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KEYNOTE ADDRESS

Professor Hungdah Chiu, Taiwan, and Cross-Strait Relations

DR. SU CHI[†]

It is my great pleasure and honor to be here at this symposium honoring Professor Hungdah Chiu. Yesterday, I learned a great deal from Professor Cohen's insightful remarks and the two panels this morning were also highly educational. I feel my trip to this conference is definitely worth it.

Indeed, Professor Hungdah Chiu was our teacher, our good friend and mentor; he was also a good husband and a good father. But from where I came from, many think he was not only all of the above, but a phenomenon unto himself. He exerted enormous influence on the course of Taiwan's development, including cross-strait relations and its relationship to U.S. policy. For centuries, knowledge has been speaking to power in this and other countries. Many people have done that and many more will continue to do so. The reason why Professor Chiu stood out so prominently was because his ideas appeared at the right time and right place.

His influence began in Taiwan in the 1980s and heightened in the 1990s, an era of great transformation in Taiwan and in the world. When the Tiananmen incident occurred in 1989, it changed China and shook the world.¹ Then the Soviet Union collapsed suddenly, completely, and peacefully in 1991 and that changed the world, too. The United States became the only superpower and the global strategic picture was altered. During the 80s and 90s, Taiwan matured enough economically and socially to democratize.² People the world

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1. See SU CHI, TAIWAN'S RELATIONS WITH MAINLAND CHINA: A TAIL WAGGING TWO DOGS 26 (2009) (noting "the isolation of the PRC after the Tiananmen incident").

2. *Id.* at 3.

over applauded our democratization as a new Third Wave model.³ But the flip side of democratization in Taiwan is it let the genie out of the bottle. So, Taiwan was no longer an authoritarian regime, but democratization also entails that many fingers could henceforth pull the trigger. Being the only place that could drag the United States and China into war, Taiwan has since become the tail that wagged two dogs.⁴

For two decades, Professor Chiu tirelessly preached the value of democracy and democratization to Taiwan. He was the leading voice urging the ending of the martial law, constitutional reform, and flexible diplomacy. He also talked about democracy and human rights in mainland China. No less important, he was a forceful advocate of moderation in cross-strait relations. Until the late 1980s, there was so little relationship between Taiwan and mainland China that the term “cross-strait relations” did not even exist.⁵ Thanks in part to Professor Chiu a new term, in Chinese *haixia liangan guanxi*, and its English translation, “cross-straits relations,” were coined.

Let me quickly recount what I thought were Professor Chiu’s major contributions to the vital field of cross-strait relations. He put forward the idea of “mutual non-denial” of the two sides of the Strait as a “political entity.” Until then—in fact, even now—neither the People’s Republic of China nor the Republic of China recognized each other as a “country.” Yet people-to-people exchanges began to flourish in the late 1980s and there was an increasing need for government-to-government contacts to resolve problems arising from those interactions. To legitimize the interaction between them, Professor Chiu proposed that while neither would recognize each other as a “country,” both could interact on the basis of not denying each other as a “political entity.” By now, as some of you may know, this is a pet theme for President Ma Ying-jeou in Taipei.⁶ Professor

3. The Third Wave Model refers to the transitions to democracies in the late Twentieth Century. See generally SAMUEL P. HUNTINGTON, *THE THIRD WAVE: DEMOCRATIZATION IN THE LATE TWENTIETH CENTURY* (1991).

4. See generally SU CHI, *supra* note 1.

5. *Id.* at 1 (noting that November 2, 1987 “is generally considered as the beginning of the current cross-strait relations” and that “[f]or 38 years prior to that, Taiwan and mainland China had experienced only military conflict, diplomatic confrontation, and political struggle”).

6. ‘Mutual Non-denial’ Remains, *Ma says*, *TAIPEI TIMES*, Apr. 6, 2008, <http://www.taipetimes.com/News/taiwan/archives/2008/04/06/2003408525>. Additionally, on May 30, 2011, President Ma in an address to the audience at the Asia-Pacific regional conference of the International Law Association that, unlike “mutual recognition” of East/West Germany and North/South Korea, the case of Mainland China and Taiwan is best characterized as “mutual non-recognition.” Ma Ying-jeou, President of the Republic of China, Opening Address at the 2011

Chiu also argued for “ending of the hostilities” and this term was officially incorporated into President Jiang Zemin’s “Eight Points” statement in January 1995 in Beijing⁷ and President Lee Teng-hui’s “Six Points” statement in April 1995.⁸ Professor Chiu also helped President Lee Teng-hui draft the National Unification Guidelines in the early 1990s.⁹ As the Cold War ended and democratization swept much of the Third World, Taiwan’s smooth democratization and moderate China policy at the time were well received worldwide and particularly welcomed by the United States. This is why we are extremely grateful to Professor Chiu, who exemplified the best qualities of Confucian tradition and Western education.

Speaking of the United States, please allow me to mention the Twin Oaks issue. Some of you may be familiar, and Professor Cohen may be more familiar than I am, with this episode. Before the normalization of the U.S.-China relationship in January 1979, the Twin Oaks had been the official residence of nine ambassadors of the Republic of China government.¹⁰ In the talks leading to normalization, Beijing demanded ownership of Twin Oaks and Taiwan resisted.¹¹ Professor Chiu dug out a number of important legal cases to support Taiwan’s claim.¹² Eventually he helped Taiwan and the United States out of this dilemma by working to add an amendment into the Taiwan

International Law Association Asia-Pacific Regional Conference (May 30, 2011), available at <http://www.cils.nccu.edu.tw/Opening%20Address%20of%20President%20Ma%20Ying-jeou.pdf>. He also mentioned that the idea of “mutual non-recognition” was incorporated into a 2001 international law case book. *Id.* (citing LORI F. DAROSEH, LOUIS HENKIN, SEAN D. MURPHY & HANS SMIT, INTERNATIONAL LAW: CASES AND MATERIALS 343 (5th ed. 2008)).

7. *Jiang Zemin's Eight-point Proposal*, BRIDGING THE STRAITS (Jan. 11, 2011, 5:26 PM), <http://english.cri.cn/4426/2007/01/11/167@184028.htm>.

8. See JEAN MARIE HENCKAERTS, THE INTERNATIONAL STATUS OF TAIWAN IN THE NEW WORLD ORDER: LEGAL AND POLITICAL CONSIDERATIONS 227–28 (1996) (summarizing the six points).

9. SU CHI, *supra* note 1, at 5 (noting that the National Unification Guidelines (NUG) were passed on February 23, 1991 and were the guiding principle for the “Lee administration’s mainland policy”). As its title suggests, the NUG set up a framework of a three-phase plan of eventual unification between China and Taiwan. *See id.*

10. *The Republic of China's (Taiwan) Twin Oaks Estate*, OVERSEAS OFFICE REPUBLIC OF CHINA (TAIWAN) (Feb. 23, 2008), <http://www.taiwanembassy.org/us/content.asp?CuItem=11441>.

11. *Id.*

12. Ma Ying-jeou (馬英九), *Yongyuan de Qiu Laoshi* (永遠的丘老師) [*My Mentor Forever, Prof. Chiu*], in GUOJIFA LUNJI (國際法論集) [INTERNATIONAL ARTICLES IN COLLECTION IN HONOR OF THE SIXTY-FIFTH BIRTHDAY OF PROFESSOR HUNGDAH CHIU] 21, 21–23 (2001) (describing three incidents used by Professor Chiu: 1) a U.K. case, *Civil Air Transport Inc. v. Central Air Transport Corp.* (Hong Kong), [1952] UKPC 25; 2) another case describing how Canada terminated its relationship with Taiwan; and 3) *Guaranty Trust Co. v. United States*, 304 U.S. 126 (1938)).

Relations Act,¹³ with the kind assistance of some senators, specifically Bob Dole and Orrin Hatch, passed in April 1979 by the U.S. Congress.¹⁴ This act allowed Taiwan to retain Twin Oaks to this day.¹⁵ We in Taiwan are eternally grateful for his pivotal role in this important episode.

Returning to cross-strait relations: after democratization, Taiwan began to play a role entirely out of proportion to its power. As of 2010, Taiwan's Gross Domestic Product (GDP) is 1% of the world's GDP, the United States is about 20%; China's is about 14%; Japan's another 6%.¹⁶ So Taiwan is probably the only country in the world, other than South Korea, that is dealing with 40% of the world power with only 1% of its GDP. Because Taiwan is situated in the middle of the three great powers, whatever Taiwan does and says is always being watched jealously by all sides. Thus, the management of our relations with Japan, China, and the United States has always been very difficult.

For the same reason, its key strategic location transformed Taiwan from an "underdog" of the previous four decades into "a tail wagging two dogs" in the 1990s and 2000s. By "a tail wagging two dogs" I mean, for good or bad, Taiwan drove the policy agenda of the United States and China for most of the last two decades.¹⁷

These two decades can be divided into four periods. Lee Teng-hui was our president between 1988 and 2000.¹⁸ But his mainland policy was so different during his time that it had to be divided into two periods: the early Lee Teng-hui (1988–1995) and later Lee Teng-hui (1995–2000).¹⁹ The third period belongs to President Chen Shui-bian (2000–2008),²⁰ and the fourth to President Ma Ying-jeou (2008

13. Taiwan Relations Act, Pub. L. No. 96-8, 93 Stat. 14 (codified as amended at 22 U.S.C. § 3301–16 (2006)).

14. Ma Ying-jeou (馬英九), *supra* note 12, at 22.

15. *Id.* See also 22 U.S.C. § 3303(b) (preventing the invalidation of the Twin Oaks transfer by declaring that recognition, or non-recognition, of Taiwan did not affect property interests "heretofore or hereafter acquired by or with respect to Taiwan").

16. For a listing of country-specific GDPs, see Country Economic Reports & GDP Data, GLOBAL FIN. MAGAZINE, <http://www.gfmag.com/gdp-data-country-reports.html#axzz1rHvcMNHJ> (last visited Mar. 6, 2012).

17. See generally SU CHI, *supra* note 1.

18. *Id.* at xi, xvi.

19. *Id.* at 2.

20. *Profile: Chen Shui-bian*, BBC NEWS (June 11, 2012, 7:25 GMT), <http://news.bbc.co.uk/2/hi/2172980.stm>.

to present).²¹ Generally speaking, Taiwan drove the agenda in all of the four periods. In these four periods, cross-strait relations have five dimensions measured from “hard to soft”: military, international, political, economic, and cultural.²² Generally, the military and international dimensions are “hard” and the economic and cultural dimensions are “soft.”²³ The political dimension could tilt either way.

In the first period, all five dimensions of the relations “were clearly at a level of ease.”²⁴ This was the golden years of Taiwan’s existence in the last six decades.²⁵ During this period, Taiwan initiated almost everything and China almost always played along. For example, Taiwan held then, as now, that the two sides should be equal in status, even though China was much bigger.²⁶ When it came to signing the four agreements concluded in Singapore in 1993, Taiwan insisted on equality in the seating arrangement and everything else.²⁷ As you know, in Chinese tradition the person sitting on the right side of the table is considered the more honorable than the one on the left.²⁸ To show equality, Taiwan side proposed that the two venerable gentlemen who would sign the documents switch seats half of the time.²⁹ But the Chinese and Taiwanese delegations standing behind the gentlemen were so large that they had to remain in the same place.³⁰ So, voilà, a funny picture—a very strange one that I would say is the climax of the Singapore meeting.³¹ In half of the pictures taken, Mr. Koo Chen-fu of Taiwan and Mr. Wang Daohan of the mainland were seen sitting or standing in front of the other gentleman’s wife and delegation.³² This is totally against common practice in the diplomatic world.³³ And yet Taiwan insisted on playing this game and China agreed to play along. That was just a small sign of how Taiwan drove the agenda.

21. Andrew Higgins, *Taiwan's Pro-China Chief Reelected*, WASH. POST, Jan. 15, 2012, at A14.

22. SU CHI, *supra* note 1, at 278.

23. *Id.*

24. *Id.*

25. *Id.*

26. *Id.* at 16.

27. *Id.*

28. *Id.*

29. *Id.*

30. *Id.* at 17.

31. *Id.*

32. *Id.*

33. *Id.*

During the second period, the relationship went sour after Lee Teng-hui's visit to his alma mater, Cornell University in 1995,³⁴ which angered Beijing so much that it fired several missiles toward the island's surrounding waters.³⁵ Taiwan continued to drive the agenda to a lesser extent, but we still managed to draw attention. For example, when I was the ministerial chairman of the Mainland Affairs Council in 1999, I was not aware when President Lee Teng-hui made the surprise announcement of the so-called "special state-to-state relationship" between the two sides of the Taiwan Strait.³⁶ That announcement shocked the world and brought Chinese jet fighters across the center line of the Taiwan Strait.³⁷

The third period was even worse. President Chen Shui-bian governed for eight years and cross-strait relations entered an unprecedented phase. While military confrontation and diplomatic competition went harder, the cultural and economic exchanges became ever more intimate.³⁸ Bilateral trade tripled and the number of visits doubled in eight years.³⁹ Against Washington's advice, President Chen pushed for writing a new constitution for Taiwan, changing the name of the country, and holding a plebiscite to legitimize the moves.⁴⁰ He even laid out a timetable for Taiwan's *de jure* independence.⁴¹ And all these initiatives naturally drove the United States crazy and made China furious.

In the fourth stage, President Ma Ying-jeou assumed the presidency in 2008.⁴² Taiwan's GDP in proportion to China's shrank from a little more than one-quarter in 2000 to less than one-tenth in 2008.⁴³ But Taiwan continued to "wag the dogs," though in an

34. President Lee's incendiary remarks regarding Taiwan's status made during his trip dramatically altered the relationship between Taiwan and the mainland and also the relationship between China and the United States. For a more in depth discussion of the visit's significance, see *id.* at 30–51.

35. *Id.* at 34–35.

36. *Id.* at 52–53.

37. *Id.* at 70.

38. *Id.* at 140.

39. *See id.* at 172–75.

40. *Id.* at 214–16.

41. *See id.* at 217, 226.

42. *Id.* at 293.

43. China's Gross Domestic Product (GDP) was \$1.198 trillion in 2000 and \$4.519 trillion in 2008. By contrast, Taiwan's GDP in 2000 was merely \$326 billion in 2000 and a little more than \$400 billion in 2008. *World Economic Outlook Database*, INT'L MONETARY FUND, <http://www.imf.org/external/pubs/ft/weo/2011/02/weodata/index.aspx> (follow "By Countries (country-level data)" hyperlink; then complete query by selecting China and Taiwan Province, selecting GDP measured in U.S. Dollars, and selecting the appropriate range of years).

entirely different direction. For instance, Taiwan said its fundamental policy is “no unification, no independence, and no use of force.”⁴⁴ China never protested. When Taiwan proposed that the two sides should resume negotiations on the basis of the term “92 consensus,”⁴⁵ China said yes.⁴⁶ When Taiwan said both should talk on the principle of “seeking commonalities and shelving differences,” China said yes again.⁴⁷ When Taiwan said “let’s start with economic issues first, political issues later,” China said yes.⁴⁸ After Taiwan proposed a “diplomatic truce,” the two sides have in deeds, though not in words, refrained from “stealing each other’s diplomatic allies.”⁴⁹ Taiwan initiated all these new policies, China agreed to every one of them, and the United States applauded all along with great relief.

The relationship has gone so much better now that the seating arrangement is no longer an item for haggling. From 2008 on, during any and all ceremonies, the guest gets the more honorable right side and the host sits or stands on the left. The two sides also stopped arguing over the terminologies in the signed documents. In the 1990s, for the sake of equality, Taiwan and the mainland would avoid the use of either side’s terminologies and strained to find a non-legal term instead.⁵⁰ During 2008–2010 a new practice emerged. Each side would use its own preferred terminologies in its version (in traditional or simplified characters) of the 15 signed agreements. A parenthesis would immediately follow to indicate the other side’s preferred usage.

In signing the Economic Cooperation Framework Agreement (ECFA) in 2010, a new problem arose.⁵¹ In Taiwan “framework” is

44. SU CHI, *supra* note 1, at 295.

45. In 1992, Taiwan and Mainland China reached a rare compromise on the most difficult issue of sovereignty whereby both agreed to express the concept of “one-China” verbally, but differed on its definition. In 2000 this compromise was renamed by the author as “92 consensus.” And since 2008 the new term has served as the basis for cross-strait dialogue. *See generally*, “YIGE ZHONGGUO, GEZI BIAOSHU” GONGSHI DE SHISHI (“一個中國，各自表述”共識的史實) [“ONE CHINA, WITH RESPECTIVE INTERPRETATIONS”—A HISTORICAL ACCOUNT OF THE CONSENSUS OF 1992] (SU CHI (蘇起) & CHENG AN-KUO (鄭安國), eds., 2002) [hereinafter CONSENSUS OF 1992].

46. SU CHI, *supra* note 1, at 295.

47. *Id.* at 15.

48. *See Su Chi: Taiwan Makes a Play, China Takes a Hit*, TAIWAN NEWS, Feb. 10, 2012, http://www.taiwannews.com.tw/etn/news_content.php?id=1837674.

49. Kwei-Bo Huang, *In Pursuit of Gradual Stabilization and Peace Dividends: Cross-Taiwan Strait Relations and Their Influence on the Asia Pacific*, MD. SERIES CONTEMP. ASIAN STUD., no. 3, 2011, at 1, 4.

50. *See* CONSENSUS OF 1992, *supra* note 45, at v.

51. Kwei-Bo Huang, *supra* note 49, at 9.

“jia-gou,” but for China “framework” is “kuang-jia.” If a parenthesis were added to the title of the agreement, that would not look too good. Finally it was agreed that a sentence be added to the very end of the ECFA: “The different wording of the corresponding text of this Agreement shall carry the same meaning”⁵² Hence, even linguistically things have improved.

Also, you may be interested to know that one of the fifteen agreements signed was about judicial mutual assistance.⁵³ So our prosecutors, police, and coast guards could now talk to their counterparts on the phone and visit each other.⁵⁴ As far as I know, few people complained; even the opposition party did not complain about this agreement, because it was generally seen as serving the best interest of the people.

As shown above, Taiwan basically drove the agenda over the last twenty years. But I would hasten to note the differences between the first soft period in the ‘90s, when Professor Chiu made the greatest contribution, and the current soft period with President Ma in power. There are, however, five major differences between that first soft period and today. The first difference is the worsening power balance for Taiwan, as mentioned earlier. In the early ‘90s, the power ratio measured in GDP was 1:2.⁵⁵ Now three provinces (Guandong, Shandong, and Jiangsu) surpass Taiwan.⁵⁶ Second, as a corollary, the PRC’s role in the region and the world is much larger than before. Third, there are closer economic and cultural links between the two sides.⁵⁷ Fourth, and most unfortunately, there is deeper division inside Taiwan as compared with the ‘90s.⁵⁸ I would venture to say that Taiwan’s internal strife is much worse than what is going on in

52. Haixia Liangan Jingji Hezuo Jiagou Xieyi (海峽兩岸經濟合作架構協議 / 海峽兩岸經濟合作框架協議) [Economic Cooperation Framework Agreement], art. 16(2), available at http://www.gov.cn/jrzq/2010-06/29/content_1640769.htm [hereinafter ECFA].

53. Kwei-Bo Huang, *supra* note 49, at 8.

54. Jerome A. Cohen & Yu-Jie Chen, *Partners on Crime*, S. CHINA MORNING POST, July 6, 2011, at A13, available at http://www.usasialaw.org/wp-content/uploads/2011/07/20110706-NEWS_INSIGHT.pdf.

55. China’s 1992 GDP was \$488 billion compared to Taiwan’s 1992 GDP of \$220 billion. *World Economic Outlook Database*, *supra* note 43.

56. The GDP’s of the provinces are \$665 billion, \$574 billion, and \$596 billion, respectively. *Comparing Chinese Provinces with Countries: All the Parities in China*, ECONOMIST, http://www.economist.com/content/all_parities_china (last visited Feb. 26, 2012).

57. *E.g.*, ECFA, *supra* note 52.

58. SU CHI, *supra* note 1, 278–79 (describing the current “polarization of public opinion in Taiwan” regarding China).

the States. And fifth, there is greater difficulty in managing the hard and soft dimensions simultaneously.

What about the future prospect of the cross-strait relations? The era of “a tail wagging two dogs” is probably gone forever. I think Taiwan’s power to wag the dogs is diminishing, because both the dog and the tail are changing. How is the dog, the PRC, changing beyond 2012? Let me just put forward this thesis: I think inside China three processes are occurring at this moment, even though they are still at the stage of quantitative change, not yet qualitative change.

The first process is power transition and dispersion inside China. We all know that this year we are going to have an election in Taiwan and an election in the United States. This year in China there is also power transition, from Mr. Hu Jintao to Mr. Xi Jinping.⁵⁹ Previous Chinese leaders such as Jiang Zemin and Hu Jintao were both selected, but Xi Jinping was not selected; he was elected. He was elected not by the people for sure, and not by the small circle of nine standing members of the Politburo, but by what I call the equivalent of the Roman Senate. More than four hundred people, mostly the Central Committee members and alternate members elected Mr. Xi Jinping and other new leaders into the top positions. This means his power base is different. In the future, Mr. Xi Jinping and his colleagues will have to constantly look at these four hundred people, not at the guy at the top or behind. That is qualitative change, and that is occurring. It is not democracy yet, but it is different than before.

Second, economically, as evidenced by the Twelfth Five-year Plan, Chinese leadership is trying to transform the economy from export-based to consumption based.⁶⁰ This is a big challenge and they have never done this before. While this must be terrifying the Chinese leadership, they have to do it because the export market outside China is shrinking.⁶¹ In the process of this transformation, China will appear increasingly not only as a world factory, which China has been so far, but China will appear increasingly as a market while still a factory. China’s future influence will be derived from this new role—as a market. China is now just about the largest

59. Kwei-Bo Huang, *supra* note 49, at 24.

60. *Key Targets of China’s 12th Five Year Plan*, XINHUA GEN. NEWS SERV., Mar. 5, 2011, http://news.xinhuanet.com/english2010/china/2011-03/05/c_13762230.htm.

61. See, e.g., *China Manufacturing Data Show Risk of Deeper Slowdown on Exports: Economy*, BLOOMBERG, Feb. 12, 2012, <http://www.bloomberg.com/news/2012-02-22/china-pmi-may-shrink-for-4th-month-survey.html> (reporting that a “measure of export orders fell to an eight-month low”).

trading partner to everybody surrounding it—from Korea, Japan, Taiwan, the Philippines, Australia, and other Southeast Asian countries.⁶² This role is going to be greater in the future. This sea change for China is very hard to do but the process is beginning.

The third internal process of change is greater popular demand for participation. I agreed with Professor Cohen and Professor Sun this morning when you mentioned entrepreneurship and individualistic tendencies. Deep down the Chinese are very individualistic. So-called collectivism exists only on the surface. I used to study the Soviet Union in graduate schools in the United States, and by comparison, Russia and the Soviet Union truly exemplify collectivism. That huge land was ruled from Kiev for two hundred years, and then for centuries everything flew from Moscow—including politics, culture, economics, cuisine, etc. But in China you see different capitals, dialects, songs, and cuisines.⁶³ In fact, through the dynasties and until the establishment of the Republic in 1912, China never had a single currency country-wide.

Also about this new demand for participation, in the future, there will be a proliferation of new actors. As people-to-people exchanges intensify, new bureaucracies inside China will leap into the Taiwan policy-making processes; new corporations and new groups will strive to make their weight felt. Even some individuals who came out of nowhere would and could splash onto the overall relationship. For instance, Mr. Chen Guangbiao is a filthy rich guy and he just loves to play Santa Claus.⁶⁴ But unlike other rich people with a big heart who usually donate money to charity groups, Mr. Chen likes to go out on

62. *Background Note: South Korea*, U.S. DEP'T STATE, <http://www.state.gov/r/pa/ei/bgn/2800.htm> (last visited Feb. 26, 2012) (noting that China is South Korea's leading trading partner); Saibal Dasgupta, *China Becomes Japan's Biggest Trading Partner Surpassing US*, TIMES OF INDIA, Aug. 25, 2009, http://articles.timesofindia.indiatimes.com/2009-08-25/china/28187935_1_bilateral-trade-total-trade-volume-jetro; *Background Note: Taiwan*, U.S. DEP'T STATE, <http://www.state.gov/r/pa/ei/bgn/35855.htm> (last visited Feb. 26, 2012) (noting the same regarding Taiwan); Xu Lingui, *China to Become 2nd Largest Trade Partner of Philippines as Recovery Takes Hold*, XINHUA GEN. NEWS SERV., Dec. 30, 2009, http://news.xinhuanet.com/english/2009-12/30/content_12728233.htm (noting that China is about to become the Philippines second largest partner.); Dep't of Foreign Affairs and Trade, *Australia's Top 10 Two-way Trading Partners and Australia's Top 10 Exports, Goods & Services*, AUSTL. GOV'T, http://www.dfat.gov.au/trade/focus/081201_top10_twoway_exports.html (last visited Feb. 26, 2012).

63. See TONY SAICH, GOVERNANCE AND POLITICS OF CHINA 2–12 (2d ed. 2004) (discussing the differences in language, ethnicity, and climate throughout China).

64. See Paul White, *China Diary*, MORNING STAR (U.K.), Feb. 20, 2011, <http://morningstaronline.co.uk/index.php/news/content/view/full/101317> (reporting on Mr. Guangbiao's trip to Taiwan to hand out red envelopes containing \$17.2 million in cash donations to the needy).

the streets and dole out cash directly to the people.⁶⁵ During the Chinese New Year in February 2011 he decided to do it in Taiwan.⁶⁶ That infuriated a lot of people there. This kind of individual behavior, totally unsanctioned by officials, could disturb cross-strait relations in the years to come.

These three processes could combine to make China very different. It is difficult to imagine this new China would allow itself to be wagged by a much weaker Taiwan.

Taiwan must learn to deal with a multitude of highly diversified actors with complex or even conflicting agendas. This is a daunting challenge.

If the dog is changing, so is the tail. Taiwan is changing in several ways. First of all, China's role vis-à-vis Taiwan will loom larger than before. China will be at once a bigger opportunity and a bigger threat. That is the reality we have to live with. Second, unfortunately, the Blue and Green camps inside Taiwan are both weak and internally divided.⁶⁷ Even though I'm not an expert in elections, I do not think President Ma, the incumbent, or either of the two challengers, Dr. Tsai Inwen and Dr. James Soong, could win with a comfortable margin in the January 2012 election.⁶⁸ In fact, the margin would be so small that none would be able to push a program as strongly as President Ma did over the past three years. In other words, Taiwan could be a weaker tail in the future.

Thirdly, as cross-strait relations intensify, the Taiwanese people feel more ambivalent toward China. That is to say, intimate cross-strait economic and cultural integration entails greater benefits, but at the same time engenders greater wariness inside Taiwan. This has to do with the human rights problems in China, different ideologies, different thinking, and different systems of government. Some people in the West tend to think that Taiwan is now sliding into the orbit of the PRC. I totally disagree. I think that is a very unfortunate misreading of the situation. People do not live by bread alone.

On the one hand, we need the bread. We need to do business together. But at the same time, we are aware of the differences. So,

65. *Id.*

66. *Id.*

67. SU CHI, *supra* note 1, at 279.

68. On January 14, 2012, President Ma was reelected with 51.6% of the vote, Ms. Tsai won 45.6%, and Mr. Soong won 2.8%. Andrew Jacobs, *President of Taiwan is Re-elected, a Result That is Likely to Please China*, N.Y. TIMES, Jan. 15, 2012, at A6.

we just have to manage the dialectics—the opportunity and threat at the same time. President Ma’s strategy, which I also support, is to maximize the opportunity and minimize the threat. Of course, that is easier said than done, but somehow we have to try.

From the foregoing analysis, my conclusion is that the era of “a tail wagging two dogs” is probably over. We are approaching a new turning point, if not an era. I don’t know if it will be a new era or not, but at least a turning point is coming up. Partly it will depend on who is going to win the next election.

So as you can see, I am very apprehensive about Taiwan being weakened to the extent that it cannot handle the complexities of cross-strait relations anymore, particularly in view of its internal division. This is why after some brainstorming, I have decided to set up a new think tank in Taiwan. It is a bipartisan think tank, the first of its kind in Taiwan. It is not financed by the government or a political party. It’s called Taipei Forum.⁶⁹ And I have convinced some Democratic Progressive Party members to work together with me. We hope that we could at least forge some degree of internal consensus to prepare for the next moves by the “new dog.” And we are going to launch the think tank sometime after the election.

In the long run though, I like to think (and I hope I am right) that Taiwan could exert our role as a democracy. As the Chinese people are individualistic, enterprising, and free-minded, they can accept democracy as many others have, even though the eventual system of government may be different from the Western model of liberal democracy. I think when they have collected enough money in their pockets, when they have enjoyed inner freedom, they will want to have a say in decision making to protect their money. They will want to have the power to express their ideas freely. Warts and all, Taiwan could be a model. But the pre-condition for Taiwan to play that role is to not go for *de jure* independence. If Taiwan were seen as going toward *de jure* independence, China’s eyes would be closed toward Taiwan’s democracy. They would only see that as a threat to their nationalism. Additionally, Taiwan has to govern itself well to make itself attractive. This is not easy, especially compared to China’s economic performance in the last thirty years. But in the long run, I am hopeful that Taiwan will continue to play a positive role. We may not wag the dogs, but we will interact with the dogs positively, including our relations with the United States.

69. See TAIPEI FORUM, <http://www.taipeiforum.org.tw> (last visited Apr. 12, 2012).