become the state of affairs. This trend has grown from 19 per cent five years ago to about 41 per cent at present, whereas in regard to some electronic products such as notebooks, 74.9 per cent is already manufactured on the Mainland. As some famous Taiwan entrepreneurs said, "the economic relation between Taiwan and the Mainland has become one of common prosperity and co-existence". Such entrepreneurs even believe that Taiwan's economy needs the Mainland if it is to survive the intensive

international competition. The current problem is that Chen Shui-bian's government does not make any progress on the three direct links with the Mainland, despite its fundamental interest of the people. Chen is using the excuses of "safeguarding Taiwan's security" and pushing for "Taiwan independence", as well as out of concern for local elections on the island. The ultimate victim is Taiwan's economy. In 2005, its trade surplus with the Mainland was the lowest in 25 years. As a comparison, it can be said that Taiwan's total export volume in the first three quarters of 2005 was U.S. \$30 billion less than that of the Guangdong province.

At present, the islanders' expectations on the three direct links are growing, not only among ordinary entrepreneurs and the mid-electorate, but also among some of the big "deep Green" companies. Recently the YiMei Group, one of Taiwan's food enterprises participated in the Shanghai international food exhibition. Some Taiwanese media channels reported that this illustrated the political attitude by yet another "deep green" enterprise, following the Zhang Rongfa and Xu Wenlong Groups' activities on the Mainland. These "deep green" enterprises have realized that Taiwan's economy will not revitalize unless they jump on the Mainland's "economic express bus". The Taiwan authority should respect the islanders' views and open the "three big direct links" without hesitation. As soon as the three direct links have been initiated, both sides can enter the economic community as described by former KMT President Lian Chen. Once the economic community is established, it could function as the most dynamic conflict prevention mechanism in the Strait. In addition to the development of economic relations, both sides would also experience enhanced cultural exchange and tourism. This could also imply party exchanges, which could also play an important role for deepening contacts, enhancing mutual trust, and pushing for political dialogue.

Chen Shui-bian and the Taiwanese authority argue that the Mainland has established a dialogue mechanism with the three non-ruling Taiwanese parties for "unification" purposes and has tried to obstruct this dialogue for example by preventing Mr. Chen Yunlin, Director of the Taiwan Affairs Office (TAO) on the Mainland, from attending a recent forum on the island. This is, however, a highly biased view and there should be no restriction and obstruction to party dialogue and people-to-people exchange before official negotiations are established. As a matter of fact, although the DPP has an independence provision in its charter, the Mainland welcomes Mayors and County Leaders of the DPP to visit the Mainland and expect the

DPP to adopt the same approach. During the recent "three in one" election on the island, Chen Shui-bian declared that even if the "pan blue" coalition wins the elections in a majority of the counties, the DPP government will still not ease its restriction on cross-Strait relations. This attitude shows that it pursues the interests of one party at the cost of the interest of 20 million islanders. It is doomed to failure.

Strategic Mutual Trust between China and the U.S.

The third is that China and America should build strategic mutual trust and develop cooperation. Sino-American relations are critical to conflict prevention across the Taiwan Strait. The recent tension reduction in the Strait is mostly due to the common understanding between China and America that they have a common interest in preventing the Taiwanese independence forces from going too far. The White House and Pentagon are fully aware that America is doomed to be involved in a potential armed clash with China if it stands idle when the independence factions challenge the Mainland. Further developments toward independence will thus negatively affect American interest. Chen and the rest of the Taiwanese leadership seem to pay at least some attention to the American wishes. For example, the meeting between Chen Shui-bian and James Soong of the KMT reached consensus on a number of issues regarding cross-Strait peace, defense and ethnic harmony. In addition, at the demand of the U.S., Chen did not make any public speech during a pan-green demonstration on March 26 2005.

At present, America's Taiwan Strait policy is composed of four points: recognition of "one China", non-support for "Taiwan independence", determination to solve the Taiwan issue by peaceful means, and the support for dialogues between the two sides of the Strait. In my view, Washington should rather take one step further by expressing clearly that it wishes to see a peaceful unification between the two sides. It will have significant effects on the future undertakings in the fields of conflict prevention in the Taiwan Strait. America's Taiwan policy complies with, and serves, its overall China policy. A positive shift in America's Taiwan Strait policy would enhance the strategic mutual trust of the two sides. To achieve this objective, China should promise that it does not, and will not, seek to turn East Asia into its sphere of influence or seek to replace America's present status in Asia. After the unification of China, it will continue to respect America's interest in the Taiwan Strait and the entire chain of islands. In return, the U.S. should regard China's rise as an opportunity rather than a threat and interact with

China as a strategic partner and not as a strategic competitor. America's China policy should be based on mutual benefit, cooperation, and fair competition, not on containment and prevention. In recent years, the overlapping interests of China and America have increased and the venues for cooperation have expanded. For example, during his recent visit to China in November, American President George W. Bush signed an agreement with his Chinese counterpart on bird flu prevention, and signed a Memorandum of Understanding (MOU) on preventing illegal trafficking of nuclear and other radioactive materials. In the future, as far as Sino-American relations are not endangered by neo-conservative and anti-China factions in the U.S., and as long as the two countries develop their relations toward mutual benefit and win-win, peace in the Taiwan Strait will be maintained.

Pushing Forward the Six-Party Talks

The Fourth Round of Six-Party Talks

In September 2005, all the countries participating in the fourth round of the six-party talks on the North Korea nuclear issue finally reached several important agreements in principle, and announced a joint statement for the first time. According to this agreement, North Korea pledged to abandon all its nuclear weaponry activities (including existing nuclear weapons and all programs to develop nuclear weapons), rejoin the Non-Proliferation Treaty, and accept the supervision of the International Atomic Energy Agency. The United States promised to interact with North Korea in a peaceful way, stop insisting that North Korea give up the right to use nuclear energy for peaceful purposes, and, more importantly, confirm that it has "no intention" to attack or invade North Korea. According to U.S. representatives, this is the first pledge of this kind the United States has ever made to a non-friendly country. These landmark results were hard-won and both the United States and North Korea have made important concessions. Such an outcome of the fourth round of the six-party talks is of course a source of inspiration and provides a significant foundation for preventing conflicts on the Korean peninsula.

However, the joint statement is still merely an agreement of words and should only be regarded as a first step toward a peaceful resolution of the North Korean nuclear issue. All sighs indicate that the next step will be to transform words into action which will be a hard job. Therefore, negotiations

during the coming talks are expected to be much tougher. Needless to say, the North Korean nuclear issue is not merely a matter of non-proliferation, but also a matter concerning political, economic and diplomatic interests of the related parties, especially in the case of the United States and North Korea. The fourth round of talks only confirmed the matters on which consensus is relatively easy to reach, whereas a lot of disagreement still exist. These disagreements need to be handled at the next step of the negotiation process, during which the focus will need to shift to the implementation of the joint statement, and address the contentious question of "nuclear dismantlement first" or "compensation first".

The United States and Japan require North Korea to take the first step by abandoning all its nuclear weaponry activities and by accepting international inspections. They insist that only after the verification, the construction of two light-water reactors, provided for North Korean in return for its dismantlement, will be initiated. On the contrary, North Korea demands the light-water reactors before it takes actual actions to abandon its activities to develop nuclear weapons. It is said that during the fifth round of six-party talks, North Korea proposed a five-step roadmap for the dismantling of its nuclear weaponry activities. According to this roadmap, accepting international inspections would be the fourth step³

The present situation shows that neither the United States nor North Korea are ready to make concessions to overcome this fundamental disagreement. During her visit to China in 2005, U.S. Secretary of State Condoleezza Rice pointed out that the United States has made great concessions already, and that the U.S. has to impose sanctions on North Korea if Pyongyang refuses to compromise on the priority of actions to implement the joint statement. Plausible sanctions could be cracking down on North Korea's illegal commercial and financial activities overseas by taking joint actions with Japan, for example by the implementation of the Proliferation Security Initiative. So although the achievements of the fourth round of talks are encouraging, the international community should be fully aware of the absence of mutual trust between the United States and North Korea, and

³ According to the Associated Press on November 14, South Korean Unification Minister Chung Dong-young disclosed that the first step of Pyongyang's roadmap will be suspending all nuclear test programs, stopping the production of additional nuclear weapons and transference of nuclear materials and nuclear technology to other countries. The second step will be suspending other nuclear programs. The third step will be terminating all the nuclear programs. The fourth step will be accepting international inspections. And the fifth step will be returning to the Non-Proliferation Treaty.)

prepare for the complexity and difficulty during the coming implementation period of the six-party talks.

In my view, the common interest of the six parties lies in the realization of "no nuclear arsenal, no war, and no turmoil" on the Korean peninsula. "No nuclear arsenal" implies that North Korea must give up all plans to develop nuclear weapons, and that the Korean peninsula must be denuclearized. "No war" implies that an armed conflict on the peninsula must be prevented. "No turmoil" implies that a sudden collapse of the current North Korean regime, which may create a tide of refugees and other instable situations on the peninsula, must be avoided. In order to reach any forms of progress in the six-party talks, the three interests outlined above should be pursued concurrently. During her recent visit to China, U.S. Secretary of State Rice said that the present six-party talks could be developed into a security mechanism addressing issues in the whole of Northeast Asia, given that the talks are successful in solving the Korean peninsula nuclear issue.

Four Currently Highly Significant Matters

At the current situation, there are altogether four matters that are of utmost importance.

Pyongyang must understand that North Korea's primary national interest now lies in the improvement of its own image and the winning of international credit. Therefore, it must fulfill its promise of nuclear dismantlement, instead of giving priority to tactical bargain in the negotiations. The security of North Korea could be jointly guaranteed by the United States, South Korea, Russia, China and Japan.

Washington may detest the regime of Kim Jong Il, but should not make the toppling of the regime a U.S. policy aim. The unification of South and North Korea should be handled nationally by the Korean people on the peninsula. During his visit to South Korea in October 2005, President Hu Jintao reiterated China's support for reconciliation and peaceful unification between the South and the North, and expressed appreciation for the positive role played by Seoul to promote the process.

Since North Korea still suffers serious shortages of food, electricity, oil and other energy sources, all the other parties should take the interest of the tens of millions North Koreans into consideration. The United States should start building light-water reactors for North Korea as compensation immediately

after Pyongyang has met the demands of international verification, in order to ease North Korea's energy shortages.

North Korea should be encouraged to engage in reforms and opening up so that it gradually can become an integral part of the international community. For many years, the North Korean government has adhered to "army first" politics, maintained a rigid system of organization, and played the "nuclear card", which has greatly damaged its national image. All this has resulted in poor domestic economy, a hidden social crisis and a severe external security environment in which the possibility of turbulence never has been ruled out. Ultimately, the reforming and opening up of North Korea will do much help to peace and stability on the peninsula. The country has carried out limited economic reforms since 2002 and in 2004 its national economy increased by 2.2 per cent. However, the overall situation has not improved much and the shortage of food has yet to be eliminated. Reality shows that the interest of a regime must be subject to the welfare of the people, and that its stability cannot be maintained by means of an apotheosizing leader who is strengthening the control over the public, or creating external tension. For the external parties, the troubles of North Korea should not be regarded as an opportunity to overthrow the present power. The proper way to deal with Pyongyang is to create a favorable external environment for North Korea's reform and opening up and offer assistance to the best of our ability. We should encourage North Korea to continue its reforms, instead of forcing it to return to a more isolate position.

After all, it is of utmost importance for conflict prevention on the Korean peninsula that all parties have enough patience to resolve all the points of disagreement step by step. It is unrealistic for North Korea to expect all of its requirements to be met at once (such as the normalization of North Korea-U.S. relations). On the other side, the United States and Japan should not expect to settle all the issues within during the next round talks (such as the Japanese abduction issue). By acting precipitately, the divergences will only increase and possibly lead to new crises.

To Stabilize Sino-Japanese Relations through Economic Cooperation

Both China and Japan are two major powers in Asia and the development of bilateral relations between these two countries will exert great impact on the stability and security of East Asia. Sino-Japanese relations have been characterized by increased tension since Junichiro Koizumi became Prime

Minister in Japan and especially during his last years at office due to disputes on issues such as shrine visit, gas and oil resources in East China Sea and the reformation of the United Nations. Prime Minister Koizumi's shrine visit on September 17 2005 led to the cancellation of the planned meeting between the Chinese, Korean and Japanese heads of states during the ASEAN+3 convention, and marked a low point in Sino-Japanese relations. According to a report issued by the Carnegie Endowment for International Peace in 2005, further deterioration of bilateral relations could lead to strategic conflicts between the two countries. To prevent conflicts in East Asia, there is thus a need for means and ways to stabilize Sino-Japanese relations and put them on the track of a healthy development.

Beijing's policy for bilateral relations with Japan is to make every effort to improve stability and avoid conflicts. As a People's Liberation Army (PLA) scholar, I fully support this policy, since it serves both the long-term interests of the two countries as well as the common interest of the other Asian-Pacific states. The question remaining is how to help the bilateral relations out of the valley and make them develop along the lines of mutual trust and friendship?

Cooperation in the Economic Field

In a seminar held in Stockholm in August 2005, Swedish Ambassador Ingolf Kiesow made a valuable suggestion in proposing the establishment of an East Asian oil and gas alliance including the U.S., China, Japan, and the Taiwan region. The essence of this would be to prevent possible future conflicts through economic cooperation. This hypothesis certainly would have implications on the stabilization of Sino-Japanese relations. The two countries have become increasingly interdependent in the economic field over the past several decades. Development aid from the Japanese government at an annual interest rate of 1.4 per cent has provided China with a huge sum of overseas investment in the Chinese infrastructure. Japanese investment has also created millions of jobs for the Chinese labor market. On the other hand, the massive Chinese market has helped the Japanese economy out of its ten-year long recession, and cheap Chinese products have lowered prices on Japan's domestic market. Last year, China overtook the U.S. as Japan's largest trading partner and Japan has become China's third largest trading partner. Bilateral trade volumes reached 170 billion U.S. dollars in 2004. In the first ten months of 2005, the bilateral trade volume reached 148.9 billion U.S. dollars. Currently, there are more than 30,000

Japanese ventures in China. Every year four million Japanese visit China. On the other hand, 150,000 Chinese students are now studying at Japanese universities, and more than one million Chinese are employed by Japanese companies. Such a close economic relationship has made the recurrence of a Cold War between the two countries almost impossible. The economic ties are neither likely to disappear because of bad political relations. It should thus be possible to prevent deterioration in bilateral relations, as well as any possible conflict between the two countries, through economic cooperation.

To strengthen economic ties, it is necessary to expand economic and trade exchanges and further cooperation in a multilateral framework. There are four possible approaches in terms of multilateral cooperation.

Multilateral Cooperation

The first is to establish an East Asian energy resources cooperation organization. Such an organization should include not only China, Japan, and the ASEAN countries, but also the far eastern areas of Russia, Kazakhstan, and even India. Resource security implies security of energy resources, price and transportation, and has become a common challenge for the East Asian countries. Japan depends solely on imported energy resources. China, which has a growing appetite for energy, with an increase of 15 per cent last year, has become the second largest resource consumer globally and the third largest energy resource importer. China's own oil supply does not meet the demand and 40 per cent of China's oil consumption has to be met by imports. This ratio is likely to increase to 60 or even 70 per cent over the next fifteen years. The rising oil price also has great impact on the economic development of the East Asian countries. The Malacca Strait is important for oil transportation and has been troubled by pirates for years. If such an energy cooperative organization could be set up, then extensive work could be conducted to facilitate the distribution of resources, to stabilize energy prices on the international market, to safeguard shipping lanes, to make more efficient use of energy resources, and to develop alternative resources. There are many resource programs that could be great platforms for cooperation between China and Japan. It is estimated that by 2020, China will have built 20 nuclear power stations, which could be a great opportunity for regional cooperation with Japan and other states. Russia, for example, is already striving for construction contracts in this field.

Environment Protection

The second is to establish a Northeast Asian environmental protection technological cooperation organization. Pollution has become a more and more serious problem for China. It is now trying to change the situation by emphasizing new concepts of scientific development. It is impossible to alter the situation in a short period of time. Sixty-two per cent of the water in Chinese rivers is no longer fit for either drinking or irrigation. Two thirds of the energy demand is satisfied by coal, the burning of which increases dust in the air. In addition, the rapid increase in the number of private cars has further worsened air quality. According to the UN Development Agency, Chinese GDP will have increased four times by the year 2050 and its air pollution index will have doubled. Other countries in East Asia are also troubled by pollution to various extents. Such an organization could function as an effective platform for Sino-Japanese cooperation in the development and application of environmental protection technologies.

Free Trade Agreement in Northeast Asia

The third is to establish an FTA in Northeast Asia, including China, Japan, the Republic of Korea (ROK), the Democratic People's Republic of Korea (DPRK), and the far eastern region of Russia, to push forward regional cooperation and integration. The key to the establishment of such a free trade zone is the full recognition of the principle of fairness and mutual benefit. Presently, the ROK should be encouraged to play a bigger role due to the absence of mutual trust between China and Japan.

Expanded Economic Cooperation within the ASEAN+3

The fourth is to expand economic cooperation between China and Japan within the ASEAN+3 framework since bad relations between Japan and China also impact the ASEAN negatively. The existing 10+3 framework is just as significant for stabilizing bilateral relations as it is for preventing regional conflicts.

It is imperative to create a good atmosphere in the current Sino-Japanese relationship since this can do much to help strengthening and expanding cooperation and exchange between the two countries. To meet this end, both governments should handle the following three problems reasonably and properly:

- a. The historic legacy of the Second War must be treated properly. Japan must face the untold sufferings that Japanese militarism inflicted on Asian

people in general and on the Chinese people in particular. Its cabinet ministers must stop visiting the Yasukuni Shrine until Japan's neighboring countries agree on an accepted way to commemorate the war dead. The Yasukuni shrine enshrines not only the 2.5 million war dead, but also 14 Class-A war criminals. It also obscenely distorts history, attributing the aggression in China to the resistance by the Chinese forces, and labels the surprise attack of Pearl Harbor a "Roosevelt conspiracy". For years, China has requested Japanese leaders time and again not to visit the shrine, at least not in the capacity of cabinet ministers. But the warnings have gone unnoticed. Current Prime Minister Junichiro Koizumi visited the shrine twice in 2005, together with his foreign minister, claiming that the shrine visit is a "matter of spiritual freedom", and that it is "a domestic issue" that is "no other country's business". The actions of the Koizumi cabinet have inevitably drawn condemnation from the international community. Many international media have, in conjunction with the Shrine visits, published articles condemning the dangerous trend of reviving militarism in Japan. Beijing, on the other hand, should consider ways other than government protest to express discontent. For example, this could be done through announcements by spokespersons from the Sino-Japanese Friendship Association.

b. The extreme nationalistic sentiments must be controlled. It should be acknowledged that such sentiments exist in both countries and that they have a negative influence on economic cooperation. It should be noted here that Beijing and Tokyo adopt differing approaches. Chinese leaders have attached great importance to stable bilateral relations, thereby making great efforts to instruct its people not to confuse patriotism with parochial anti-Japanese emotions, and at the same time, emphasizing that the Japanese people have also been the victims of militarism. In the spring of 2005, during the anti-Japanese protests in Shanghai, Beijing and Guangzhou, the Chinese government sent its then Foreign Minister Li Zhaoxin and three former ambassadors to the main universities in these cities in an effort to calm down the situation. I personally, in the capacity of a PLA veteran, went to the South China Polytechnic University to call on the students to distance themselves from blind anti-Japanese emotions. The strategy of the Koizumi cabinet, on the other hand, has been fundamentally different. It has helped promote extreme nationalistic emotions among its people, thereby creating a hostile attitude towards China.

c. The resource frictions in the East China Sea must be settled properly according to the principle of common development of the resources while shelving disputes due to the huge discrepancy between the countries. For example, a draft bill issued by the Japanese Liberal Democratic Party has classified the Diaoyu Island, which belongs to China and is located on the Chinese sea shelf, a part of Japan. This only intensified the existing tension and certainly is not the interest of either country. The right way to resolve the dispute is to abandon the so-called "territorial sovereignty claim" to the disputed areas, and conduct negotiations patiently on how to develop the resources based on a principle of mutual interest and benefit, thereby avoiding unilateral behavior that could harm the interest of the other party.

3. The Role of Conflict Prevention across the Taiwan Strait

Lai Chung-Nang & Wang Yang-Cheng

Executive Summary

This study proposes feasible measures of conflict prevention across the Taiwan Strait. The situation of the Strait is unique, complicated, and dynamic. There is a chronic lack of trust as well as a crisis of potential conflict. It is in fact one of the most dangerous potential flashpoints in the world. The Republic of China (ROC) and the People's Republic of China (PRC) have asymmetrically pitted against each other since 1949. Indeed, there were hundreds of hostile military conflicts across the Strait before 1996 missile crisis. Although no military conflict has broken out after 1996, cyber warfare takes place in its place everyday. Miscalculation or misperception may trigger unintended conflicts and jeopardize the stability of the Taiwan Strait resulting in disaster. In order to stabilize cross-strait relations, it is necessary to have feasible measures of conflict prevention tailored to meet this unique situation.

Introduction

The Taiwan Strait is a strait between the People's Republic of China (PRC) and the Republic of China (ROC). It is one of the most dangerous potential flashpoints in the world, resulting from a conflict between the PRC and the ROC and conflict prevention measures play an important role in helping to stabilize the situation. The conflict across the Taiwan Strait is not limited to military affairs alone. It extends to others areas, such as issues of sovereignty, difference in perceptions of security threats, economics and trade, as well as direct charter flights, just to name a few key ones. Nevertheless, the threat of military conflict requires special attention. This is due to the fact that the PRC has been unwilling to renounce the use of force and the military balance across the Taiwan Strait has gradually tilted to the

PRC's favor in recent years, as a result of its rapid military expansion and modernization.

The unstable cross-strait relationship attracts a great deal of international attention, especially with regards to the sovereignty dispute and the threat of military conflict. Within the reality of an international security framework and the PRC's present so called "Strategic Opportunity Period"⁴, neither the ROC nor the international society want to see a conflicts erupt in the Taiwan Strait. But, due to the PRC's unwillingness to renounce the use of military force to resolve the "Taiwan problem", the most likely causes leading to a PRC invasion of Taiwan are misperception and miscalculation between the two sides.

Although economic trading ties and cultural exchanges between the two sides are pretty vigorous, mutual trust between the two governments is relatively fragile by comparison. Looking at the experiences of past decades, the possibility of misjudgment has not decreased despite the positive development of cross-strait relations, particularly in the field of commerce. The military, as well as political, uncertainty across the Strait is affecting the fundamental national interests and prosperity of both sides. In response to this situation, this paper will provide a discussion of feasible measures of conflict prevention across the Taiwan Strait based on its unique situation.

One of the ROC's national security goals at present is "to prevent military conflicts in the Taiwan Strait."⁵ In order to secure national interests, realize national security objectives, and meet the challenges of the international environment, the ROC's current defense policies consist of the following fundamental objectives: preventing war; defending the homeland; countering terrorism; and responding to contingencies.⁶ "Preventing war" is to take precautions in order to avoid the unintended outbreak of war. Cross-strait relations are so complicated that they not only affect the international interests in the region but also the regional power structure and global economy. Within the framework of the existing international system and global strategic atmosphere, misperceptions or miscalculations are the most probable fuses leadings to military conflict across the Strait. This paper examines the different applicable conflict prevention measures which could work within the ROC's national security strategy framework.

⁴ During the current period, China is focusing on economic construction and reform and the building of a well-off society.

⁵ Ministry of National Defense, R.O.C., 2004 *National Defense Report*, 58

⁶ *Ibid*, 61-62

In the Cold War era, most Western scholars working on conflict prevention studies believed that the most powerful means for conflict prevention was nuclear deterrence and the idea of "Mutually Assured Destruction" (MAD). Thus, most military strategies were focused on retaliating capabilities in the event of a surprised first strike by hostile forces. Despite the end of the Cold War and the rise of new non-traditional threats, the situation in the Taiwan Strait remains, along with its own unique and asymmetric characteristics. Although economic and cultural exchanges have rapidly increased across the Straits over the past few decades, strained relations as a result of political separation and military confrontation have not eased and remain a serious concern among the international community. Thus, the question on how conflict prevention measures can be implemented to ease the cross-strait tension became one of the prioritized issues in the ROC's national defense policies.

The Concept of Conflict Prevention

There are four situations which can result from the competition between two entities; "win-lose", "lose-win", "win-win", or "lose-lose". In history, conflicts usually have ended in a "lose-lose" situation. In regards to the cross-strait situation, "winning" and "losing" is defined by the ROC according to its national interests. For the ROC, a "peaceful resolution" of the cross-strait issue is regarded as a "win" as it is in accordance with the ROC's national interests, not to mention the international community's expectations. The authors would like to provide the following practical concepts, which we consider helpful in building conflict prevention measures across the Strait:

Conflict Prevention Must Be Based on the Will of Both Sides.

Conflict prevention measures between the parties, in this case the PRC and the ROC, generally safeguard the parties own interests and security. If a party tries to gain maximum interests and security for itself without thinking of the other, it means that the derived gains likely will be at the expense of the other party. Such behavior is typically based on distrust or fear of losing to the other party and generally leads to "zero sum" competition and a "lose-lose" outcome. In this sense, communication plays an important role in assuaging distrust and clarifying motives. Without communication, the competing parties are more likely to head towards a course of collision leading to a "lose-lose" outcome.

The tactic leading to a "win-win" situation is thus the best way to resolve a dispute.⁷ Besides considering one's own interests, this also requires that the parties understand, accommodate, and facilitate each other's interests. A zero-sum rivalry can thus be avoided, and a positive outcome, in which both parties can achieve a positive outcome, would emerge. Such a strategy is in accordance with the saying "knowing yourself; knowing your enemy" as stated in the Art of War by Sun Tzu. Today, with the rapid development of the media, and the ever increasing speed in which information travels and spreads, it would appear to be easy for opposing sides to understand one another. However, this is not necessarily the case because the speed and volume at which information transmits can in fact lead to an overflow and have the counter-productive effect of confusing the other party. This could easily set the course for collision and worsen the situation due to misinterpretation and miscalculation.

Therefore, as a means for conflict prevention, a proper way of communication should be established so that both sides can understand each other better. Lines of communication can be set up at the formal and informal level. This requires a coordinated effort, otherwise it will not work. Naturally, both sides also want to maximize their own interests during the process of promoting conflict prevention measures. Therefore, the strategy of setting up the conflict prevention measures should focus on both the planning process and the outcome. On the issue of process, "keeping in contact" is necessary to understand the opponent and to adjust one's own strategy in reaction to the other's actions.

Conflict Prevention Aims to Reduce the Probability of Misjudgment

According to the security dilemma concept, two of the most important factors which can lead to a war are military build-up and the lack of mutual trust. Realistically, no country will give up the right to build up its own defense power voluntarily. For example, while Switzerland is accepted as a neutral state, it still invests in its defense forces. However, if two conflicting parties keep building their respective military strength to attain what they themselves would call a military balance, without at the same time entertaining good communication channels, the risk of an arms race and growing military tension due to misperception or miscalculation increases correspondingly. Thus, while the military strength is maintained for

⁷ Hugh Miall, Oliver Ramsbotham and Tom Woodhouse, *Contemporary Conflict Resolution* (Cambridge: Polity Press, 2001), 6-19

deterrence, it is also important to facilitate communication and contacts, and in general, increase the transparency of intentions. This way, misperception and miscalculation can be avoided.

Some scholars compare armed conflict studies with car accidents. It is very difficult to make any generalizations about car accidents based on one single case that has happened in one section of the highway since there are too many variables. For example: the uneven pavement of road surfaces, heavy fog, careless driving, or mechanical malfunction are all possible reasons. However, if cumulative statistic data of car accidents on a certain section of the highway is used, researchers can then conduct a better analysis and uncover the factors causing accidents for different types of vehicles. If this kind of explanation is rational, we may study armed conflicts in a similar manner.⁸ The process of improving military transparency is akin to setting up enough road signs in order to let the drivers be aware of the road situations ahead. Both sides follow the common consensus in order to minimize the probability of miscalculation and reduce the risk of car accidents.

Conflict Prevention Measures Cannot Guarantee National Security

Conflict prevention alone is not an absolute guarantee for national security. For instance, if one side does not have enough defense capability when promoting conflict prevention measures, the hostile side can attack the weaker party while neglecting the conflict prevention measures set up by both. It is also easy to imagine wars in which one side would pretend to promote conflict prevention measures in order to soften the other's defense will, weaken the other's military power, or wait for the best time being to invade the other. Self defense capability thus remains the key issue to national security. Moreover, throughout history, many wars have ignited following misperceptions and miscalculations, ending in great tragedy. To effectively implement feasible conflict prevention measures, the two conflicting parties must reach genuine consensus.

It is also important to remember that the promotion of conflict prevention measures does not imply surrender. Indeed, the ROC maintains enough military force to prevent the PRC from using its two-hand-policy to soften the ROC defense will or slacken its combat readiness. The ROC's Ministry of National Defense has announced many times that it will not launch the

⁸ Ibid, 96-100

first strike. In addition, the order of the first retaliation attack must be issued by the Minister of National Defense. On the contrary, the PRC has never renounced the use of force against Taiwan. Therefore, while promoting conflict prevention measures, the ROC must still keep sufficient self defense capability to prevent armed conflicts erupting and achieve the true goal of war prevention.

Security Dilemma across the Taiwan Strait

The security dilemma situation has existed across the Taiwan Strait since 1949.⁹ Over the last five decades, the PRC has never ruled out the possibility of using its armed forces against the ROC. The concern is that if China's military forces (the People's Liberation Army—PLA) develop a certain proficiency while the PRC is facing internal stability, China may attack the ROC in an attempt to switch the attention of the population away from China's internal problems.

To ensure its own national security, the ROC must continue to build up the self defense capability of its Armed Forces by strengthening their hardware and non-hardware. For decades, the PRC has strongly protested against and obstructed the ROC's arm procurements from the international arms market. This tendency identified, especially after the 1980s, when the United States supported the ROC with defensive weapon systems in accordance with the Taiwan Relations Act (TRA) leading to strong protests by the PRC. In recent years, the PLA's military budget has been growing by double digits, in percentage points, almost annually, supported by strong economic growth. The long standing military balance across the Strait has already tilted in favor of the PRC. The United States' *Annual Report to Congress: The Military Power of the People's Republic of China, 2005* and high-ranking American official's testimony to the U.S. Congress indicate that the PLA's military modernization is a serious threat to the ROC as well as a concern for the international community. The ROC Ministry of National Defense regularly declares that it does not engage in the arms race with the other side. The ROC government builds its Armed Forces to maintain its national security. However, the continuing strengthening of the PRC military seriously threatens the ROC's national security already. The security dilemma situation applies perfectly to cross-strait relations. The following issues

⁹ Ibid, 7-8

specifically display the complexity of the relations between the PRC and ROC:¹⁰

Sovereignty and Security

The most serious dispute between two sides of the Taiwan Strait seems to be about the issues of sovereignty and security. The former Chairman of the Board and Managing Director of the American Institute in Taiwan (AIT), Mr. Richard Bush, said that sovereignty is one of the two substantive issues at the heart of the political dispute between Taipei and Beijing with security being the other.¹¹ The majority of people in the ROC believe that the ROC at the present stage should maintain the status quo. However, based on the "One China Principle", the PRC recognizes that the Mainland is the only China and Taiwan is a part of that China (or claims that both the Mainland and Taiwan are parts of China). The "One China Principle" touches upon the most important issues of the dispute and questions relating to sovereignty and security are the hardest problems to resolve. The people in the ROC are used to the democratic society they live in. Although the PRC has proposed a "One country, Two systems" solution, the majority of ROC citizens seem reluctant to believe what the PRC is promising, due to their experiences from the past decades.

The Republic of China was founded and has existed since 1911. It was also once a permanent member of the United Nations Security Council. The People's Republic of China was not founded until 1949. The two political entities each have their own political systems, national flags, titles, national anthems, and constitutional territories. The international community is usually confused by the complexity of cross-strait development and the disputes of sovereignty. Nevertheless, cross-strait stability does attract attention from the international community.

Before the 1980s, Taiwan approached sovereignty disputes between itself and mainland China according to a policy whereby "Gentlemen do not stand together with thieves" (*han zei bu liang li*). Taiwan did this, much in spirit of West Germany's Holstein Principle against East Germany, to argue the legal heritage of China. Later, during the 1980s, the dispute developed into one concerning "independence for Taiwan" versus "One China."

¹⁰ Joseph S. Nye, Jr., *Understanding International Conflicts, An Introduction to Theory and History*, 3rd ed., (New York : Pearson/Longman, 2000), 15-19

¹¹ Richard C. Bush, *Untying the Knot, Making peace in the Taiwan Strait* (Washington D.C.: Brookings Institution Press, 2005), 81

In the past half a century, the ROC has depended on its military to ensure national security. The military strength across the Strait has traditionally been in a state of dynamic equilibrium. At present, the PRC uses all means to prevent the ROC from strengthening its military power. This is because the PRC is afraid that the ROC is moving towards a "One China, One Taiwan" (*yi Zhong, yi Tai*) or "Two Chinas" (*liang ge Zhongguo*) status, with a relatively strong military as back up.

Politics and Military Affairs

For a long period of time, the fundamental status of politics and military affairs across the Taiwan Strait has not changed. Politically, the PRC seeks the unity of the two sides and regards "One China" as the bottom line to promote the "One country, two systems" (*yi guo liang zhi*) idea. The PRC objects the idea of "One China, One Taiwan" or "Two Chinas." Although there are some groups who prefer either unity or independence, the majority of people in the ROC believe that the status quo at present best serves the ROC's national interest. Currently, the political stands of the two sides have yet to meet in the middle of the spectrum. However, the PRC has announced that if the ROC accepts the "One country, two systems," concept, people in Taiwan may enjoy maximum autonomy but not sovereignty, thereby illustrating its perception of the ROC as a local government. This is difficult to accept for people in the ROC. Moreover, China is not a democratic state, and its human right records and level of freedom is not good enough to be accepted by the majority of people in the ROC. Thus people find it hard to accept the "One country, two systems" proposed by PRC under present circumstances.

Recently, the PRC announced that all topics except sovereignty can be discussed in a cross-strait dialogue. After President Hu Jintao took office, he started using a new two-hand-policy, "harder the hard hand, and softer the soft hand" (*jing de geng jing, ruan de geng ruan*) regarding the Taiwan issue. By adding the strategy of "Looking for opportunity to talk, preparing to fight and no hustle for delaying" (*zheng qu tan, zhun bei da, bu pa tuo*) the PRC unilaterally believes it already provides extremely favorable terms for the ROC and wonders why the ROC cannot accept the "One country, two systems."

The two sides of the Taiwan Strait have been separated and ruled by different political systems for more than half a century. However, there have been frequent cultural and economic exchanges across the Strait over the past

two decades. Nevertheless, people in the ROC believe that democracy, freedom, and human rights are the guarantees of people's lives. It is very difficult to make them believe in the political system of the PRC's even though some of them have wonderful traveling experiences from the Chinese mainland. From a political perspective, due to lack of mutual trust among politicians, the PRC is always afraid that the ROC will move towards independence. This is why the political and military issues of two sides are still stuck in a security dilemma.

From a military perspective, both sides lack mutual trust and resort to building up their own military power to deter each other. It is a typical "security dilemma" situation.¹² In the past half century, there have already been more than a hundred armed conflicts set off by the two sides. The dispute across the Strait has grown from being a local military conflict to a regional issue, and has even extended to become a global security concern. Recently, scholars have repeatedly warned that the military balance across the Strait soon will shift in China's favor both due to the modernization of the PLA as well as to the failure to pass the special armed procurement bill in the ROC's Legislative Yuan. If the European Union removes its weapon embargo on China in the near future, the PRC may conduct further research to develop a new generation of the weapons or integrate its existing weapon systems with the acquired new technology. When possessing advanced weapons, the PRC may challenge the U.S.-Japanese alliances and undermine peace and stability in Asia-Pacific region in the long term.

Economically Dependent and Politically Separated

The developments across the Strait are not tense in all aspects. The truth is that the two sides currently are economically dependent but politically separated. According to recent statistics, in the years 1991 to 2004 Taiwanese businessmen owned 4,002 investments on the Mainland.¹³ The capital cost that the Taiwanese businessmen have accumulated in the Mainland is more than US\$78 billion. At the same time, according to conservative estimates, one million Taiwanese run businesses or are employed on the Mainland. In addition, the frequent exchanges, such as Taiwanese fruit exports to the Mainland, direct charter flights, Mainland tourists visiting Taiwan, as well

¹² Joseph S. Nye, Jr, *Understanding International Conflicts, An Introduction to Theory and History*, 15-19

¹³ Richard C. Bush, *Untying the Knot, Making Peace in the Taiwan Strait*, 29

as Taiwanese students studying on the Mainland, highlight the contradicting aspects of the relationship between the two sides.

The political gulf between the two sides is deep. Due to the fundamental lack of mutual trust, there are no signs of a break-through regarding the security dilemma situation in a short term. Thus, both sides are resorting to their own tactics to deal with the other. The PRC is attempting to use "the pressure of the economy" as a soft tactic to prevent the ROC from moving toward independence. On the other hand, the ROC utilizes the impact of globalization, the norms of the international order, pursuing the mechanisms of free market, free commerce as well as capitalism, to try to maneuver away from the Communist Party in China. The intention is to provide the ROC with more international space and thereby guarantee its survival.

Lessons Learned from History

Any effective solution of the Taiwan Strait issue must take into consideration the unique characteristics of this situation. Through the respective historical experiences, national emotions, and geographical relations, both sides have developed their own political and economic systems after being apart for over five decades, which has further complicated cross-strait relations. Below are examples of measures that nevertheless can be taken to improve relations between the two parties.

Fundamentals of Mutual Trust

Fundamentally, conflict prevention must be based on mutual trust in order to be effective. However it seems natural that the two confronting political entities always lack mutual trust. This is very likely to cause misunderstanding of one another's action, leading to a spiral of increased threats and ever-more hostile gestures. Such a scenario easily develops into an arms race or the formation of regional alliances that could undermine regional stability. A certain level of mutual trust must thus be in place before conflict prevention measures can be established.

Communication at Working Level

Mutual trust usually builds up among non-government or non-state actors first. Once relations at the informal and non-state level reach a certain level of trust, interaction at the state level can begin. There are already many scholars providing different feasible ways to start developing mutual trust. According to the unique characteristics of cross-strait relations, it is much

easier to start a dialogue at the working level, covering less sensitive issues, in order to first create consensus on certain issues through gradual working contacts. A continuation of these dialogue experiences seems to be a feasible way to build mutual trust, a needed foundation for future conflict prevention measures.

Integration of Culture and Society

Several states may be composed by one people. One state may be made up by several different peoples. The state and the people are not necessarily identical and cultural differences easily lead to misunderstandings and misjudgments. When we look back in history, many tragedies of armed conflicts worldwide have been caused by cultural or religious differences. There have been many incidents of miscommunications caused by different social customs. However, cultural and societal exchanges and confluence between societies can promote mutual understanding, thereby reducing mutual hostilities and conflicts.

Process and Result are Equally Important

One should not have overly high expectations during the confidence building process since unrealistic expectations and extreme pressure may well cause its collapse. It is thus important to take both the *process* and the *results* into consideration in the case of an evaluation since the two may well be equally important.

Possible Ways to Prevent Conflict across the Taiwan Strait

From the security perspective, one of the ROC's national defense policies is "preventing war." To prevent war does not equal a passive strategy to avoid war. Rather, it implies active measure to prevent unnecessary war.

Build a Deterrent Military Power

To "prevent war" is not capitulation. National defense is a prerequisite for the promotion for conflict prevention. The ROC should continue to nurture a strong willed self-defense force and build an all-out defense capability in order to dissuade its enemy from starting a war. The purpose of a strong military is to deter the possibility of war.¹⁴

¹⁴ Ministry of National Defense, R.O.C., 2004 *National Defense Report*, 61

As long as the PRC does not renounce using military force against Taiwan, it is the responsibility of the ROC Armed Forces to build a strong military capability. The modernization efforts of the PLA have been supported by its defense budget which boasts a double-digit annual growth rate. These developments challenge the security of the ROC national defense. It is thus the responsibility of the ROC Armed Forces to continuously strengthen its self-defense capabilities and build up a strong military capability as a form of deterrence policy.¹⁵

The PRC not only continuously obtains advanced weapons and technologies from Russia; it also wants the European Union to lift its weapons embargo. In response, the ROC Armed Forces should build sufficient weapon systems itself in order to implement the strategic concept of "effective deterrence, resolute defense".¹⁶ A point to note is that in a democratic system, the Armed Forces should not only follow the civilian control, but also need to operate under democratic control.¹⁷

"1 Plus 1 is Greater than 2" Tactic

"Arms are not the only way that states acquire the power to cope with a security dilemma. Having allies is another."¹⁸ In the current time of globalization, states are highly interconnected and an unstable state could thus easily undermine another's national security. Such a chain reaction could, in turn, undermine the stability of a whole region and even the prospects for peace in the world. Under the influence of globalization, this has become the reality. International security cooperation seems more important than ever before, due to the difficulties for many states to solve their security problems on their own. A small country may adopt this kind of "one plus one is greater than two" tactic to form an alliance. But a key issue remains for these countries: how to persuade allies to help. If the ally does not demonstrate strong commitment, it could result in a worse scenario with the ally defecting to the other side.

¹⁵ Ibid, 62

¹⁶ Ibid, 63

¹⁷ The government, congress, and the people all bear responsibility to the state. After all, the essence of national security is to protect the lives of the population and properties. The Armed Forces should be supervised by the congress which in turn is accountable to the citizens under the democratic system. Only when all above elements work well will the state be able to build a defense force to face the military development of PLA.

¹⁸ Richard C. Bush, *Untying the Knot: Making Peace in the Taiwan Strait*, 109

Since the U.S.A. and the PRC signed "the Shanghai Communiqué" in 1972, the PRC has demanded that the United States stop arms sales to Taiwan.¹⁹ Although the Americans have not totally complied with the demand of the PRC, the U.S.A. has adjusted its policy of arms sales to Taiwan several times. Subsequently, the U.S. unilaterally terminated the U.S.-ROC Mutual Defense Treaty one year after the USA and China had established official diplomatic ties. Ever since 1979, the ROC arms procurements, whether from the U.S.A. or from other countries, are only meant to maintain a sufficient self-defense capability. The PRC still opposes arms sales from any country to Taiwan because it is afraid that this implies that the ROC is building a substantial alliance with other states.

An alliance only works when the allies share the same values and national interests. Although international alliances and promises may change, a strong security commitment do help collective defense. A spectrum is a useful model to explain the relation of alliances. If the two extreme ends of the spectrum represent "total involvement" and "lack of involvement" respectively, the assistance of an ally will be somewhere in-between. If the ally shares more national interests with the party concerned, it will move toward the end of total involvement. The fewer national interests they share, the less likely that the ally will get involved. The closeness of ties between two states also depends on the relationship between the ally and the first state's opponent. The ROC Armed Forces not only have to strengthen its own defense capability but must also welcome any assistance from friendly countries in order to secure common national interests. The sharing of common national interests and values with other states do provide the ROC with a "one plus one is greater than two" option.

Increase National Strength to Gain International Support

The PRC has never renounced the use of force against Taiwan and protests against countries that establish diplomatic ties with the ROC in order to minimize the ROC's diplomatic space, thereby aiming to enforce a resolution of the cross-strait issue.²⁰ However, the stability in the Taiwan Strait is not a security issue of concern for the PRC and the ROC alone. Rather, it arouses serious concern of others, regionally and globally, since its development affects other countries' long-term national interests and the global system at

¹⁹ Harry Harding, *A Fragile Relationship: The United States and China since 1972*, (Washington DC: The Brookings Institution, 1992), 23-66

²⁰ Arthur S. Ding, *Security and Conflict Prevention across Taiwan Strait in the Early 21st Century*, Center for Strategic Studies/NDU, Apr. 2002, .241-272.

large. Because the international community would like to see a stable Taiwan Strait, the ROC tries to explore the possibility to institutionalize a strategic dialogue as well as security cooperation platforms with countries in the Asia-Pacific in order to gain international support and make these regional countries understand the real situation across Strait. The idea is that through regional and international cooperation, regional security support mechanisms can become integrated, and help maintain the security and stability of the Taiwan Strait.²¹

Governments all around the world are pragmatic and the elites are most concerned with their own domestic situation and national interests. Increasingly, the PRC is taking advantage of its high economic growth and sizeable domestic consumer market and is using it as an incentive to attract the support of other countries. The PRC also asks countries that are investing in China not to support the ROC in its bid for membership in various regional or international organizations, which has led to an increasing international isolation on behalf of the ROC. While many countries are concerned about the PRC's rise, as well as its growing military spending, they accede to the PRC's request of isolating the ROC in order to secure their own economic interests and to avoid the ire of the PRC.

For a long period of time, the PRC has withheld its two-hand strategy to suppress the international activities of the ROC. Therefore, the ROC should adopt more creative ideas to increase its national strength and consider confronting the PRC with the latter's own policy, which would mean an application of a "two-hand policy to two-hand policy".

In regards to its participation in regional and international organizations, the ROC will take a positive attitude and assume responsibilities. To further this kind of participation and gain mutual understanding and consensus from these organizations, it is important to integrate the domestic "security research societies" and "economic research societies" and increase their contacts with regional countries and international bodies.

It is equally important to assess the ROC through both the result as well as through the process of participating in regional or international organizations. People need to change the concept of "judge by result" (*cheng-bai lun yingxiong*) to "existence would create chances" (*cunzai jiu you jiazhi*) in order to survive in the pragmatic international environment. One must

²¹ Ministry of National Defense, R.O.C., 2004 *National Defense Report*, 62

regard the process of fighting for participation in international communities as an opportunity to open another "window of cooperation."

At the early stages of dialogue, process is more important than the result. However, over the long term, both process and result are equally important. People understand each other gradually through a process of socialization. In the Association of Southeast Asian Nations (ASEAN), good communicative channels exist among ministers and civilian officials at the working level. That is why they easily understand each other in various issues. This kind of interaction model would be helpful for protecting national interests. As an example of success, former Minister of Foreign Affairs of ROC, Dr. Fredrick F. Chien mentions in his memoirs that the ROC managed to break through diplomatic difficulties to buy torpedoes from Indonesia.²²

Create Effective Communicative Channels

Another way to prevent war is to keep both parties in contact. Such exchanges can be beneficial as they will improve mutual understanding and reduce hostility.²³ From a military perspective, cross-strait communication channels must be adopted officially to work practically. Under the fundamentals of a "peaceful and stable framework across the Strait" as promoted by officials, the ROC Armed Forces can promote peaceful policies across the Strait and gradually start cross-strait military dialogues and exchanges. The ROC Armed Forces aims to promote security in the Taiwan Strait by reaching out instead of avoidance, understanding instead of suspicion, and goodwill instead of hostility.²⁴ The international community expects both sides to strengthen dialogues to ease the tense situation. Nevertheless, there exist some difficulties for cross-strait dialogue.

Before the issues of ROC sovereignty and the One China Principle are resolved, interaction between the two sides will not include a higher level of political dialogues. However, interaction is important because it creates an interim communication channel before the building of a high level political dialogue.

It seems that it is possible to call for third party involvement to create an effective communication channel. Which country will be the best choice for facilitating cross-strait dialogue? The United States has called for such a

²² Frederick Chien, *Memoir of Frederick Chien Vol. II* (in Chinese), (Commonwealth Publishing Group, Mar 10, 2005), 91-93

²³ Ministry of National Defense, R.O.C., *2004 National Defense Report*, 61

²⁴ *Ibid*, 62

dialogue repeatedly. However, the PRC is concerned that the USA will take the ROC's side during such talks and does not want U.S. involvement.

The Strait Exchange Foundation and the Association for Relations across the Taiwan Strait are two authorized organizations of both sides. Due to differences on the issues of "One China Principle" and the "1992 Consensus," the two authorized organizations can not proceed with any political negotiation. It seems there will not be any major change to this reality because of the present vapid atmosphere in cross-strait relations. Nevertheless, both organizations could start a dialogue on non-political issues for the time being as the first steps in building mutual trust.

Conclusion

No conflict prevention measures can prevent an invader's resolution or ensure the safety of either side. On the contrary, it can even become a smokescreen to conceal an invader's ambitions. So it usually is impractical and wishful thinking to trade self-defense capability for conflict prevention. In other words, to persuade the adversary to give up the building of a military power through conflict prevention will only heighten distrust regarding intentions.

The cross-strait relations are extremely complicated. It has already been in deadlock for more than half a century. It would be unrealistic to expect the issue to resolve quickly. In fact, the substance and nature of the resolution is more important than the time factor. The resolution of any cross-strait issues should be peaceful and the measures taken should be backed by sufficient self defense capability. To reach a peaceful resolution, both sides must limit the risks of an armed conflict due to misperception and miscalculation. As a starting point, both sides should face the challenge of examining and collecting creative ideas for conflict prevention which could be applied to promote a peaceful and secure Taiwan Strait, thereby contributing to the prosperity of the region.

About the Authors

Fu Liqun is a retired Major General of the People's Liberation Army, China. He is now serving as a Research Fellow and a doctorate-teacher at the Military Science Academy of the PLA. In addition, he is also a member of the Academy's Specialist Group. Fu joined the Army in 1963, and served in a ground division for more than ten years after his graduation from an army institute in 1968. From then on, he has been working in the Military Science Academy. General Fu has engaged in studies on topics such as Mao Zedong Military Thought, comparative studies on Chinese and foreign military theories, and studies on China's national defense and other practical issues. He was formerly head of the Institute for Mao Zedong Military Thought Studies, Deputy Director of the Department for Strategic Studies, Deputy Director of the Department for Foreign Military Studies of the Academy, and executive editor-in-chief of Marxist military theory and Mao Zedong Military Thought within the Chinese Military Encyclopedia. His publications include *On the Methodology Guiding China's Revolutionary War*, a number of consulting reports, and more than one hundred articles.

Lai Chung-Nang is a Lt. General of the Republic of China Army, Taiwan and Vice President of the National Defense University in Taiwan. Chung-Nang Lai is educated at Chaoyang University of Technology and National Chung Cheng University in Taiwan. His areas of research include defense policy, national security, regional security, military strategy, international economics and strategic studies. He has published several articles on the above topics, including 'Defense Spending and Economic Growth across the Taiwan Straits: A Threshold Regression Model', *Defense and Peace Economics*, 16, 1, 2005.

Wang Yang-Cheng is the CEO at the Center for Strategic Studies and Professor & Department Chairman of the Department of Strategic Studies at the National Defense University, Taiwan. He is also a Major General of the Republic of China Army, Taiwan. Major General Wang received his B.A. from the Chinese Military Academy (1980) and holds three master degrees: Civil Engineering (1987), Mechanical Engineering (1994) and Aerospace Engineering (1994) from the University of Colorado, USA. He also received

his Ph.D. in Civil Engineering (1994) from the University of Colorado. In 1999-2000, General Wang was a Research Fellow at the Center for Strategic and International Studies (CSIS), USA. General Wang has published widely in fields such as civil engineering, national security, military education reform, military diplomatic relationship, and equipment procurement.