

**China's Rise and Peace and Development in East Asia
A Speech by Dr. LIEN Chan,
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I. Washington and Beijing: Competition or Cooperation?

China has been on the rise ever since embarking on its current reform plan in 1979. This has significant implications for the US-led unipolar international order in the post-cold war era. By and large, there are two schools of thought regarding the international implications of a rising China.

Some believe that a rising China would pose a major challenge to the regional international order constructed by the United States. It is believed that China would have an impact on major American interests in Asia-Pacific in different ways. Michael D. Swaine, a defense analyst once associated with RAND, stated in 2005 (Taipei: "China in the American Political

Imagination”) that the U.S. has four broad interests in the Asia-Pacific region: (1) preventing the emergence of a regional power which might restrict US commercial, political, and military presence in the region, (2) maintaining the US pivotal position in the region’s trade liberalization, market access, and strategic lines of communication, (3) retaining US leadership in promoting democracy in the region and strengthening the democracies’ defense capabilities against the expansionism of authoritarian countries, and (4) keeping the region free from unconventional weapons and technologies as much as possible. A rising China poses challenges to all these four US interests. China harbors major differences with the US in the international order and security in Asia-Pacific. This “zero-sum” perspective is echoed by many salient international relations theorists, including this university’s John Mearsheimer. Others who hold this view include Aaron Friedberg of Princeton University, Joseph Grieco of Duke University,

and many Washington, D.C. think tank analysts.

The second school of thought on China holds that it could be, or already is, a “responsible stakeholder” in regional affairs, to use an apt term by the then Deputy Secretary of State Robert Zoellick. On various international issues like the nuclear crisis of North Korea, anti-terrorism, regional trade, or participation in international organizations, China has shown its orientation toward maintaining the status quo in the Asia Pacific. Chinese former Vice Premier Qian Qichan, “godfather” of China’s foreign policy, in a People’s Daily article dated November 19, 2005, the eve of President Bush’s visit to Beijing, reiterated that China, unlike the former USSR during its rising stage, would not challenge the US-led international order. Zheng Bijian, President of the Chinese Communist Party School and a leading spokesperson for China’s foreign policy, summarizes the main thrusts of Chinese foreign

policy as pursuing “peace externally, social harmony internally, and reconciliation across the Taiwan Strait.” This “positive-sum” perspective on China’s rise is not just an official line in China; it is also shared by some American scholars. Iain Johnston of Harvard University, by presenting evidence on China’s behavior in international organizations, judges China a “status quo” power. Avery Goldstein, at the University of Pennsylvania, believes that China is conducting a Bismarck-style diplomacy, which is defense oriented—it intends only to prevent the formation of an anti-China coalition. Robert Ross, a professor associated with Boston College and Harvard’s Fairbank Center, argues that the US military and diplomatic presence in Asia Pacific makes China a defensive power by necessity. Under this positive-sum perspective, there is much room for Sino-American cooperation.

Generally speaking, China’s current strategy is to

maintain a peaceful and stable international order that will remain conducive to its development. A disruption of this development would have severe consequences for China's already serious social and political problems caused by its decade-long red-hot, but uneven, economic growth. Given its domestic concerns like peasant unrest, official corruption, and income inequality, China really has neither the incentive nor the capability, as I see it, to challenge the US-led international order in Asia-Pacific or elsewhere. Cooperation and collaboration between the US and China seem to be the right course of action.

II. Taipei: A Bit Player in Power Politics

From 1949 when the KMT moved to Taiwan after losing in the civil war to its archrival, the CCP, to 1950 when the Korean War broke out, the Republic of China was really a candle in the wind. But the Korean War

pitted the People's Republic of China against the United States. The latter responded by building a defense line in Asia Pacific, running the whole gamut from South Korea, Japan, Taiwan, to Southeast Asian countries, Australia, and New Zealand. During the height of the Cold War, from the breakout of the Korean War to the concluding stage of the Vietnam War, American geopolitical interests coincided with those of Taipei's; both wanted to deter the expansion of communism.

But as ties between the US, China, and the USSR began to change from two-camp confrontation to a more triangular relationship, the US started to warm up to Beijing and cold-shoulder Taipei. The warm-up began with Henry Kissinger's secret visit to Beijing in 1971, which led to the signing of the "Shanghai Communiqué" in 1972 between Washington and Beijing when Nixon visited China and the establishment of liaison offices between the countries in 1973. It culminated in the

formal diplomatic recognition of the PRC in 1979. The cold-shouldering of Taiwan by the US dovetailed with warming ties between the US and China. In 1979 the US severed its formal diplomatic relationship with the Republic of China when it switched recognition to the PRC.

But unlike 1949, this time Taiwan was not meant to go gently in the night. It now had a vibrant market economy, a fast-growing middle class that was instrumental to Taiwan's democratization a decade later, a very capable government(**half jokingly—“capable” when the KMT was in power**), and strong people-to-people connections with the world. Take per capita national income as an example. At the time when Taiwan enjoyed the highest possible American support during the Korean War, Taiwan had a per capita national income of US\$186. It was US\$2,155 when the US broke diplomatic ties with Taiwan in 1979. Now, it

stands in excess of US\$15,000. In a nutshell, though a bit player in power politics, Taiwan has commanded, and I believe still does command, a high regard among members of the international community for its political and economic achievements.

This fact was not lost on the American government and people back in 1979. The US Congress passed the Taiwan Relations Act that year to spell out America's "non-official" relationship with Taiwan. In 1982, the Reagan Administration signed an "August 17 Communiqué" with the PRC regarding US sales of weapons to Taiwan for its self-defense. The Taiwan Relations Act, together with the "Shanghai Communiqué" of 1972, the "Establishment of Diplomatic Relations Communiqué" of 1979, and the "August 17 Communiqué" constitute the bedrock of US-Taiwan relations, which is also germane to US-China and China-Taiwan relations.

Based on these four documents, the US foreign-policy stance on Taiwan has three inter-related components: (1) the US “acknowledges” (but does not recognize) the PRC’s claim that Taiwan is a province of China; (2) the Taiwan issue has to be solved peacefully; and (3) the US will supply weapons to Taiwan for its self-defense. Harking back to developments among Washington, Beijing, and Taipei from 1979 to the year of 2000, I have to say the US-centered framework (one piece of legislation and three communiqués) undergirded the peace and stability in cross-strait relations for two good decades while China revamped itself economically, Taiwan made the peaceful transition from authoritarian to democratic governance, and the US became the sole superpower in post-Cold War international politics.

III. The Boat Being Rocked

In the 2000 presidential election in Taiwan, the split KMT lost control of the executive branch for the first time to the Democratic Progressive Party. The DPP won that election with thirty-nine percent of the total vote. Ever since then, the DPP has drifted toward *de jure* independence, that is, it intends to change the national name from the current Republic of China to Republic of Taiwan, to re-write the constitution accordingly, and to throw away current ROC-related national symbols like the national anthem, national flag, and even to change the content of social sciences textbooks, and so on. A major theme of this move toward *de jure* independence is de-emphasizing Taiwan's historical and cultural ties with China.

This is against the backdrop of China's economy growing ten percent per annum since 1979, that China has become Taiwan's largest trading partner since 2003 and the main source of Taiwan's trade surplus, that

China is the ultimate destination of almost ninety percent of Taiwan's out-going capital (Taiwan is estimated to have invested over 150 billion US dollars in China), and that over three million Taiwanese have paid at least one visit to China. A correlate of the DPP's *de jure* independence stance is its closed-door policy toward China. This closed-door policy toward China, which is widely regarded as one of the growth engines in world economy in recent years, is partially responsible for the poor showing of Taiwan's economy. Taiwan is now dead last among Asia's "four tiger economies," (the other three being South Korea, Singapore, and Hong Kong) in terms of economic growth, per capita income, and export volume.

More importantly, the DPP's lurching toward *de jure* independence could lead to an unnecessary conflict in the Taiwan Strait into which the United States might inadvertently get dragged. A claim of *de jure*

independence by DPP government would force the PRC's hand to use military force against Taiwan, for the PRC regards Taiwan as the ultimate symbol of national humiliation that China has suffered at the hands of a foreign power since the Opium Wars of the mid-nineteenth century.

Taiwan was ceded to Japan in 1895 with the Treaty of Shimonoseki signed between the defeated China and the victorious Japan after the first Sino-Japanese War of 1894. The second Sino-Japanese War ran eight years from 1937 to 1945, which saw the rape of Nanking and the deaths of tens of millions of Chinese. This collective memory of the Chinese people regarding these matters partially accounts for the frictions between China and Japan in recent years.

In my judgment, no PRC leader would dare run the political risk of letting Taiwan declare formally

independence without trying a military solution. If Taiwan should cave in under PRC military attack, Japan might have to respond in some way. One response might be a nuclear Japan, which would cause a chain reaction on the Korean peninsula. South Korea and the ASEAN countries would bandwagon with China, hence making it a regional hegemon. This would be detrimental to American interests in Asia-Pacific. Furthermore, *de jure* Taiwan independence directly violates the US Taiwan policy framework as aforementioned, thus putting the US in a dilemma. If the US takes a hands-off attitude in the scenario, it will face numerous security problems in the aftermath. If it were to decide to intervene, it would be dragged into a conflict with a very nationalist China. And of course, Taiwan's democracy and prosperity would all be at risk. Therefore, in the past several years, the Bush administration has had to closely monitor the actions of the DPP government and constantly warn it against

recklessness. As a result, Taiwan's relationship with the US, its ultimate security guarantor, has suffered.

IV. A Mouse That Can Roar Peacefully

Against this background, I shook off some historical and political shackles last year and paid a visit to Chinese President Hu Jintao. Some commentators characterized my trip to Beijing as the final chapter of a century-old enmity between the KMT and CCP. Some others believed that my trip to Beijing was the beginning of a China-centered domestic political discourse that would compete with the more politically correct "Taiwan-first" discourse advocated by the DPP. Still others thought I was selling out Taiwan's interests. In truth, I went to Beijing not for retrospective reasons, but for prospective reasons. In my speech at Peking University, I argued for "Plurality and Accommodation," "Mutual Help and Win-Win," and "Maintaining the

Status Quo and Insisting on Peace.” I believe two things. For one thing, Taiwan should take seriously its share of the responsibility for maintaining peace and stability in the Taiwan Strait. It should never create a dire situation in which every country involved would end up worse off. It should not squander the goodwill of the United States. This makes perfect sense in the logic of international politics.

Secondly, I also believe that, Taiwan, though not-so-large a player in power politics, can play a significant role in changing China. After all, Taiwan’s 23 million people, the vast majority of them being Han people, have achieved a viable democracy. It can serve as a beacon for future Chinese political development. Taiwan is also a window of learning for the Chinese, not only in commercial affairs (for example, Taiwan-style management is particularly suitable for Chinese enterprises), but also in cultural affairs (Taiwan has

faithfully preserved both the form and substance of Chinese culture). As China gradually moves toward becoming a pluralistic society, it can learn from Taiwan's experiences on social development. According to various polls, the gist of my "Journey of Peace" to the mainland is well accepted by the majority of Taiwanese people. Anecdotal evidence shows that attitudes among the Chinese people regarding Taiwan have made an about-face. Before my trip, the stereotype of Taiwan was one of a "renegade province" that wanted to break off from the motherland. Now there is re-kindled interest in China about Taiwan's society, politics, and entertainment. I have to say that, while mutual understanding is still a far cry from peace, it is at least a step in the right direction.

In closing, I can reassure my American friends that you still have the greatest military hardware that is indispensable in power politics. And you also have the

greatest software in world politics—a highly efficient market economy and a smoothly functioning democracy. Faced with a rising China, your software will work much better than your hardware. Taiwan, though small in international power politics, will be second to none in making China a “responsible stakeholder.”

I thank you all.