

THE EVOLUTION OF THE ROC'S MAINLAND POLICY

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摘 要

本文重點在於分析中華民國近年大陸政策的演變，文章首先提供背景說明，簡單介紹中華政府遷台以後大陸政策的幾個階段，次則分析近年來大陸政策變化的幾個內在、外在原因，然後再以此為依據，進一步說明國民政府大陸政策的基本精神之所在，並用表列的方式，明確指出中華民國和中共政權對於國家統一問題所持的立場。作者最後再對統一問題的遠景提出個人見解，並作出結論。

作者在文章中指出兩岸經過四十多年的分離，在政治、經濟、社會、意識形態方面存有極大的差距，生活水準亦顯著不同，國家統一在感情上是可欲的、在政治上可能也是應當的，但是在實務上，現階段卻是不可行的，當今之計，只有雙方堅持「一個中國」的抽象概念，彼此對對方都應有所讓步，只有以耐心、理性、善意來慢慢的解決這個錯綜複雜的政治問題。武力威脅、獨立訴求，乃至政治壓力都只能增加對方的猜忌、對國家統一的遠景並無助益。當前應該嘗試增加往來、建立信心、溝通對話，甚至建立起某種程度的相互依存可能都是正確的方向。

I. Introduction

Since the end of the Chinese civil war in 1949, there have been two political entities, one on either side of the Taiwan Strait. One is the Republic of China (ROC) which was forced to retreat to Taiwan after losing the war, and the other is the People's Republic of China (PRC) which won the "mandate of heaven" on the mainland.

After Taiwan was separated from the mainland, it developed political, social, and economic systems totally different from those on the other side of the Strait. While both governments claimed to be the sole representative of China and pledged to seek for China's final reunification, they confronted, or competed with, each other

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in almost every sense over the past four decades.

The purpose of this paper is to focus discussion on the development of the ROC's mainland policy. To begin with, the author will examine Taipei's mainland policies from the early stage to the present, with much emphasis on the recent relationship between the two sides. Following an overall review of Taipei's policies toward the mainland at different stages, the author will then start to analyze the reasons of the ROC's policy alteration in 1987. Due to the fact that Taipei has never fully explained its policy changes, we can only bring about all the plausible reasons from within and without for examination.

And in the third section of this paper, the author will further examine the essence of the ROC's mainland policy because, in a high-ranking government official's words, the goal of Taipei's mainland policy is in fact a policy for national unification.¹ In the mean time, the author will also review some of the prerequisites Taipei attaches to the national unification.

With regard to the prospects for the future, which will be discussed in the last, the author will point out that, aside from the two totally different political and socio-economic systems and wide gaps of living standards, the basic problem between the two rival regimes is the lack of trust and mutual suspicion. The author will also briefly introduce some factors which might have an impact on relations between the two sides in the future.

In conclusion, the author will suggest that tension and hostility along the Taiwan Strait have indeed been reduced to a very low level over the past few years for various reasons, and the two rival regimes seem to agree in principle that there is but one China and China will be reunified somehow in the future. But both disagree, in practice, with the other on the approaches for national unification. Our analysis proves that while the issue of national unification is basically political in nature, a final political resolution is obviously not in sight yet. The author believes that only a gradual building up of goodwill, mutual understanding, and patience, plus sound strategies and political wisdom, will help resolve this issue in the long run.

II. The Evolution of the ROC's Mainland Policy

Although Taipei has never given up its claim to sovereignty over the

¹ Ying-jeou Ma, *The Mainland Policy and Relations between the Two Sides of the Strait in the Past Four Years*, (Taipei: Mainland Affairs Council, 1991), p.7. Dr. Ma was the deputy director of the cabinet level Mainland Affairs Council.

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mainland and its goal of reuniting the country somehow in the future, Taipei's mainland policy has undergone some fundamental adjustments, if not changes, over the years. For Taipei, sovereignty and national unification are matter of principle which should not, and can not, be changed for any reason. However, while these principles remained constant, Taipei could, and did, tacitly adjust its tactics in dealing with the mainland over the past four decades for various reasons.

At the beginning of the 1950s when tension and hostility along the Strait was extremely high, Taipei vowed to employ all means to "recover the mainland".² In that decade, Taipei and Beijing engaged into two large-scale military confrontations with the other, one in the late 1954-early 1955 and the other in 1958, over control of some offshore islands. Those were the so-called first and second Taiwan Strait Crisis.

It was in the late 1950s after the second of those crises that Taipei announced, probably under strong pressure from the United States, that the "implementation of Dr. Sun Yat-sen's three people's principles"³ and "not the use of force"⁴ was to be the principle means of restoring freedom to their compatriots on the mainland. Taipei's mainland policy seemed to undergo some subtle, but fundamental changes for the first time. Taipei's policy appeared more rational and pragmatic, in rhetoric at least.

Despite this announcement, however, we find that in the 1960s Taipei tried at least twice to use military means to recover the mainland. The first was in 1962 in the aftermath of the Great Leap Forward, and the second was in 1967 when Beijing had plunged itself into the disastrous Cultural Revolution. But those two attempts were both impeded by American interference.⁵ And it seemed that ever since then, the ROC government tacitly, if not totally, abandoned the hope of recovering the mainland by force.

² The propaganda themes used at that time included; "Counter the Communists and resist the Soviet," "counterattack [the Chinese Communists] on the mainland," "prepare in the first year, start in the second, conduct mopping-up operations in the third, and succeed in the fifth," etc.

³ The three principles mean, basically, nationalism, democracy and people's livelihood.

⁴ Hungdah Chiu, ed., *China and the Question of Taiwan*, (New York: Praeger, 1973), p.288.

⁵ *China Year Book 1962-1963*, (Taipei China Publishing Co., 1963), p.1009. *Chung-yang jih-pao* (Central Daily News), Taipei, January 11, 1967, p.2. *Chung-yang jih-pao* (Central Daily News), Taipei, June 25, 1963, p.2. *The New York Times* January 12, 1967, p.14.

As is known, ever since 1949, Taiwan's foreign policy had two basic goals: first, to retain its rightful seat in the United Nations and second, to keep its diplomatic relations with the U.S..⁶ By the late 1960s, the ROC's international status was gradually deteriorating and competition with Beijing for the legal title of "China" was almost lost when the United States, Taipei's single most important patron over the years, began to change its China policy.

In 1971, Taiwan was ousted from the United Nations, and the year after the U.S. signed the Shanghai Communique with Beijing. The decision of Beijing and Washington to establish diplomatic relations in 1979 came as another heavy blow to Taipei. All these events represented serious political and psychological setbacks for the people of Taiwan. Having lost its legal seat in the UN and the U.S. recognition as the legitimate government of China, Taipei found itself to be left alone in the cold. The ROC entered a very difficult period in terms of national identity and international recognition.

However, in spite of these political setbacks, these were decades of intensive economic modernization in Taiwan, and thereafter the island achieved rapid economic progress. Confronted by the unfavorable international environment on the one hand, but armed with its gradually emerging economic strength on the other, Taipei began to adjust its mainland policy once again. But this time Taipei appeared to have more confidence in itself, especially in the economic field.

In the 1970s, Taipei started a campaign to encourage the Chinese Communists to learn from Taiwan's economic development experience. Occasionally, Taipei's official statements at that time would also suggest that Beijing should learn from Taipei's experience in political modernization. Promoting Taiwan's economic success with Beijing seemed to be the major theme of Taipei's political propaganda since the mid-1970s.

But from Beijing's perspective, it seemed to believe that, since it had already won the international recognition, and thereafter successfully prevented Taiwan from joining the international community, Taiwan would be brought to its knees sooner or later. Beijing, armed with its diplomatic achievements, began to take this opportunity to make some seemingly very generous political overtures to Taipei from 1979 onward.

In 1979, Beijing suggested that the two sides to establish "three links and

⁶ James C. Shen, *Si-Mei pa-nien chi-yao*, (My Eight Years in the United States.) (Taipei: Linking Press, 1982), p.8. Shen was the ROC's ambassador to the United States from 1971 to 1978.

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four exchanges,'⁷ and in 1981, the chairman of the National People's Congress, Ye Jianying, issued a nine-point proposal concerning the peaceful reunification of China which was the most comprehensive and important overture of its kind so far. Then in mid-1984, soon after reaching an agreement with the British on the return of Hong Kong, Beijing made another serious proposal to Taiwan. Thereafter, the "one country, two systems" formula under which Taiwan was promised a high degree of autonomy became Beijing's basic policy for national reunification.

Probably with the hope of counterbalancing Beijing's political offensive, the ruling Kuomintang (KMT) of the ROC issued a statement on reunification during its 12th National Congress in 1981. The party pledged again to seek "reunification of China under the Three Principles of the People," but Taipei supplemented this strategy with a "three nos" policy (no contacts, no negotiations and no compromise). This simple fact signified a reality that Taipei was forced into a very awkward, and defensive political position, although the government argued that its three-nos policy was not so passive as it appeared. Taipei insisted that this policy had positive, and strategic effects in forcing Beijing to further adjust its Taiwan policy later on.

The year 1987 was indeed a turning point in Taipei's mainland policy and it led to a de facto thaw between Taipei and Beijing. While Taipei continued to reject Beijing's proposals for direct contacts and negotiations, it began to take some positive measures to respond to, or to balance, Beijing's continuing political overtures. This was in stark contrast to its previous rigid and ideologically-oriented policy.

In August 1987, Taipei relaxed restrictions on the import of certain medicinal herbs from the mainland, permitted the import of non-political publications, and took steps to ease restrictions on travel to the mainland. Taiwan residents were formally granted the right to visit their relatives on the mainland via a third country on November 2, 1987.

In April 1988, an indirect two-way mail service was implemented, and by August the same year Taipei had granted local factories the right to import certain agricultural and industrial products from the mainland through a third country or area. Meanwhile, the ROC government was preparing regulations under which the mainlanders would be allowed to visit Taiwan.

⁷ The three links include commercial, postal and travel links, and the four exchanges are that academic, cultural, sports and travel exchanges.

By November 1988, Taipei had decided to allow certain outstanding scholars, artists, etc. from the mainland, and mainland students studying abroad to visit Taiwan. In addition, mainlanders could apply to come to Taiwan to visit seriously ill relatives or attend family funerals. These regulations have since been relaxed considerably and a wider range of people are permitted to come to Taiwan.

On April 30, 1989, Taipei's Minister of Finance, Ms. Shirley Kuo led delegation to attend the 22nd annual meeting of the Asian Development Bank (ADB) in Beijing. Since this was the very first visit of its kind by a high-ranking official, it invited a great deal of controversy, despite the fact that Taipei justified its decision by explaining that Kuo was going in her capacity as an ADB board member, not an ROC minister.⁸

However, it is worth noting that although the ROC's mainland policy seemed to be very pragmatic at this time, it was still very much concerned with the symbolic meaning of direct or indirect contacts with the other side, because direct contacts would have had complicated political implications involving sovereignty and legitimacy. Both President Lee Teng-hui and Premier Yu Kuo-hwa repeatedly stressed that the ROC government would continue to adhere to its basic "three-nos" policy.⁹

Official statistics show that exchanges across the Strait have increased tremendously over the past few years. By the end of 1991, Taiwan residents had made more than 2.4 million trips to the mainland, and more than 22,000 mainland residents had visited Taiwan (see table I). As of till September, 1991, more than 38 million letters and 10 million phone calls exchanged between the two sides.¹⁰

Commercial relations between the two sides have also increased. Indirect trade through Hong kong reached US\$4.04 billion in 1990, a 67 percent increase since 1988. The volume of indirect trade for 1991 exceeded US\$5.79 billion, and Taiwan enjoyed a US\$3.5 billion surplus. Indirect Taiwan investment in the mainland was estimated at around US\$2 billion at the end of 1991.¹¹ This rapid increase indicates that the two sides of the Strait have become more dependent on each other for trade (see table II).

⁸ *Lien-ho pao* (United Daily News), Taipei, May 6, 1989, p.3.

⁹ *Chung-yang jih-pao* (Central Daily News), Taipei, March 5, 1988, p.1. *Lien-ho pao* (United Daily News), Taipei, June 3, 1988, p.2.

¹⁰ Koong-lian Kao, *Guidelines for National Unification and the Mainland Policy*, (Taipei: Mainland Affairs Council, 1991), pp.30-32.

¹¹ *Ibid.*, p.33.

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Table I. Mainland Residents Visiting Taiwan

	Applied	Approved	Arrived	Departed
People with Outstanding Achievement	222	206	89	84
Overseas Scholars	186	16	131	127
Students Abroad	76	75	56	56
Pro-democracy Dissident	59	39	33	32
Total:	543	482	309	299

Unit: person

Time span: December 1, 1988 — October 5, 1991

Note: Numbers of Arrivals and Departures counted till October 3, 1991.

Source: ying-jeou Ma, *The Mainland Policy and Relations between the Two Sides of the Strait in the Past Four Years*, (Taipei: Mainland Affairs Council, 1991), p. 41.

Table II. Taiwan-Mainland China Trade Interdependence

	Taiwan's Exports to the Mainland/Taiwan's Total Exports	Taiwan's Imports from the Mainland/Taiwan's Total Imports
1985	3.21%	0.58%
1986	2.04	0.60
1987	2.28	0.83
1988	3.70	0.96
1989	4.37	1.12
1990	4.88	1.40
1991 (Jan.-Sept.)	5.79	1.64
	Exports from the Mainland to Taiwan/ Mainland's Total Exports	Imports from Taiwan to the Mainland/ Mainland's Total Import
1985	0.42%	2.34%
1986	0.46	1.89
1987	0.73	2.84
1988	1.01	4.06
1989	1.12	4.09
1990	1.23	6.14
1991 (Jan.-Sept.)	\$.60	7.56

Source: *Chung-kuo shih-pao* (China Times), Taipei, February 11, 1992, p.11.

Political relations between the two entities have also begun to move in a new direction. On May 20, 1990, President Lee Teng-hui of the ROC announced in his inaugural address that if Beijing would “recognize the overall world trend and the common hopes of all Chinese, *implement political democracy and a free economic system, renounce the use of force in the Taiwan Strait and not interfere with Taiwan’s development of foreign relations on a one-China basis, then Taipei would be willing-on a basis of equality-to establish channels of communication, completely open up academic, cultural, economic, trade, scientific, and technological exchanges*” (emphasis added) with the mainland.¹² It seems to us that Lee has suggested that if Beijing met those prerequisites, then Taipei would further open up its overall policy toward the mainland.

In addition to increased “unofficial” and “indirect” contacts across the Strait, Taipei has also set up a policy-making and administrative structure to deal with mainland affairs. This consists of the National Unification Council (NUC), set up in late 1990 under the Presidential Office, the Mainland Affairs Council (MAC) under the Executive Yuan, and the quasi-independent Straits Exchange Foundation (SEF). The SEF is authorized by the ROC government to handle exchanges and conduct business with the mainland authorities and thus avoid Taipei violating its official “three-nos” policy.

The “Guideline for National Unification,” drafted by the NUC and approved by President Lee in December 1990, set out a three-phase program for developing peaceful cooperation between the two sides of the Strait. In the first phase, unofficial contacts will be expanded and mutual understanding promoted through reciprocal exchanges in order to further reduce misunderstanding and hostility across the Taiwan Strait. In phase two, Taipei hopes that both sides will make efforts to resolve all disputes by peaceful means, encourage exchanges of visits by high-ranking officials, and help each other to participate in international organizations. This stage would also see the opening of channels for official contacts and direct mail, air, trade, and postal services. In the third phase, Taipei envisages the two sides holding talks on national unification aimed at creating a free, democratic, and prosperous China.¹³

The ROC’s mainland policy is thus formed. Not only has it an overall strategy but also comprehensive tactics for dealing with mainland China. Taipei’s policy

¹² *Chung-yang jih-pao* (Central Daily News), Taipei, May 21, 1990, p.1.

¹³ See George W. Tsai, “Current Relations between Taiwan and Mainland China,” *Issues & Studies*, Vol. 27, no. 9, September 1991, p. 31.

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appears to be more concrete and forward-looking than ever. Taipei hopes that by implementing such a policy, it can help create a peaceful environment for the promotion of mutual understanding, invite a reciprocal response from Beijing in the foreseeable future, and nourish the chance for national unification in the future.

In retrospect, we conclude that the relationship between Taipei and Beijing from 1949 to 1978 was basically one of military/political confrontations. Starting in 1979, the two sides entered a period of peaceful stalemate. On the surface, Beijing made a number of generous political overtures regarding reunification to Taipei and tried to initiate direct contacts and negotiations with the KMT. But at the same time, the mainland Chinese tried continuously to isolate Taiwan from the international community. Although the ROC government would have liked to see a reduction of tension and hostility across the Strait, it refused to have any kind of contact, direct or indirect, with the mainland authorities.

The year 1987 saw the beginning of a period of unofficial exchanges, or people-to-people contacts. As a result of Taipei's policy adjustment, and Beijing's new policy toward Taiwan as well, hostility between the two sides has rapidly decreased in intensity, and direct and indirect social, commercial, cultural and quasi-political contacts have greatly increased.

During this period, Taipei's original three-nos policy has gradually evolved into "no contacts but exchanges allowable, no negotiation but indirect dialogue permissible, and no compromise but reduction of tension possible."¹⁴ The ROC government has finally overcome those political considerations and psychological barriers, and thus decided to partially accept, or tolerate, the existence of the "three links" and "four exchanges," which have already been in operation for some time anyway.

III. The Reasons for the ROC's Policy Adjustment

From the above, it becomes quite obvious that relations across the Strait have changed a lot over the years. But behind this simple reality, what we are more concerned with is Taipei's real motives, or considerations, in adjusting its once rigid, and ideologically-oriented mainland policy.

¹⁴ Sung-jan Ong, "Taiwan's Mainland Policy Since the June Fourth Incident," *Chiu-shih nien-ta* (The Nineties), Hong Kong, June, 1990, p.57.

Moreover, we can not help but ask why the ROC chose the year 1987 to fundamentally adjust its policy toward the mainland. As is known, it was in 1987 that Taipei started its belated domestic political reform. Theoretically speaking, a country that is engaged in fundamental domestic reforms should have less energy to deal with remote, less urgent external problems. Why, then, did Taipei find it necessary to change its mainland policy at a time when tension across the Strait had eased to the point where there seemed to be no urgent reason for action?

We suspect that there must have had some external and internal, or mixed considerations, or pressures, which made the ROC government to do so in recent years. In other words, there must have had some political, economic, social, or even cultural and other related considerations behind Taipei's policy alteration. According to Stephan Haggard, there are usually four kinds of factors, namely international factors, domestic collisions, political institutions, and ideas, which might have impacts on policy choices.¹⁵ There are good reasons for us to believe that Taipei's policy adjustment in 1987 was the result of the combined considerations of all these factors.

Since, as mentioned earlier, the ROC government itself has never given a full and systematic explanation about its policy alteration, therefore the author, based on our understandings on Taiwan's policy, can only bring up all the plausible reasons in the following for discussion.

One possible explanation is that by 1987, it became more apparent to Taipei that Beijing's political overtures had caused it to suffer some political and psychological damage. As far as politics is concerned, Taipei's insistence on the three-nos policy made it look rigid, stubborn, and passive. Taipei was depicted as the counter productive party in the evolving relationship between the two sides. This hurt the ROC government's image both domestically and internationally. Taipei could not afford to keep ignoring Beijing's seemingly generous political overtures indefinitely.

From Taipei's perspective, Beijing's "united front" tactics had to be checked, and Taipei had to face up to reality the sooner the better. In a sense, Taipei's policy adjustment reflects its understanding that to evade the inevitable is not in its best interests, and these interests would be better served by taking the

¹⁵ Robert Wade, "East Asia's Economic Success: Conflicting Perspectives, Partial Insights," *World Politics*, January 1992, p.304.

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offensive.¹⁶ Therefore, it can be argued that the ROC's policy adjustment in 1987 was a reaction to the external pressure, and a response to the changing situation on the other side of the Strait.¹⁷

Furthermore, the continuing deterioration of Taiwan's international status as a sovereign state might also have some influences on Taiwan's new policy toward the mainland. For example, by the year 1987, Taiwan had diplomatic relations with less than thirty countries, and none, except South Africa, Saudi Arabia, and South Korea, with much international significance. The ROC has lost international recognition and almost became a non-existent political entity because of Beijing's boycott.

It became obvious that Taipei alone was not able to reverse the unfriendly tide as long as Beijing was determined to prevent Taipei from returning to the international community. The ROC government might have expected that by changing its hostile policy toward the mainland, and further reducing the tension along the Strait, Beijing, in return, might show some degree of reciprocity in this regard. This argument can be justified by the fact that Taipei has always insisted that Beijing should demonstrate its goodwill by not isolating Taiwan in the world any more and accepting Taiwan's participation in international organizations.

Besides, the author suspects that the attitude of United States might also be a not too important factor for Taipei's policy adjustment. It is nobody's secret that Washington has always hoped that the dispute between the two rival regimes can be resolved peacefully by themselves, and if situations allowed, the U.S. might help nurture a friendly environment along the Taiwan Strait because if tension could really be reduced to a large extent, it would be in the U.S. interests too. Therefore, Washington might have encouraged, explicitly or not, Taipei to take steps to improve its relations with the mainland. But the author admits the difficulty in finding any concrete evidence to prove this argument.

It is also possible to attribute the policy adjustment to the personal initiative of President Chiang Ching-kuo because he was the only leader with sufficient power, and will, to carry out such a radical change at that time. It was Chiang who sensed, or envisioned, that "times were changing, trends were changing,

¹⁶ Michael Ying-mao Kau, "Where Should the Mainland Policy Go?", (Paper delivered at the Public Policy Symposium, Taipei, December 29-30, 1988), p.6.

¹⁷ Chun-shan Chao, "Reviewing The Exchanges Along The Taiwan Strait," in *Chinese Communist Studies*, edited by Huan-chin Chang, Chia-feng Tuan, and Yu-shan Chou, (Taipei: Shan ming Publishing Co., 1991), p.255.

and the environment was also changing.”¹⁸ The aging president, who died in January 1988, might have felt that as Taiwan’s economy developed, a strong middle class emerged, and the society and policy became more pluralistic, mature, confident and stable, it was time to start taking some cautious, gradual and experimental steps toward the mainland. In other words, it was the forward-looking President who, feeling the current of the times, made the final, and brave too, decision to alter Taiwan’s policy toward the mainland.¹⁹

As for the social and cultural considerations, Taipei’s decision to allow cultural and academic exchanges with the mainland and permit the publication of non-political materials from the other side soon after its policy adjustment might be explained as a desire to reinforce cultural bonds and other links between the two sides. Partly because of Taiwan’s rapid economic growth over the past few decades, people in Taiwan have become excessively materialistic, and in many respects Taiwan becomes a sick society.²⁰ People are nostalgic for the “good old days” of mutual trust, strong family bonds, and a low crime rate. Thus, the Taipei government might have felt a need to bring Taiwan back into the mainstream of Chinese civilization by increasing contacts, if only on a very limited scale, with the mainland.

Additionally, Taiwan’s domestic political environment has changed greatly over the past few years as the result of political democratization. One faction of the opposition Democratic Progressive Party (DPP) favors Taiwan’s eventual independence from the mainland, and the government sees this as a source of instability and an open invitation for the Communists to use force against Taiwan.²¹ Thus, by adopting a policy which increases cultural and family ties with the mainland, the ROC government might be hoping to discourage the mounting demands for

¹⁸ *Republic of China Year Book 1990-1991*, (Taipei: Kwang Hua Publishing Co., 1990), p.199

¹⁹ See Hung-mao Tien’s article in *Chung-kuo shih-pao* (China Times), Taipei, January 24, 1988, p.2.

²⁰ Some scholars joked that the ROC meant the “Republic of Casino” because of the society’s wide-spread mood of profit-seeking, and *Time* magazine called Taiwan the “island of greed.” See *Time* magazine (Asian edition), March 19, 1990, pp.50-51. An article in the *San Francisco Chronicle* called Taiwan “a floating casino.” See *Chung-kuo shih-pao* (China Times), Taipei, January 14, 1990, p.3.

²¹ See Premier Hau’s statement in *Chung-kuo shih-pao* (China Times), Taipei, November 9, 1991, p.1, and John Kuan, *Can Taiwan be Independent?*, booklet published by the Democratic Foundation, Taipei, April 13, 1991, p.34, and Parris H. Chang, “Where Should the Mainland Policy Go?” (paper delivered at the Public Policy Symposium, Taipei, December 29-30, 1988), p.10.

independence.

Taipei's decision to increase contacts with the other side of the Strait might also be seen as being based on humanitarian considerations. By the late 1980s, the veterans who retreated to Taiwan with the government in 1949 were growing old and fragile, and their plight attracted the attention and sympathy of the aging president.²² Since the government could not lead them back to the mainland as the KMT had promised, it saw allowing them to visit their relatives before it was too late as an acceptable and humanitarian alternative.

Aside from these humanitarian, political, social, and cultural considerations, economic considerations probably played an important role in the ROC government's decision to open its door to the Communists. By the mid-1980s, Taiwan was facing strong economic competition from other developing countries in areas such as textiles, footwear, and low technology electronics, while its exports were confronted with increasing international trade protectionism, especially from the U.S. and other developed countries. During Reagan administration, the United States often employed article 301 or Super 301 to press its trade partners to open up their domestic markets. The concept of free trade was gradually replaced the idea of fair trade. The environment for international trade was changing.

Therefore, the ROC government found itself have to help local industrialists search for new markets and business opportunities and upgrade its industrial structure and diversify its markets, if it wanted to maintain its outstanding economic growth rate. Beijing's timely offer of generous investment opportunities, cheap labor, and raw materials, and its potentially large market all made it very attractive.²³ Here, Robert Wade pointed out correctly that the political legitimacy of the ROC government was closely linked with its economic success because it was a vital factor in keeping Taiwan's morale high and the society stable.²⁴ Thus, the ROC government was somewhat forced by economic pressure to adjust its mainland policy.

As for other related factors, some might suggest that the pressure, or interest, groups in Taiwan, such as the trade unions or agglomerates, and the competition between various political institutions should have certain degree of influences

²² *Global Views Monthly*, Taipei, Vol.18, December 1, 1987, p.17.

²³ Chun-shan Chao, op.cit., p.255.

²⁴ Robert Wade, "The Role of Government in Overcoming Market Failure: Taiwan, Republic of Korea and Japan" in *Achieving Industrialization in East Asia* edited by Helen Hughes (Cambridge: Cambridge University Press, 1988), p.160.

on the government's policy formulation. But the author tends to believe that these factors were not influential at all, at least before 1988 or so, on the ground that the political system in the ROC was authoritarian at best at that time. In Taiwan, the decision-making process was absolutely from up down to the bottom.

The trade unions, or interest groups, were under strict scrutiny by the government all the time lest they should endanger social stability and national security. To compare with other newly industrialized economics (NIEs), the ROC government owns a large sector of public enterprise, and those tycoons in private sector could not exert much pressure on the government's policy. Similarly, although different government organizations might have their preferred policies or approaches to, or not to, deal with the Communists, it was president Chiang who was the only figure to have that absolute power to decide when and how to adjust the government's mainland policy.

It is quite true that after Chiang's death and Taiwan's democratization since 1988, conflicts occasionally broke out between different bureaucracies, and various business groups exerted pressures on the government to quicken its pace in dealing, or even negotiating, with Beijing. But before the year 1988, these factors were not major causes for Taipei's policy change.

In retrospect, we find it very difficult to evaluate, not to speak of verifying, which of the factor, or factors, was more influential than the others in helping shape Taiwan new mainland policy in recent years. We suspect that each of the reason given above must have had some degree of impacts on Taiwan's decision making process. What we can feel assured is that the scope and pace of contacts across the Strait increased tremendously in the past few years. Although the process has been slow, and sometimes even painful, the transformation has been positive and constructive. It is indeed very difficult for us to recall that just some years ago the two rival regimes were vowing to "annihilate" each other by any available means.

IV. The Essence of the ROC's Mainland Policy

Since Taiwan's mainland policy is basically a policy of national unification, now it is time to switch our discussion to Taipei's policy concerning reunification. Based on previous discussion, we understand that Taipei has no objection at all to the principles of improving relations with the mainland and of reaching national unification in the future, but it has some basic concerns, and some specific

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demands as well, before it agrees to enter any meaningful direct contacts with the other side., Taipei's policy for national unification can be best summarized in the following in detail.

First, Taipei's new and pragmatic mainland policy reflects the ROC's insistence that there is but one China of which Taiwan is a part. But, from Taipei's perspective, this "China" does not necessarily mean the Communist China, and the Communist regime is not China, and the Chinese Communists are different from the Chinese people.²⁵ Taipei does not accept Beijing's political system and ideology at all. And neither will it subordinate itself to Beijing's leadership under the so-called "one country, two systems" formula.

In Taipei's opinion, the reunification of China is emotionally desirable, if not inevitable, politically sensible, and eventually attainable. But it is not feasible for the time being because of the deep-rooted misunderstanding and distrust that has accumulated between the two sides over the past forty years. In addition, the wide gaps in living standards, and in political, social and economic systems between the two sides are also factors preventing Taiwan from seeking an early reunification with China. In other words, Taipei's basic principle is "one China, but not now," a position which is similar to that of the U.S. in recent years.

Secondly, as is known, although Taipei has had no jurisdiction over the mainland for the past forty years, and has lost international recognition to a large extent, it has still claimed itself the sole representative of China. As far as the ROC government is concerned, it has never given up its sovereignty over the rest of China, neither has it recognized the legitimacy of the Communist regime. Taipei's refusal to admit Beijing's mere existence has made itself a laughingstock to some political observers.

But Taipei's new policy seems to suggest that it is now ready to accept, implicitly, Beijing's existence as a political entity. Consequently, we find that Taipei has gradually accepted, and even proposed in recent years, the idea that there is only one China, but with two areas, or two entities,²⁶ obviously with the hope of creating some degree of "constructive ambiguity" in mind. Furthermore, we also observe that, under the principle of "one China," some government officials and scholars have proposed other related formulas, such as one country, two seats;

²⁵ Kuo-cheng Sung, "Evaluation and Comparison of the ROC's Mainland Policy and Chinese Communists' Taiwan Policy," *Mainland Chinese Studies*, Vol. 35, No. 1, January 1992, p.16.

²⁶ *Chung-kuo shih-pao* (China Times), Taipei, February 22, 1992, p.1.

one country, two governments; or one country, better systems, etc..

And, thirdly, Taipei's new mainland policy reflects a simple fact that it demands contacts, no matter whether they are indirect or direct, official or unofficial, must be based on mutual respect and equality.²⁷ And the security of the ROC has to be guaranteed under all circumstances. Taipei also insists that it will only enter into negotiations with Beijing on a government-to-government, and therefore equal, basis.²⁸ The Communists continue to demand party-to-party negotiations as, in their eyes, Taipei is a "local," and therefore inferior, authority. Taipei's basic policy is that both parties have to stand on an equal footing.

Fourth, while Beijing would prefer a quick resolution of the issues of sovereignty and reunification, Taipei's policy signifies that it would like to see a gradual build-up of contacts and mutual understanding and trust. Taipei, which still believes in "using Taiwan as a base but maintaining a view of all China,"²⁹ insists that national unification should be a long evolutionary process, as set out in the Guidelines for National Unification. Taipei believes that indirect, unofficial and non-political exchanges along the Strait are necessary. There have to have a period for reinforcing confidence, building up goodwill and demonstrating reciprocity for both sides. During these early stages, Taipei emphasizes the importance of resolving technical issues, such as civil and legal matters involving residents of the two areas, rather than dealing with the principle of national unification directly.

Fifth, as the ROC government decided to terminate the Period of National Mobilization for Suppressing Communist Rebellion on May 1, 1991, this fact demonstrated Taipei's determination not to use force against the Communists. Although politically Beijing is still considered to be a hostile force likely to employ military means against Taiwan, it is no longer a rebel regime in legal terms. In return, Taipei demands that Beijing openly renounce the option of using force against Taiwan before it will allow any meaningful direct contacts with the Communists.³⁰ Taipei believes that the possibility of a military confrontation with the mainland another source of much anxiety and uncertainty in Taiwan. Therefore, Taipei insists that if Beijing really wants to demonstrate its goodwill to the people of Taiwan, it should declare that it will not use force against them.

²⁷ Ying-jeou Ma, "The Republic of China's Policy Toward the Chinese Mainland," *Issues & Studies*, Vol. 28, No. 2, February 1992, p.4.

²⁸ *Ibid.*, p.5.

²⁹ *Republic of China Year Book 1990-1992*, op.cit., p.199.

³⁰ Jason C. Hu, *Taipei's Approach To Unification With The Chinese Mainland*, (Taipei: Government Information Office, 1992), p.7.

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Sixth, another interrelated question concerns Taiwan's access to foreign arms. Since Taipei has demonstrated that it has no intention of threatening Beijing's existence politically, and it is incapable of recovering the mainland militarily, it demands that Beijing should stop blocking Taiwan's efforts to purchase arms from abroad. For Taipei, access to foreign arms will have strong psychological effect on the people of Taiwan.³¹ It will make them feel that they have some control over their destiny and thus feel safer and more secure. Furthermore, Taipei believes that a strong military will help it negotiate from a position of strength with the mainland in the future. As far as the ROC government is concerned, these arms are for defense only, and there is no need for Beijing to feel alarmed.

Seventh, Taipei's new mainland policy also demands that the Communist should try to understand and tolerate, Taiwan's efforts to reenter the international community through its policy of "pragmatic diplomacy."³² President Lee has remarked, the deterioration of Taiwan international status has probably fueled calls for Taiwan independence among some people on Taiwan,³³ so it would be in Beijing's own interests to stop isolating Taipei. One way for Beijing to make a positive and reciprocal response to the ROC's new mainland policy is to stop blocking Taipei's efforts to return to the international community.

The following figure can vividly demonstrate the different strategies and approaches for national unification between the Nationalists and the Communists.

Figure I. National Unification Policy, Taipei/Beijing

Taipei's Policy

One China, but not now
One China with two entities, or two areas
Three Principles of the people
Mutual respect and equality
Government-to-government
Three-nos

Beijing's Strategy

One China (the PRC)
One China only
One country, two systems
Superior to inferior (central to local)
Party-to-party
Three exchanges and four links

³¹ See details in articles written by Sung-ch'iu Ch'u, "What Positive Reactions Could Be Done Across The Strait Now?" *Chung-kuo shih-pao* (China Times), Taipei, November 11, 1991, p.6, and by Alfred D. Wilhelm, "Will War Break Out Across The Taiwan Strait?" *Chung-kuo shih-pao* (China Times), Taipei, December 7, 1991, p.4.

³² Jason C. Hu, op.cit., p.14.

³³ *Chung-yang jih-pao* (Central Daily News), Taipei, May 1, 1991, p.2.

(continued)

Non-official (indirect) contacts	Official (direct) contacts
Non-political exchanges	Political exchanges
Incremental resolution	Quick legislative resolution
Technical issues (security and others)	Issues of principle (sovereignty)
Step by step improvement	Overall final resolution
<u>Taipei's special demands</u>	<u>Beijing's position</u>
An end to boycott of Taipei's pragmatic diplomacy	Emphasis on the principle of one China
Renouncement of military threat against Taiwan	Refusal to make any such promise
Freedom to acquire foreign arms	Refusal to tolerate this

In conclusion, we find that Taipei's disagreement with Beijing is based not on the principle of national reunification but on how it should be achieved. Taipei believes that national unification should according with the will of all Chinese and be achieved by democratic and peaceful means. In particular, the well being of the people on Taiwan must be taken into consideration. Taipei is bound to be very cautious in its dealing with the mainland because Taiwan, the underdog in some respects, has too much to lose.

Taipei's policy reflects that the ROC government hopes, first of all, to reduce tension with Beijing, avoid direct confrontations, and guarantee Taiwan's security through the implementation of its phased unification strategy. As mutual understanding and goodwill increase over time, a favorable environment for further exchanges and direct contacts will be created. However, the ROC government insists that these developments be based on equality and reciprocity. Taipei would like to see Beijing demonstrating its sincerity toward Taiwan by renouncing the option of using force against the island, agreeing to let Taiwan rejoin the international community, and allowing it access to foreign arms for the purpose of self-defense. Lastly, when the time and opportunity is ripe, national unification will be realized naturally and cause no harm to either side.

In Premier Hau Pei-tsun's words, Taipei believes that its current mainland policy is positive, far-sighted, and comprehensive, aimed at always changing the situation

for the better and emphasizing initiatives and the measured expansion of contacts with the mainland.³⁴ The final goal is to promote democracy, freedom, and prosperity on the mainland in a peaceful manner. The ROC government believes that as long as the principle is accurate, and the direction is right, the opportunity [in this case, for national unification] will eventually arise.

V. Prospects for the Future

Since the late 1980s, cross-Strait relations have indeed evolved from mere peaceful coexistence to peaceful competition. Although the situation is not very stable yet, and tension will still rise occasionally, relations between the two sides are not a zero-sum game any more. Competition and compromise are not only possible, but also necessary. There are reasons for us to believe that relationships across the Strait are likely to improve further in the foreseeable future. The tendency toward interdependence, especially in economic field, is likely to be further reinforced.

For Taipei, it believes that its new mainland policy is not only pragmatic enough to meet the need of the current situation, but also positive and comprehensive enough to guarantee its ultimate success in the future. Therefore, there is good reason to predict that Taipei will adhere to its current policy for some time to come, unless Beijing puts forward another serious proposal or makes some major concessions to Taipei.

If we understood it right, Beijing's objective appear to be to break down the ROC government's will of resistance and the Taiwan people's morale in order to force Taipei into signing a humiliating treaty. In Beijing's opinion, it has already demonstrated its goodwill and generosity to Taiwan through its "one country, two systems" formula. Looking to the future, there is little likelihood that Beijing will change its basic policy, or principle, in this regard.

Problems related to principles, such as Beijing's "one country, two systems" formula or Taipei's Three Principles, are far more difficult to be resolved for the time being. However, we believe to resolve some of the concrete, or technical, problems between the two sides should still be possible. But, the basic problem is still the deep-rooted suspicion between the two sides. On the one hand,

³⁴ *Chung-kuo shih-pao* (China Times), Taipei, February 22, 1992, p.1.

Taipei does not trust Beijing's political overtures, goodwill and reciprocal behaviors, all of which are depicted as sugar-coated poison, and on the other, neither Beijing believes Taipei's adherence to the one China principle.

For Beijing, there are two types of Taiwan independence. One is open, formal independence as proposed by the DPP, and the other is de facto independence under the guise of the ROC's pragmatic diplomacy. From Beijing's perspective, the latter is tacitly supported by various authorities in Taiwan. Beijing suspects that Taipei's pragmatic diplomacy is really aimed at creating "one China, two governments," "one China, one Taiwan," or "two Chinas," and doubts whether Taipei is firm in its adherence to a "one China" policy. Therefore, Taipei's pragmatic diplomacy should be stopped right the way at any cost.

But, if Beijing understands, or can be convinced, that allowing Taiwan to retain some degree of diplomatic recognition could also be in Beijing's benefits, then it should have taken a different attitude toward Taiwan's diplomatic efforts. First of all, certain degree of, even if not much, international recognition could help the KMT justify the validity of its "one China" policy, and secondly it could uphold the ROC government's legitimacy at home, and thus help reduce demands for Taiwan independence. Therefore, Beijing ought not to make every effort to boycott Taiwan's pragmatic diplomacy totally.

Thus, the important thing is, for the ROC government, to convince Beijing that "pragmatic diplomacy" is not aimed at seeking de jure independence under any circumstance, but is rather a device for ensuring Taiwan's survival and future development. And Beijing should also not keep suspecting Taiwan's real intention to national unification in the future, and therefore take a more considerate, and relaxed attitude toward Taipei's diplomatic activities. The author believes that as long as there is no problem of sovereignty and legitimacy involved, to resolve some of the technical problems in the foreseeable future is not totally unthinkable.

Lack of trust also lies behind Beijing's refusal to give up the options of using force against Taiwan. Beijing can justify its use of the threat of force on the grounds that it discourages Taipei from delaying the unification process indefinitely and taking Beijing's proposals too lightly. However, if interflow across the Strait increases to such an extent that the possibility of Taiwan gradually drifting away becomes very unlikely, then Beijing, if convinced by situations as well as by Taiwan's policy, might agree under certain conditions to drop the threat of force against Taiwan.

As one senior mainland official once said, Beijing could tacitly accept the

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status quo, or Taipei's de facto separation from the mainland for the time being, but it could not say so openly. However, if Taiwan were to seek de jure independence, then Beijing would be forced to take strong actions, even if that would invite foreign sanctions and derail Beijing's ambitious reform policy.³⁵ Similarly, the author also believes that while Beijing can not openly give up the military option unconditionally, but it can quietly drop its threat in the future.

There are indeed signs that Beijing is coming round to Taipei's point of view and attempting to resolve technical problems first. After months of resistance, Beijing has recently agreed to establish a counterpart to the SEF, the Council for Relations Across the Taiwan Strait. Although the mainland side still hopes to quicken the pace of exchanges from indirect and unofficial to direct and official, there is reason to believe that the current atmosphere of cooperation regarding the resolution of technical issues will be further enhanced in the future.

Before concluding our discussion in this section, there are at least three important factors which might influence the future relations between the two rival regimes.³⁶ The first of these is mainland China's domestic political situation. In general, scholars agree that Beijing is impending succession crisis, and its economic difficulties make it very unlikely that the Communists will confront with Taiwan in the foreseeable future. Instead, the regime's energies will be expended on dealing with its immediate domestic problems. But if the conservatives or the military get the upper hands in the power struggle after Deng Xiaoping's death, then Beijing might take a stronger position against Taiwan, or push for reunification at an earlier date. This could cause relations across the Strait to turn sour and restrained very quickly. However, if the moderate and liberal factions within the CCP can consolidate their powers in the aftermath, then there are reasons to predict that current relations between the two sides are more likely to be remained on the track for some time.

Taiwan's political democratization is another element which might destabilize the situation between the two sides. It is only natural that the opening of the

³⁵ Personal discussion with a mainland official in the United States. In addition, there is evidence suggesting Beijing can tolerate Taiwan's de facto separation from the mainland for the time being. But de jure independence will certainly invite Beijing's military or political interference. See conclusion of a conference held in the United States, *Chung-kuo shih-pao* (China Times), Taipei, September 6, 1992, pp.2-3.

³⁶ Guocang Huan, "Taipei-Beijing Relations: to Survive Uncertainties in the Nineties," paper delivered at the International Conference on the ROC and the New World Order held in Taipei, from August 21-23, 1991, pp.1.2.

political pressure valve will give rise to a degree of political and social instability, but Taiwan's democratization is compounded by the problem of national identity, and we find Beijing is keeping a very close eye on these developments. The Communists even hold Taipei responsible for failing to take strong action against calls for Taiwan independence. If the independence movement becomes stronger, or if the DPP seems likely to take powers, then relations between the two sides will become very hostile, to say the least.

The international political developments could also have an impact on cross-Strait relations. We all agree that the general trend appears to be toward a more peaceful international environment in which ideological conflicts between East and West will be replaced by competition for resources between North and South. Political detente and economic competition will become the major international themes, and countries are likely to concentrate on economic development and put more emphasis on issues like human rights and the principles of democracy and freedom. This kind of peaceful international environment would be good for both Beijing and Taipei. But if the development of international politics turns to another direction for some reasons, or Beijing's strategic importance is increased once again to a greater extent, then relations between Taiwan and the mainland will also likely to be influenced.

In conclusion, we can see that there are a lot of problems, involving both matters of principle and practical issues surrounding the reunification of China. Although matters of principle in cross-Strait relations can not be resolved for the time being, technical issues can, and ought to be dealt with at this moment. The author strongly believes that the best strategy for both sides would be to prevent a sudden crisis from occurring, expand the scope of mutual interests, and even quicken the pace of exchanges with a proper manner. Narrow-minded or petty behavior might have the effect of embarrassing the other side for a while, but it will only hinder the achievement of long term objectives and will create more problems in the future.

VI. Conclusion

Taipei's policies toward the mainland have evolved from the very hostile "counterattack and recovery" policy of the 1950s to the present mild "reunification under Dr. Sun Yat-sen's Three Principles of the People." Although the ROC government has gradually lost the contest with the Communists for the legal title

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of "China," it has never wavered in its commitment to "one China" and the idea of national unification.

While Taipei still gives high priority to the Three Principles and its "three nos" policy, refusing to have any official contacts with the Communists before Beijing makes major concessions, but it has adopted a more pragmatic policy toward the mainland out of political, economic, cultural, social, and external and internal considerations.

The ROC government is using the prospect of the "three links and four exchanges" as a bait to encourage the Communists to demonstrate their goodwill, to give up one-party dictatorship, to renounce the use of force against Taiwan, to stop isolating Taiwan from the world, etc.. Taipei hopes that by employing a gradual, step-by-step approach it can help reduce hostility and increase understanding. For Taipei, the protection of Taiwan's immediate security is a major consideration, and it insists that future contacts will have to be based on equality and reciprocity.

Beijing, in contrast, hopes to use the "three links and four exchanges" as a means to bring about direct contacts and party-to-party negotiations. For Beijing, the important issues are sovereignty, the principle of reunification, overall resolution, and official political contacts/negotiations with the Taiwan authority. The "one country, two systems" formula reflects Beijing's preference for a speedy resolution of the issue of sovereignty first, leaving technical issues to be dealt with later.

Nevertheless, the current situation along the Strait is moving in a healthy direction and contact are growing more diverse. Both sides seem to have agreed to take a more pragmatic and realistic view and to cooperate with the other, in the hope of paving the way for better relations. Although domestic politics in both Taiwan and Beijing and international political developments might have some impacts on cross-Strait relations, there is reason to believe tension will be further reduced, and mutual understanding will increase with time, both of which will contribute to the eventual reunification of China.

Our analysis indicates that the real barrier between the two rival regimes is deep-rooted mutual suspicion and distrust. Although the fierce hatred of the civil war period may have dissipated, bitter memories of past betrayals still linger. While the ROC government suspects Beijing's sincerity, the Communist regime is not convinced of Taipei's adherence to the "one China" policy.

We understand that to reestablish confidence and to demonstrate goodwill across the Strait will take time and it will sometimes be a painful process. But nothing

could be easier than to destroy the confidence. For the time being, the author suggests that Beijing should concentrate its energies on internal economic modernization, which can, at least we hope, lead to political reforms in the future. And Taipei should itself focus on much-needed domestic political democratization.

Meanwhile, each side should stick to their "one China" policy leaving some space for the concept of "constructive ambiguity" to ferment, make efforts to create an environment for peaceful reunification. Both Beijing and Taipei should avoid using political harassment or military threats against the other, or forcing the pace of reunification, as the time is not ripe yet and undue haste could only increase suspicion. Instead, both sides should try their best to increase contacts, reduce tension, and nurture mutual understanding. It is in this sense that peaceful coexistence, peaceful competition, and even some degree of peaceful cooperation are to the benefits of both sides.

To sum up, we understand that policies rooted in more than forty years of antagonism can not be changed overnight. What we have seen recently is perhaps just the beginning of an evolutionary process, which we hope in the long run can really bring peace, prosperity and democracy to the Chinese people, and full reunification sometime in the future. But at present, Beijing still is, and probably remain, an adversary of, and a potential threat to, the ROC government. And Taipei, armed with its outstanding economic achievements and an increasingly democratic political and social system, will be a political embarrassment for Beijing for some time.