DRAFT, CITATION WITH PERMISSION ONLY

# From "Linkage Communities" to "Intra-National Commonwealth": Conceptual Frameworks and Policy Options for a Peaceful Resolution of the Cross-Taiwan-Strait Conflict\*

By

Yung Wei President Vanguard Institute for Policy Studies 15 Chi-Nan Road, Sec. 1 Taipei, Taiwan 100 Republic of China

\*Prepared for delivery at Third Roundtable on U.S.-China Policy and Cross-Strait Relations, sponsored by National Committee on American Foreign Policy, 320 Park Avenue, New York City, U.S.A., July 13-15, 1998.

### From "Linkage Communities" to "Intra-National **Commonwealth": Conceptual Frameworks and Policy Options for a Peaceful Resolution of** the Cross-Taiwan-Strait Conflict\*

#### Yung Wei

President Bill Clinton's visit to Mainland China in June 1998 marked a new stage in Washington-Taipei-Beijing relations. Not only this is the first visit by a US President to Mainland China after the Tiananmen Incident, but also it is the first time an American President set foot on a land which was the object of US military deterrence during the Taiwan Strait Crisis in March, 1996.

During Clinton's visit to Mainland China, most officials and political observers in Taiwan focused their attention to the possible release of a Fourth USA-PRC Communiqué or a US statement on the issue of "Three Nos." As is turned out, there was no fourth communiqué. There was indeed a remark by President Clinton, not in Beijing but in Shanghai, on the idea of "Three Nos," President Clinton said in Shanghai on June 30 that "I have a chance to reiterate our Taiwan policy which is that we do not support independence of Taiwan, or 'two Chinas' or 'one China, one Taiwan'....And we do not believe Taiwan should be a member in any organization for which statehood is a requirement."<sup>1</sup> President Clinton's remark immediately created great concerns in Taiwan. It also drew criticisms from some leading American newspapers including Washington Post and Asian Wall Street Journal.<sup>2</sup>

While Beijing has been generally positive toward Clinton's remarks on the "Three Nos," responses from Taipei have been varied dependent upon the political orientation of the observers. Among the first to response was President Lee who offered a basically positive view on Clinton's statements. However, as more and more negative response set in, Jason Hu, Foreign Minister of ROC finally admitted that the "Three Nos" statement did constitute certain damage to ROC's interests.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> News release by Agence France Presse, Shanghai, June 30, 1998.

<sup>&</sup>lt;sup>2</sup> "Siding with the Dictators," Editorials and Opinions, <u>Washington Post</u> (July 2, 1998), p. 20; Russell Flannery, "Clinton's Remarks Rile many Taiwanese," <u>Asian Wall Street Journal</u> (July 2, 1998), p. 3. <sup>3</sup> For Taiwan's response to the "Three Nos," see "The 'Three Nos' of the US Government shocked up

Taipei," Yazhou Zhoukan (Asia Weekly), (July 6-12, 1998), p. 22.

Of all the political parties in Taiwan, the Democratic Progressive Party (DPP) was by far the more disturbed by Clinton's remarks. For decades, the DPP has been dependent upon the United States as a covert "supporter" of its policy toward "independence." With the United State now openly declaring that it does not support independence for Taiwan, it is really a deadly blow to DPP's long held position. As a readjustment to this new position of the United States, many DPP senior leaders reinterpreted that the current situation in Taiwan represents a *de facto* independence. Therefore, there is no need to bring about an immediate legal independence. DPP's new interpretation, though somewhat complacent in nature, does represent a more realistic readjustment to political reality.

Next to the DPP, another political party felt most troubled and embarrassed is the KMT establishment. Having tried in the past decade to gradually dissociate from the "One China" policy, to move onto "a staged two Chinas" policy, to reenter the United Nations, the KMT found it difficult to embrace Clinton's remarks in Shanghai for they represent a clear-cut rebuttal of the so-called KMT "main stream" endeavors which already been made increasingly clear as futile efforts by a series of setbacks suffered by Taipei in its international environment.

For political leaders and observers in Taipei who adhere to the original goal of the Republic embedded in the ROC Constitution, the first two points in Clinton's remarks actually help them uphold the principle of "One China" and reject a separatist path for Taiwan's future. They only question Clinton's judgement in rejecting ROC's membership in state-oriented international organizations. Clinton's position in this regard can also be challenged by referring to Section 4, articles (d) of the Taiwan Relations Act which states that "Nothing in this Act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution or any other international organizations."

What will be the future direction of ROC-USA-PRC relations? What will be the kinds of conceptual frameworks which can serve a functional instrument to gauge the different positions on Cross-Taiwan-Strait relations? Finally, what are the policy options

<sup>&</sup>lt;sup>4</sup> See Yung Wei, "It is Time to Reexamine and Readjust Our External Policy," <u>United Daily News</u> (July 4, 1998), p. 15.

which may be acceptable to Taipei, Beijing, and Washington and which may pave for a peaceful resolution for the Taiwan issue. These are but few of the questions that will be dealt with in this paper.

Let us first turn to the problem of conceptualizing the current realities in China. Herein one immediately is confronted by the issue of "one China." Although both Taipei and Beijing officially adhere to the idea of "one China," their interpretations have been quite different. For Taipei, "one China" is officially defined as "historical, geographical, and cultural China." For Beijing, "one China" increasingly is treated merely as a synonym to the PRC. Recently, however, in a conversation with Hsu Li-nung, a senior leader of the New Party in Taiwan, Wang Daohan, chairman of the Association for Relations Across the Taiwan Straits of Mainland China, gave a more flexible explanation of "one China," referring it to a China after reunification.

As for the United States, up to now "one China" is defined by the interpretation in the 1972 Shanghai Communiqué which states that "the United States acknowledges that all Chinese on either side of the Taiwan Strait maintains there is but one China and that Taiwan is a part of China."<sup>5</sup> Even under tremendous pressure from Mainland China to reiterate "one China," US government officials increasingly have been using the expression " the 'one China' policy of the United States" which is interpreted by Taipei as an obvious attempt to avoid giving the impression that the US government has already accepted Beijing's version of "one China."<sup>6</sup>

Both Taipei and Beijing have their different concern over the "one China" concept. Except the New Party and the reform-wing of the KMT, both the KMT establishment and the DPP constantly resisted the idea of "one China." Apart from their "separatist" tendency, their resistance has been sustained by the argument that Beijing has utilized the "one China" concept as an instrument to deny international status for the ROC. The strenuous effort made by the PRC to dislodge the ROC from international organizations and to deprive the ROC of its limited formal diplomatic ties

<sup>&</sup>lt;sup>5</sup> "Shanghai Communiqué, February 27, 1972," in Martin L. Lasater, *Taiwan Facing Mounting Threats* (Washington, D.C.: The Heritage Foundation, 1984), pp. 57-60.

<sup>&</sup>lt;sup>6</sup> Remark by Shen Lu-shun, Director General of the Department of North American Affairs, Ministry of Foreign Affairs, in a forum on "Future US China Policy after Clinton's Trip to Mainland China," sponsored by Sino-American Cultural and Economic Association, Taipei, Taiwan, Republic of China, July 10, 1998.

further reinforced their anti-"one-China" stand. On the Beijing side, the declining mentioning of "one China" by the ROC government, couple with various new interpretations of "one China" by the latter, led to intensified charges of Taipei in deviating from the "one China" principle.

To break the deadlock, I believe that the best approach is for Taipei to return to its long held position on "one China" and on its stand in unifying China with teaching of Dr. Sun Yat-sen, meaning the principle of nationalism, the principle of democracy, and the principle of people's welfare. As for Beijing, it must allow Chinese on both sides of the Taiwan Strait to interpret "one China" in their own ways. "One China" equivalent to the PRC definitely has no market in Taiwan. A more abstract definition emphasizing the cultural, historical, and geographical aspect of the Chinese nation will find more acceptance to Taipei.

Other than the concept of "one China," a new perception on the process of interaction between the two sides of the Taiwan Strait is needed. At this point, both Taipei and Beijing still treat interactions between the two sides as a process which must be handled in such a way as to achieve their own political purposes. As a result, Taipei follows a policy of "Chieh-Chi Yung-Jen (Avoiding eagerness and employing patience)" which includes: (1) Restriction of investment to mainland China which exceeds US \$50 million per project; (2) Prevention of investment on high technology; and (3) investment to mainland China by any company listed in the stock market must go through special review by the government.<sup>7</sup> All these restrictions, however, have not prevented a steady growth of investment by Taiwan business to mainland China.

On the Beijing side, after the 1996 Taiwan Strait crisis, a more realistic policy toward cross-Strait interactions seemed to have been adopted, i.e., the separation of the handling of private interactions from those involving government or semi-government contacts. Consequently, more liberal policies have been adopted to encourage trade and investment by Taiwan's entrepreneurs to Mainland China. A law for the protection of Taiwan businessmen has been passed by the People Congress and is in the process of being implemented.

<sup>&</sup>lt;sup>7</sup> Citation of regulations of the ROC government by Legislator Yu Lin-ya in "We need openness, not closeness; autonomy, not suffocation," *Collection of Papers on China Policy Conference of Democratic Progressive Party* (Taipei: DPP Central Party Headquarter, Feb. 13-15, 1998), pp. 191-211.

Despite political restriction and interference, there has always been a natural tendency for Taiwan and Mainland China to engage in mutually complementary and beneficial trade, investment and other types of interactions. Ever since its development into a community of immigrants from Mainland China in the sixteenth century, Taiwan has always been engaging in close trade relations with the Mainland. There has always been a phenomenon of "Linkage Community" within both Taiwan and Mainland China which have served as a natural bond of relationship between the two sides.

Based upon the observation on the process of continuous expansion of individuals and groups who have linkages with other sides of the divided Germany, this author has developed and put forth the theory of "linkage communities."<sup>8</sup> Expanding on his earlier conceptualization of "multi-system nations," this author argues that it was not the fall of the Wall of Berlin that brought about the unification of Germany but a gradual process of continuing building of "linkage communities" in both East and West Germany through trade, sharing of mass media, and finally the development of democratic institution in East Germany that finally created the foundation for socio-economic integration which in turns led to political unification.<sup>9</sup>

It would be useful, therefore, for leaders both in Taipei and Beijing to look into the practical implications of the concept of "linkage communities" and to adopt policy measure to facilitate development along this so that a peaceful resolution of the cross-Strait problem may be realized. Once adopting the concept of "linkage communities," a new mentality would set in. Instead of being purely elite-oriented, one would become more people oriented; less political and legally oriented, more culturally and socio-economically oriented; less structurally oriented, more functionally oriented.<sup>10</sup>

Other than the concept of "linkage community," still another new concept developed by this author which may help resolve the

<sup>&</sup>lt;sup>8</sup> See Yung Wei, "From 'Multi-System Nations' to 'Linkage Communities': A New Conceptual Scheme for the integration of Divided Nations," *Issues and Studies*, Vol. 33, No. 10 (Taipei: October, 1997).

<sup>&</sup>lt;sup>9</sup> For further application of "Linkage Communities" to the Chinese and Korean cases, see Yung Wei, "'Multi-System Nations', 'Linkage Communities' and 'Intra-National Commonwealth': General Concepts on the Unification of Divided States and Their Application to the Chinese as well as Korean Cases," <u>New Asia</u> Vol. 4, No. 4 (Seoul, Korea: Winter, 1997).

<sup>&</sup>lt;sup>10</sup> See Yung Wei, "From 'Multi-System Nations' to 'Linkage Communities'" op. cit.

cross-Taiwan-Strait relations is the "intra-national commonwealth." The idea of applying the model and experience of the British Commonwealth to the solution of the current cross-Taiwan-Strait relations has been around for a number of years.<sup>11</sup> The proponents of this line of thinking use a variety of similar model and arrangements including "confederation," "commonwealth," and "economic communities." All these conceptualizations, however well intended, ignored or at least de-emphasized a very important pre-condition for its actualization, i.e., the existence of mutually accepted organizational frameworks based upon "independent" states— a condition which may be acceptable to Taipei, but definitely not acceptable to Beijing.

In order to overcome the above deadlock, this author suggests that instead of borrowing models and experiences from the West, people on both sides of the Taiwan Strait should gain insight from the relationship among various political systems at different stages of unification and division throughout the more than two thousand years of Chinese history. By examining the history of the warring states (453-221 B.C.) and the three kingdoms (220-280 A.D.), we have come to the realization that at various stages of the Chinese Nation, various Chinese political systems co-existed within the territory of China. These political systems were not "foreign countries" to each other, yet they managed to develop rules to regulate interactions with each other. Hence the two political systems within China today may learn from the experience and rules of interactions among different political system in ancient China, thus avoiding the problem of having to deal with each by conventional international law which has failed to foresee the unique problem confronting the cross-Strait relations.<sup>12</sup>

Several unique features may be observed from relations among different systems in ancient China. First, they all agreed that they belong to a larger Chinese nation. Second, they differentiated the relations with other Chinese systems from those with other non-Chinese

<sup>&</sup>lt;sup>11</sup> For examples, see Tao Peh-chuan, "Chinese Commonwealth," <u>United Daily News</u> (Taipei: Nov. 1991); Wang Yung-ching, "Confederation: A Constructive Path toward the Solution of Cross-Taiwan-Strait Relations," <u>Taiwan Daily</u> (Taipei: Sept. 13, 1997); Mei Ko-wang, "Great Chinese Commonwealth," <u>Global View</u> (Taipei: Feb., 1998); and Yung Wei, "'Multi-System Nations,' 'Linkage Communities' and 'Intro National Commonwealth," on ait.

 <sup>&</sup>lt;sup>12</sup> For the shortcoming of conventional international law, see Yung Wei, "Legal Status of the 'Divided Nations," paper presented to Annual Congress of International Law Association, Taipei, Taiwan, Republic of China, May 25-30, 1998); later published in <u>China News</u> (Taipei: May 30, 1998), p. 6.

systems outside China. Third, they all adhere to the idea of eventual re-unification of China irrespective of the duration of division. Fourth, they tried to preserve and enhance Chinese cultural heritage and use it as a foundation for political re-unification. Finally, they basically rejected the idea of bringing foreign forces into internecine conflicts within China. All these principles, I believe, can shed much light to cross-Taiwan-Strait relations.

Having completed a review of the various possible conceptual models toward a peaceful resolution of the Taiwan issue, we may now move to more concrete analysis of the existing formula of accommodation between two sides of the Taiwan Strait. The official position toward unification offered by Beijing is the "One Country, Two Systems" formula. As for Taipei, the official line of unification is to be found in the Guideline for National Re-unification. Both systems and models, in one way or another, have its intellectual roots in the "multi-system nations" coined by this author, although neither is willing to acknowledge it openly.

The "One Country, Two Systems" model put forth by the PRC is a scheme to deal with the capitalist system gradually absorbed by the socialist system after reunification. The formula was originally designed for Taiwan; but was incorporated in the Basic Law and was applied to Hong Kong. The essence of this formula rests on the tolerance of the co-existence of both capitalist and socialist system in one country. Under this scheme, the capitalist system is given a definite period of transition during which the central Government (head of the socialist system) is willing to give high level of autonomy to the incorporated capitalist system, including an autonomous though local government, an independent currency, a separate educational system, and in the case of Taiwan, even a separate armed force.<sup>13</sup> (See Table 1) Nevertheless, the lack of international status for the incorporated capitalist system and the unequal relations between the two systems has

<sup>&</sup>lt;sup>13</sup> For discussion on the "One Country, Two System," see Byron Weng, "An Evaluation of 'One country, two systems' as a Model for Unification," *Proceedings on the Conference on "Where Our Mainland China Policy is heading to*" (Taipei: 21st Century Foundation and China-Time Foundation, 1988); Tzong-ho Bau, "The Essence of Beijing's Policy Towards Taiwan," *Chinese Political Science Review*, 21 (Dec., 1993), pp. 141-171; Yung Wei, "Taiwan-Strait Crisis and Taipei-Washington-Beijing Relations," in *Relations Across the Taiwan Strait: Perspectives from Mainland China and Taiwan* (Washington, D.C.: the Atlantic Council of the United States, March 1998); and Shih Chi-yu, "One Country, two Systems' and the Theory of 'First Stage of Socialism," *Vanguard Analysis* (Taipei: Vanguard Institute for Policy Studies, 1992).

made the model having limited appeal to the people of Taiwan. (See Table 2)

As for the "One Nation, Two Entities" model proposed by Taipei, it is basically a transitional arrangement to deal with the problem of national unification and international organization. Both in spirit and in content, it is almost a complete copying of the author's theory on "Multi-System Nations."<sup>14</sup> The essence of this model is to provide the ROC and the PRC full international personalities under the "one nation" framework before national re-unification is achieved. (See table 1 for a comparison on the similarities and differences between "One country, Two systems" and "One Nation, Two Entities.")

Since at the present time, neither Taipei nor Beijing can accept each others formulas as solution of problems on cross-Strait relations, innovative and accommodative ideas have been advanced on both sides of the Taiwan Strait and in Hong Kong. For instance, a researcher in Shanghai Academy of Social Sciences put forward the idea of "one nation, two legal systems in four legal domains,"<sup>15</sup> certain political scientists in Taiwan compares cross-Strait relations to that between Russian and former republics of the demised Soviet Union and examined the delicate issue of sovereignty and international representation. <sup>16</sup> An international-law professor in Hong Kong interprets "One Country, Two

<sup>&</sup>lt;sup>14</sup> For discussions by this author on the inception, development and policy impact of the concept of multi-system nations, see Wei Yung, "The Unification and Division of Multi-System Nations: A Comparative Analysis of Basic Concepts, Issues, and Approaches," (Paper delivered at symposium on Functional Integration of Divided Nations, Seoul, Republic of Korea, October 6-7, 1980); later published in *Multi-System Nations and International Law: The International Status of Germany, Korea, and China*, edited by Hungdah Chiu and Robert Downon (Baltimore: School of Law, University of Maryland, 1981). Also see the author's following papers: "Multi-System Nations Revisited: Interaction Between Theories and Realities" (Paper delivered at the International Conference on Unification of Multi-System Nations, Taipei, September 27-29, 1991). "Unification or Separation: Assessment of Relations between the Two Chinese Political Systems through the Concept of Multi-System Nations" (Paper delivered at the Conference on China's Constitutional Systems: Convergence or Divergence, Columbia University, New York, 29 April 1994); and "Conceptual Schemes for Multi-System Nations and Inter-System Developments" (Paper delivered at Panel on System Integration of Divided Nations, XVI World Congress, International Political Science Association (IPSA), Berlin, 21-25 August 1994).

 <sup>&</sup>lt;sup>15</sup> See Weng Qiyin, "'One Nation, Two Legal Systems' and Our Future Constitution," *Papers of Shanghai Academy of Social Science (3)* (Shanghai: Shanghai Academy of Social Sciences, 1990), pp. 206-233.
<sup>16</sup> Yu-Shan Wu, "Theorizing on the Political Economy of Cross-Strait Relations: An Analogy with

<sup>&</sup>lt;sup>16</sup> Yu-Shan Wu, "Theorizing on the Political Economy of Cross-Strait Relations: An Analogy with Russia and Its Neighbors," *Issues and Studies*, Vol. 31, No. 9 (September, 1995), pp. 1-18; also see Tun-jen Cheng, "The Mainland China-Taiwan Dyad as a Research Program," in *Inherited Rivalry: Conflict Across the Taiwan Straits*, ed. By Tun-jen Cheng, Chi Huang, and Samuel S. G. Wu (Boulder; Colorado: Lynne Rienner, 1995).

Systems" formula as "one nation, two international personalities."<sup>17</sup> All these are helpful in bridging the gap between "One Country, Two Systems" and "One Nation, Two Entities."

Looking the future, a series of re-examination, re-definition, and readjustment of the basic concepts and conceptual frameworks are needed in order to promote a peaceful resolution of the cross-Taiwan-Strait conflict.

1) Reassert and re-define the "One China" concept.

"One China" is the only and foremost unifying concept between the ROC and PRC. "One China" is equivalent to either the ROC or PRC; rather, it is the Chinese nation defined in cultural, historical, and geographical terms.

2) Reassert the national goal of reunification but allow both systems within "One China" to have transitional international personalities pending eventual merger into one.

Taipei should not project itself as an emerging new state while Beijing should allow Taipei to have limited bilateral diplomatic relations and representation in international organizations, at least to have an observer's status.

3) Redefine the "sovereignty" issue in the Chinese context.

Sovereignty belong to the abstract Chinese nation including both sides of the Taiwan Strait. There is no problem of sovereignty between the ROC and PRC. There are two *de facto* separated jurisdictions for Taipei and Beijing within one shared sovereignty. Each side should accept or, at least, tacitly acknowledge other side's *de facto* jurisdiction so as to allow a minimum level of official and private contacts between the two systems and to deal with legal problems that might arise from the interaction process.

4) Try to develop linking concepts between "One Country, Two Systems" and "One Nation, Two Entities."

As mentioned in the earlier part of this paper, there has been efforts to bridge the gap between the conceptual framework of Beijing and

<sup>&</sup>lt;sup>17</sup> See Roda Mashkat, "Hong Kong's International Personality: Issues and Implications" in W. H. Angus (ed.) *Canada-Hong Kong: Some Legal Considerations* (Toronto: Joint Centre for Asia Pacific Studies, 1992), pp. 14-30.

Taipei. Despite Taipei's resistance to Hong Kong model and experience, future development in the former British colony definitely will have an impact on Taiwan's future. It is useful, therefore, for Taipei to keep a close watch on Hong Kong's economic, social, cultural and political development. It may be of special interest to Taiwan to use Hong Kong as a meeting place for exchanging development experience between Taipei and Beijing on such issues as reform of state-owned corporations, administrative reform, and high-technology development.<sup>18</sup>

5) Relax restriction on cross-Taiwan-Strait trade, investment, tourism, cultural, and scientific exchanges, paving the way for eventual direct air linkage between Taiwan and Mainland China.

Both Taipei and Beijing should relax control over cross-Strait interactions. Efforts should also be made to enact laws for the protection of the right of each other's nationals and residents in the areas of individual rights, property rights, and intellectual property rights; recognition of each other's official documents in non-political arena such as educational degrees, patent certificates, and other types of deeds and diplomas.

6) Promote cooperation in economic, science, and technology arena and probe into the possibility of establishing formal or informal organizations among the four Chinese economies.

In view of the fact that both Taiwan and Mainland China have specific areas of strength and weakness in the economic and science arenas, more interchange should be encouraged. Over the past decade, many social scientists, and especially economists on both sides of the Taiwan Strait as well as in the United States and other countries have proposed various frameworks for cooperation for the Chinese economies. Although a low-profile approach should be taken in view of possible backlash from countries worrying about the resurgence of a greater and stronger China, an in-depth and long-range investigation and planning should be made in this area so as to fully exploit the benefit of such constellation.<sup>19</sup>

<sup>&</sup>lt;sup>18</sup> For example, see Yung Wei, "From Entrepot to High-Tech Center: Hong Kong's Future as a "Linkage Community" paper delivered at "Hong Kong Economic Forum, Free Market Economy-The Way Forward," sponsored by Hong Kong Policy Research Institute, and Hong Kong Trade Development Council, Hong Kong Convention and Exhibition Center, June 29-30, 1998.

 <sup>&</sup>lt;sup>19</sup> For example, see Cheng Chu-Yuan, "Greater China Common Market," <u>Liao-Wang (Outlook)</u>, overseas edition (Beijing: Nov., 1998); Charles S. C. Kao, "Asian Chinese Common Market," <u>Shing</u>

7) Encourage the think tanks in Mainland China, Taiwan and Hong Kong to engage in open or closed door conference and research project to study various conceptual issues and policy options.

Problems such as the definition of "one China," the issue of sovereignty, the problem of unification and division, the problem of international participation and recognition, and memberships in international organizations should be studied with the perspective of both Mainland China and Taiwan. In comparison with the dynamic and influential role of the think tanks in the United States, participation of the think tanks in three Chinese communities should be further enhanced.

In conclusion, US President Clinton's trip to Mainland China and the resultant "Three Nos" have generated considerable tremors in Taiwan. Critical comments and analysis by American scholars also generated great concern in the ROC.<sup>20</sup> But these may all eventually turn out to be blessings in disguise for Taiwan. The "Three Nos" uttered by President Clinton in Shanghai, while having a negative effect upon Taiwan's participation in international organizations, may have preventive even prohibitive effect on those individual and group in Taiwan who thus far have had a misconception that the United States would come to their assistance should they move onto declaring Taiwan an independent state. Barring such dangerous development toward independence for Taiwan, the competition and confrontation between the two sides of the Taiwan Strait may restore to its original nature and milieu, i.e., a competition between two Chinese systems, not that between two separate states. As such, there will be ample room for consultation and compromises between two sides, thus greatly reducing the possibility of all-out war in the Taiwan Strait.

As the number seven importer of American manufacture goods,

*Pao*, (Hong Kong: Oct. 15, 1998); Gabriella Montinola, Yingyi Qian, and Barry R. Weingast, "Federalism, Chinese Style: the Political Basis for Economic Success in China," *World Politics*, 48 (October, 1995), pp. 50-81; Yu Tsung-hsien, "On the Development of Chinese Economic Cooperation Organization from the Perspective of Sustained Development," *Strait Review*, 88 (Taipei: April, 1998), pp. 11-16; and Tse-Kang Leng, "Economic Interdependence and Political Integration between Taiwan and Mainland China: A Critical Review," *Chinese Political Science Review*, Vol. 26 (June, 1996), pp. 27-86; and Zhen Bihua, "A Proposal for Chinese Economic Common Market," (Fukian: Institute for the Study of Asian Problems, July, 1993).

 <sup>&</sup>lt;sup>20</sup> For example, see Kenneth Lieberthal, "A New China Strategy," *Foreign Affairs*, Vol. 24, No. 6 (Nov./Dec., 1995), pp. 35-49; Thomas J. Christensen, "Chinese Reapolitik," *Foreign Affairs*, Vol. 75, No. 5 (Sept./Oct., 1996), pp. 37-52; and Chas. Freeman, "Preventing War in the Taiwan Strait, Restraining Taiwan-and Beijing," *Foreign Affairs*, Vol. 77, No. 4 (July/Aug., 1998), pp. 6-11.

number five buyer of American agricultural products, and number one consumer of American apples,<sup>21</sup> the ROC in Taiwan have enough reasons to believe that the United States will not easily give up its protection of Taiwan. Yet it is essential for the leader and people of Taiwan to make good use of the time and space provided by the United States in accordance with Taiwan Relations Act so that a realistic, and long-range external policy for the ROC may be developed. Herein is a most important and unavoidable task for the leaders of the Republic of China to undertake so as to prepare Taiwan for a future of peace, security, and prosperity in the 21st century.

-END-

<sup>&</sup>lt;sup>21</sup> See The Taiwan Market, Its Importance to the U.S. (Taipei: Ministry of Foreign Affairs, June, 1980.)

## Table 1

# "One Nation, Two Entities" and "One Country, Two Systems": A Comparative Paradigm

	On the idea of the state	Status of the entities and systems	Time frame for application	Relations between the authorities of the two systems	Relations with other states	Memberships in international organizations
One Nation, Two Entities	One Chinese Nation	Both are international personalities	Before national re-unification	Separate and equal	Both entities can have complete and separate international relations	Separate and equal memberships
One Country, Two Systems	One Chinese state (country)	Only one international personality	After national re-unification	Separate but not equal; one central and another local	Only the central government can have complete relations with other states	Only in non-state based international organizations can both have memberships

Made by Yung Wei

July 10, 1998.

T	a	b	e	2
-				

