

**THE BROOKINGS INSTITUTION  
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**DAWN OF MODERN CHINA:  
THE 100TH ANNIVERSARY OF CHINA'S 1911  
REVOLUTION AND THE SIGNIFICANCE OF  
THE REPUBLIC OF CHINA**

**Panel 2: The Contemporary Significance of the Republic of China**

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ANDERSON COURT REPORTING  
706 Duke Street, Suite 100  
Alexandria, VA 22314  
Phone (703) 519-7180 Fax (703) 519-7190

**Introduction:**

DR. RICHARD BUSH  
Senior Fellow and Director, Center for Northeast Asian Policy Studies  
The Brookings Institution

**Keynote Address:**

DR. MARY BACKUS RANKIN  
Author, *Early Chinese Revolutionaries* and  
*Chinese Local Elites and Patterns of Dominance*

**OPENING REMARKS**

DR. RICHARD BUSH  
Senior Fellow and Director, Center for Northeast Asian Policy Studies  
The Brookings Institution

AMBASSADOR JASON YUAN  
Representative  
Taipei Economic and Cultural Representative Office in the United States

**PANEL 1: THE 1911 REVOLUTION AND ITS AFTERMATH**

**Moderator:**

DR. STEVEN PHILLIPS  
Professor of History and Director of Asian Studies  
Towson University

**Panelists:**

DR. DAVID STRAND  
Charles A. Dana Professor of Political Science  
Dickinson College

DR. EDWARD McCORD  
Associate Professor of History and International Affairs  
The George Washington University

DR. ZHENG XIAOWEI  
Assistant Professor of History  
University of California, Santa Barbara

## **PANEL 2: THE CONTEMPORARY SIGNIFICANCE OF THE REPUBLIC OF CHINA**

### **Moderator:**

DR. NANCY BERNKOPF TUCKER  
Professor of History, Edmund A. Walsh School of Foreign Service  
Georgetown University

### **Panelists:**

DR. THOMAS GOLD  
Professor of Sociology  
University of California, Berkeley

DR. LIU FU-KUO  
Executive Director, MacArthur Center for Security Studies  
Institute of International Relations  
National Chengchi University

DR. RICHARD BUSH  
Senior Fellow and Director, Center for Northeast Asian Policy Studies  
The Brookings Institution

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## PROCEEDINGS

DR. NANCY BERNKOPF TUCKER: It's so nice to have power.

Anyway, we are now in the last stretch and I'm sure all of you are going to want to get into the discussion at the end because we're actually going to go far enough to do something contemporary and I wanted to start out by thanking Brookings and TECRO for this session, but particularly to thank Richard Bush for helping to remind Brookings that history matters in a town where history generally is defined as the last six months. And so I'm glad you're all here. I think we have a very interesting session ahead of us.

I am not going to introduce our three panelists in any great detail except to tell you that all three of them are very experienced in and educated in analyzing Taiwan, U.S.-Taiwan relations, China-Taiwan relations, the whole thing.

We have Richard Bush, who, of course, is here at Brookings, Liu Fu-kuo, who's come from Taiwan just for this and who is at National Chengchi University, and Tom Gold, who's flown in from Berkeley because the weather has not been as good there as here.

Anyway, we will do the presentations in the reverse order so -- no? Who goes first?

DR. THOMAS GOLD: Well, thank you very much, Nancy. I'd also like to thank Richard for organizing this conference and for inviting me to participate. I'm very honored to have been included in the program.

The previous speakers have provided a great deal of excellent data and food for thought on the origin and the history of the Republic of China. The topic that I was assigned is reconstructing the Republic of China on Taiwan. I'm going to talk a little bit about the history of the ROC government, it's reconstruction of itself on Taiwan, and then it's reconstruction of Taiwan after 1949, and then how the ROC has been reconstructed as a result of changes within Taiwan and the external environment, all of that in 15 minutes -- with probably not even 15 minutes.

Now, on the eve of its 100<sup>th</sup> anniversary, the Republic of China today is not your grandfather's Republic of China or even the Republic of China that I first encountered on my maiden trip there to Taiwan in 1969. As is known to all, the Republic of China government retreated from the Chinese mainland to Taiwan province in 1949 for a temporary stay and it has yet to return to the Chinese mainland. But it has also yet to disappear, although it has remade itself in an extraordinary way. It brought the five-Yuan governmental structures that Sun Yat-sen developed to govern all of China to one small province, which had not even been part of the Republic of China when the Republic of China was founded. Although only a portion of the elected and appointed officials of the ROC on the mainland came to Taiwan, it was still a very bloated structure that crossed the Taiwan Strait. It faced several daunting tasks -- and let me just

tick off four of them. First of all, it had to defend itself against the Communist forces, which were massing to attack. Second, it had to survive in an unfamiliar environment whose population, while predominantly Han Chinese, had undergone a process of decades of Japanization and which the Kuomintang government had quickly alienated after retrocession in 1945. The Kuomintang government suppressed dissent and debate and the sort of warlordism that Ed referred to earlier, as a way of trying to help itself survive in this unfamiliar environment.

This process of surviving in the unfamiliar environment involved remaking the people who had been through this process of Japanization into Chinese, culturally and as citizens of the Republic of China, a process that was known as tutelage.

When you go and you look around Taipei, one of the interesting things is the Kuomintang—mainland Kuomintang—not only remaking Taiwan politically and culturally, but also physically, for instance, renaming the street names in Taiwan to reflect the geography and the political structure and the political symbolism of the Republic of China on the mainland. The education system, the ideology, the teaching of Mandarin Chinese, were all parts of this project by which the Kuomintang, coming from the outside, tried to create an environment for itself to survive on the island of Taiwan.

The third task was stabilizing the economy, and the fourth was retaining international recognition and support as the legitimate government of all of China. We know that the ROC government succeeded against all odds beyond anyone's expectations, due to a combination of dedicated and chastened leaders, capable technocrats, private entrepreneurs, a favorable global environment for export, and, of course, American support through the hottest years of the Cold War. We cannot and must not overlook or whitewash the amount of violence, terror, and repression—real and implicit—that facilitated all of this.

The ROC disproved the saying that there are no second acts in history or that history repeats itself first as tragedy and second as farce. To its credit, the ROC turned itself around to the benefit of the people of Taiwan and beyond. This in itself is an extraordinary achievement and as Steve remarked, one of the other things that the ROC government in Taiwan did was to go a long way towards fulfilling the promise of the ROC, which we heard about in the previous panels.

My first extended stay in Taiwan from 1970 to 1972 coincided with the 60<sup>th</sup> anniversary of the ROC in 1971. If I recall correctly, it was the last time that Chiang Kai-shek made a public appearance at the parade going by the *zong tong fu* as his health was failing. In spite of the bravado of that parade, the ROC, which he embodied, was in bad health as well. It had left the Yuan the same month as its birthday. Earlier that year, Henry Kissinger made his secret visit to Beijing, which was followed by the Nixon trip, and Chiang Kai-shek's reelection to the presidency the same month of February 1972.

Then you had the added perfidy of Japan's Prime Minister Tanaka's visit to Beijing and subsequent establishment of diplomatic relations with the PRC or Communist China. I consciously said Beijing and Communist China because in preparing for this talk I

reviewed the China yearbook from 1972/73 and that's what it says. On Taiwan in those days when we referred to Beijing, we said Beiping, and I imagine that some of you remember the Jun Beiping restaurant in Taipei as well.

Now, at the same time -- I don't know if it still exists or not, but it was the best *Beijing kaoya* in Taipei. At the same time -- 1970 to 1972 was the same time of the rise of Chiang Ching-kuo as the enforcer of the regime, so you had a lot of these negative trends at that time. At the time I left in 1972, Taiwan certainly appeared to have been -- the ROC to have been abandoned and on a downward slope.

In the late 1960s, before I had got there, some initial steps were taken to remake the ROC by adding supplemental seats to the legislative Yuan to represent people of Taiwan. But there was still no real sense of the ROC being dedicated to the people of Taiwan per se. Taiwanese were part of the larger mission of preparing for a counterattack to defeat the Communists and to retake the mainland. For those of us who lived there at that time, I'm sure you remember the ubiquitous posters, billboards, painted rocks, walls, and mountainsides reminding people all the time of the sacred mission of mainland recovery.

Meanwhile, the Taiwan Provincial Assembly and positions below it were elected by the electorate which did have more direct relevance to the daily lives of the people of Taiwan, though there was a great deal of confusing overlap and blurred distinction of jurisdiction between the national and provincial administrations.

Now, for this audience, there's no need for me and no time to rehearse the details of the subsequent decades but I want to highlight a few points to illustrate this theme of the reconstruction and remaking of the Republic of China on Taiwan.

First of all, I said when I left in 1972 Chiang Ching-kuo was rising and people were very fearful that whatever progress had been made in terms of improving the quality of political life in Taiwan or the potential for that was being nipped in the bud because of the rise of the maker of the authoritarian regime. Yet when I returned in 1977 to do my dissertation research, Chiang Ching-kuo had remade himself as a man of the people. He recognized quite clearly that with the ROC's increased international isolation he needed to build internal unity and cohesion if Taiwan were to survive separately from a Communist takeover. Also, older mainlanders were dying off. Their kids were going abroad to study and were not returning, or if they did return, they were not interested in careers in public service. Therefore it was necessary to bring Taiwanese, to recruit Taiwanese, into the party and into the state at all levels. So a new generation of Taiwanese who were brought up under the Kuomintang flag, under the ROC flag, and began to be recruited into the system.

Chiang Ching-kuo felt that he could trust them, so he started this process of *ben tu hua*, or indigenization or Taiwanization, recruiting them into the higher echelons of the party and the state. So, when I returned for my doctoral research in 1977 and 1978, this process was already well underway but at the same time, my timing was very good, this was the time of the rise of the *dangwai*, they were the non-party, non Kuomintang opposition which signaled a threat

to the mainlander and KMT monopoly of power. I was struck by the fact that Chiang Ching-kuo, and people around him, recognized that Taiwan society in the intervening years had become increasingly complex and what we would now call globalized, so it was necessary to build solidarity on a new basis, not from top down enforcement of unity and stability, but through dialogue, through elections, through loosening up. And this did not happen quickly and it did not happen smoothly. There was a big setback, especially in December of 1979, which was the culmination of another very bad year for the Republic of China, which began with the U.S. and the PRC establishing diplomatic relations. But it was quite clear, beginning in the late 1970s, of the trend of a new basis for integrating and building solidarity in Taiwan.

This process continued with the termination of martial law in 1987 and the subsequent opening up of the press and the construction of civil society. Chiang Ching-kuo died in January of 1988 and his successor Lee Teng-hui speeded up this process of reconstruction or remaking of the Republic of China. One of the first things he did was to initiate an investigation of the February 28, 1947 incident or massacre, which had a very cathartic effect, it helped to clear the air over unspoken grievances and initiate a process of reconciliation, which could not be done under the Chiangs. He initiated a complete reelection of the National Assembly in the Legislative Yuan, which were also shrunk. He inaugurated pragmatic, flexible diplomacy, including dealing quasi-officially with the mainland through the establishment of the Straits Exchange Foundation. He also oversaw the 1992 Consensus, which was mentioned earlier, whose existence is still a matter of debate, but if you believe that it happened, then it happened under Lee Teng-hui. And in 1996, he, himself, was elected, the first directly elected President of the Republic of China.

In 1998, there was the process of suspending Taiwan province to streamlining the ROC in a shrink-to-fit process, so that basically the ROC and Taiwan became one. De facto Taiwan is the ROC, ROC is Taiwan. In 1999, he set forth his two-state *liang guo lun* thesis, which also was a formal way for the president to say, there are two political entities, the Republic of China and mainland China, PRC. In 2000, he effectively eliminated the National Assembly except in the case of emergencies. So, one of Taiwan's trademarks has been the use of elections to remake, to repopulate, to invigorate all offices at all levels. As a result, the face of the ROC, at home and internationally, has become very different from what it was only a few years prior. It's constantly undergoing a process of rejuvenation.

From 2000 to 2008, President Chen Shui-bian was in an even greater hurry to reconstruct, to remake, the Republic of China. He added on -- in addition to this organizational restructuring, he added on a process of desinicization, trying to remove many of the symbols that Taiwan -- which reminded people or tried to create the idea that Taiwan was part of China and not an entity of its own. For instance, renaming many companies that had *Zhongguo* in their name, of issuing Taiwan passports, of renaming the Chiang Kai-shek Memorial Hall and Chiang Kai-shek Airport, and of a process of revising textbooks to highlight Taiwan's history as opposed to mainland China's history. And he set forth his theory of *yi bian yi guo*, of one side, one state.

It's clear that Lee Teng-hui and Chen Shui-bian tapped into and pushed forward

societal trends that had been bubbling, percolating beneath the surface for many years but had not been allowed to actually surface. This process, I would argue, was not initiated from the top, this was not a top down reconstruction, but it was an embodiment and a pushing forward of a lot of things, which had been beneath the surface over a long period of time.

I consulted a more recent ROC yearbook and it presents a very different picture of what Taiwan is. There is a map of China in the back cover, but in the front is a map of Taiwan and the text nearly -- it focuses almost entirely and exclusively about Taiwan, emphasizing this equation of Taiwan and the ROC, the ROC and Taiwan, that Taiwan is the ROC, the Chinese mainland is something else, it's part of the external environment that shapes what happens in Taiwan, but it is not part of the ROC. Thank you very much.

(Applause)

DR. LIU FU-KUO: First, I would like to express my great appreciation to the Brookings and especially to Richard, for bringing me such a long way to come to this very important occasion, and I think I can greatly announce that I'm the member of the Republic of China in this very important meeting, so my view here is very much from Taipei's perspective.

My assigned topic for this session is very much on the soft power of the Republic of China. And what I'd like to do is just cover what this image of the Republic of China or the existence of the Republic of China carries. Because throughout the last few decades when I was born and I recognized myself, I'm a citizen of the ROC. But outside of the ROC or outside of Taiwan, especially, this name cannot be really prevailed in the international community. So I think perhaps up to this moment, what we really need to learn or to ask those questions, how exactly the Republic of China means to all of us, to the region, to the international community, and perhaps even to China? And I think lately, from my engagement with many experts in mainland China, so far there is a daunting task for mainland China to overcome, that is, what exactly the Republic of China means to all of us?

And this is the first part of my question or maybe elaboration I want to really share with all of you. The second one is, what soft power does the ROC carry today? Because Taiwan has existed for such a long period of time, the kind of image probably that I can summarize to all of you today. And the final part of my presentation today is -- I would very much like to share, how significant does the existence and living example of the ROC present to the world and especially to mainland China?

I come to respond to this question, and actually, there are two tasks for me. One is to identify the existing example Taiwan carries. The second one, I would also do a little bit of elaboration on how exactly currently ROC's strategy today. So perhaps to follow through Ambassador Yuan's presentation earlier, some of the point -- I'd like to use a more sort of political scientist perspective to respond to what we have today, because in the last session, most analysts covered the early time of the ROC, but I will start from World War II, perhaps a much earlier time, and link up to what we have today.



So, because I only have 15 minutes and I will cut short of the historic part because we have an outstanding historian here. Just remember, during the World War II, Republic of China was a great friend of the United States and the free world, so struggling through the difficult time, Republic of China remains a close friend to the United States, to many other countries in the region, in the world. And ROC, especially, I would also like to repeat your memory, during the Cold War, Republic of China stand very, very firm on the free world side and also served as a strategic partner of the United States. I think if you remember, Taiwan is at the middle of island chains of the West Pacific, and guarding against democratic value and spirit in the West Pacific. And also ROC was a significant provider and exporter of technical and agricultural advice to many, many third world countries. Just remember, before the Republic of China left the United Nations, Republic of China was one of the members of the Security Council. We contribute substantially over the years, even up to today Republic of China government remains serving as such great contributors, and I would not like to go into the detail as Ambassador Yuan already mentioned earlier.

Quite a number of countries, especially now, poor countries in the South Pacific and some parts of Africa, Taiwan is a great donor for their foreign aid. And of course, from my early time -- when I was a child, a beacon of freedom and democracy in East Asia, we have learned so much already. And I could not stop thinking of one of the interesting points which I believe if we are talking about soft power of the Republic of China today, over the last few decades, nationalist government in Taiwan under the name of the Republic of China taught our people we have to work very hard to overcome our mainland -- recover the mainland, but later on we realized that it is almost impossible. And after the middle of 1980s and up until today, we realize, really, from soft power, from another angle, Taiwanese business people already overcome and fulfill the mission. Nowadays you go to many part of mainland China in a big city, in the countryside, you saw many, many enterprises, industry running outside of state run enterprises in China, so overall, this is a part of soft power. And I categorize this as a Republic of China's legacy, perhaps I can say that this is an image of a great friend in the region.

So, let me quickly now turn to what substance of ROC's soft power today. I think I would start with many different perspectives. Of course, the first one, Taiwan remains a democratic country. We have democratic value, human rights, and open society. Everybody knows this, but more importantly, today I would like to introduce what we have on the economic front and also cultural front. Taiwan is not just a provider of humanitarian assistance to the international community, but also a keeper of conventional Chinese culture. When we talk about this, Taiwan, Republic of China, today, we still maintain very much a conventional or traditional Chinese culture. Not just the words you are learning, traditional characteristic, I think you would recognize that many part of the culture now spreading in Taiwan is really a traditional center.

So, on the economic front, Taiwan's economic strategy after all these years, Taiwan economic miracles, and we are now shaping up into a so-called turnkey strategy which from the exporting products, manufacturing, all together, we are now shaping into a turnkey strategy. So this is a very important part of Taiwan's soft power today. I remember just last week President Ma Ying-jeou in this videoconference with CSIS, he reemphasized that this is part of the power of the Republic of China today. And I think since he assumed our presidency, he has

already encouraged the country to work more and develop more on the soft power side, and I think this is the first part. Taiwanese business people are now exporting the turnkey strategy.

The second one is Taiwan over the years developed very important small, medium enterprises, entrepreneurship, and this is very important. Just a couple years ago, I visited a number of Taiwanese industry invest -- relocated in mainland China. Just after I got to the companies, and I realized the feeling and the culture is a tremendously different, it's very similar to Taiwan's, so I realized that how Taiwanese entrepreneurship transformed the culture inside China. And the spirit of entrepreneurship as it covers a harmonious spirit, faithful spirit, environment friendly, responsible, innovative, flexible, and accessible spirit, all integrated in one.

So, I would encourage, if you have time visiting Kunshan and all the high-tech industry invested by Taiwanese business people, you will see that this is a true entrepreneurship which I believe changing the culture of working ethics in China. And this is very much outside of the state run enterprises in China today. So, if you just walk in and you will find that this is a part of the transformation Taiwan is helping with.

And of course, talking about ROC's strategy today, how we are going to move above this soft power? Of course, the government is now encouraging, helping more companies to get international brand names. And I think some of you already recognize that when you are using the computer, you will recognize Acer is from Taiwan. So, this is a very important part of the government's strategy, come to the service industry, come to the high-tech sectors. Overall, the government in Taipei now is trying to increase the competitiveness. And this is part of the strengthening our soft power in the government.

So, quickly, talking about the cultural sectors. And I could not really go into that much details about what exactly Taiwan has achieved on the arts and food, fashion, tourism, and all the strategy we are now pushing through quickly. So, perhaps this is one way to look into what Taiwan, Republic of China, today is carrying through.

My presentation, I originally hoped that -- could conclude by suggesting a few points all leading to the future for ROC to work through in the international community because we all know that outside of this political constraint what Taiwan can do is really work hard through soft power areas.

So, number one, I would say that ROC now will continuously put more efforts on the democratic value and spirit. All of you understand that we are now going through a very important democratization process. The second point, I do believe that ROC now, we emphasize more on the soft power in our diplomacy and the foreign policy substance, as you can see, more and more we are putting more efforts and resources on lots of part of soft power. Finally, ROC's soft power approach to mainland China. There are many fronts except the economic front, we are now helping, developing through personal observation on the ECFA that we have signed last year, and I do believe that that may be a very important force to help China liberalizing their economy in the near future. But, of course, more will be coming, and not just economic sectors,

but also gradually moving into how China could learn the basic democratic spirit from Taiwan, and I think this is the most important part that Taiwan's people and also NGO and many institutions in Taiwan is now working very hard. Even if we are not just carrying the torch of democracy, but I think the spirit is inside our business with them. So, I personally also engage with Chinese experts and also officials, lots of debate and discussion and gradually they will learn that this is a democracy in Taiwan.

So, let me stop here. Thank you for your attention.

(Applause)

DR. BUSH: Thank you, Fu-Kuo, thank you, Tom. I'd like to thank all the speakers and the moderators for contributing today. I'd like to thank my staff for their outstanding effort, our colleagues in the communication department and in the conference services department. They have -- from behind the scenes, have contributed to the success of today's program.

So, for the final presentation, what does it matter for cross-Strait relations today that 100 years ago the imperial government of China collapsed or disappeared and the Republic of China took its place? After all, the elements of what we now call cross-Strait relations didn't really exist at that time. I would argue, however, that the creation of the Republic of China on New Year's Day 1912 matters a great deal for cross-Strait relations. If I didn't believe that, I wouldn't have assigned myself this topic.

[Read Richard Bush's remarks as prepared for delivery](#)

The ROC and what it means is, I think, the issue at the heart of the fundamental cross-Strait dispute, and unless that's understood, most importantly, by the parties concerned, there's going to be confusion and misunderstanding. Now, it's interesting that the People's Republic of China has taken the position that the ROC ceased to exist on October 1, 1949, the day that Mao Zedong declared the creation of the People's Republic of China, which raises the question, how can Beijing address the reality of the ROC when it denies its existence?

There's an interesting bit of history here. On the eve of the founding of the People's Republic, Mao's initial intention was to continue the name Republic of China. That, after all, is what Chiang Kai-shek did when he founded the Kuomintang regime in Nanjing in 1928. But some pesky intellectuals came to him and said, oh, the Communist revolution is so important that we need a new name, we can't just go back -- we can't continue the old name. And so that's the origin of the term People's Republic of China.

One very important element of the ROC is that it is a democratic system and so whatever leaders of the ROC do with respect to cross-Strait policy must have public support or the policies can't be sustained and the PRC has to take that into account in fashioning its own policies. But I think we all understand that this has been part of the conversation for the last 15 years, and this afternoon I'd like to talk about three other things. The first is whether the ROC

really did cease to exist in 1949, second is whether there can be only one Chinese government in the world, and the third is the issue of sovereignty. It's a bit risky, I know, talking about such arcane subjects at the end of a long afternoon, but please bear with me. The answers to my questions are a little bit interesting. I think they're really interesting, actually.

(Laughter)

Did the ROC cease to exist? Beijing's theory about the ROC, as elucidated, for example, in its February 2000 White Paper is "When the central government of the People's Republic of China was proclaimed on October 1, 1949, the ROC government was replaced as the government of all of China and its historical status was brought to an end."

This raises the issue, if the ROC was the government of China before October 1, 1949, as even Beijing seems to accept, what was the political character of the CCP and its army prior to the proclamation of the PRC? Now, Mao Zedong and the Chinese Communist Party had an ambivalent attitude towards and ambivalent relationship with the ROC government. For most of the period from the mid-1920s until 1949 the two sides were locked in an ideological and mortal combat. And it's fair to say that the CCP rejected the Kuomintang's legitimacy as the ruling party of China and sought to replace it. But there were a couple of times that the CCP accepted or contemplated accepting the authority of the ROC government. The first was the Second United Front, formed to oppose Japanese aggression around 1937, and under this arrangement the CCP agreed to abandon its policy of armed revolt, abolish its Soviet government, abolish the term Red Army, and put its troops under the government command, and to accept as its own program the Three Principles of the People, of Dr. Sun Yat-sen, which was the Kuomintang's program.

The second instance was the immediate post-war era and January 1946, the People's Political Consultative Conference, where all political parties, including the Communists, were represented. It passed resolutions recognizing the national leadership of Chiang Kai-shek and calling for the writing of a new constitution pending which there would be a coalition government. In February of that year, the KMT and the CCP reached an agreement which would integrate the Communist armies into the national army. Of course, these agreements quickly fell apart in a climate of deep, mutual mistrust, and -- but the working assumption was that the CCP acknowledged and accepted, at least temporarily, the legal authority of the ROC government.

Because the two sides were unwilling to coexist and cooperate, the situation quickly degenerated into what we call the Chinese Civil War. Now, I find the term "civil war" to be striking for a kind of political and legal neutrality. It suggests that the combatant forces in a conflict somehow appeared out of the ether and started fighting. Now, that may be true in some cases, but what usually happens is that a rebel group takes up arms against the established government. That government may be weak, it may not command much legitimacy, but it's still the government.

I mean, if you take the American example for a second, we refer to the conflict

that began 150 years ago last month as the American Civil War, that's the common term today, but it was not the name that the Lincoln administration used, and the most common name then and for years thereafter, at least in the North, was the War of Rebellion. The South, of course, called it something different, you know, the War of Secession, the War of Southern Independence, but as far as the national government was concerned, the South was in rebellion and it was the task of the national government to suppress that rebellion.

Similarly you can make a case that what we call the Chinese Civil War is, in essence, the CCP's rebellion against the national government and it was a rebellion against a government that the Communists had accepted at one time. Just because the rebels won control of the Chinese mainland does not, in my view, negate the existence of that government. Also, if you draw the analogy from the American Civil War to the Chinese Civil War, Chiang Kai-shek is Abraham Lincoln and Mao Zedong is Jefferson Davis.

My basic point here is that, at least conceptually—maybe not in terms of political reality, but conceptually—the burden of proof should be on the CCP regime to justify its status rather than the ROC to refute allegations that it ceased to exist.

So, next topic, one China or two? PRC government has consistently held that there's one China in the world, which it represents, and it rejects the idea that there might be two Chinas. Chiang Kai-shek actually took the same position. As he colorfully put it, "There can be no compromise between the legitimate government and a rebel group," *han zei bu liang li*. Note Chiang's use here of the government rebel frame. And he, of course, asserted that the ROC was the sole legitimate government of China and the two governments, the PRC and the ROC, contended for about 30 years to dominate in the international system and it's a battle that the PRC has won, by and large.

But the fact of that battle and the fact that both governments had taken a one China stance begs the question of whether that was the only option or does international law permit an alternative, less zero sum solution? Whether Beijing and Taipei would accept such a solution is another question, but the conceptual one is worth asking.

Now, it happens that the United States thought long and hard about the Republic of China in the late 1950s and early 1960s. We were committed to preserving the ROC's membership in the United Nations, but decolonization was creating a number of new UN members and they tended to side with Beijing. Drawing on international law, however, American diplomats came up with two theories to justify keeping the ROC in the UN. The first was the so-called "new state theory" and that basically is that the ROC is there, it exists, and the PRC is the new kid on the block, but just because you have a new kid doesn't mean that the old kid disappears. The second theory was the so-called "successor state theory" and that is that the country China, which in 1945 was a founding member of the United Nations, has been succeeded by two states, one large and one small, PRC, ROC, and that these both should succeed to membership in the general assembly.

Now, these theories remain just that, theories. They were tactical devices created

by American diplomats to make it very difficult for the PRC to accept coming into the UN on those terms. Chiang Kai-shek rejected a two China solution until it was too late, and so it was the PRC that took the China seat in the UN in October 1971.

My only point is that the international marginalization of the ROC was only one of several possible conceptual outcomes and the sort of creativity that American diplomats demonstrated four decades ago is available for cross-Strait relations should Beijing be willing to exercise it.

My third issue is sovereignty and I think that that question concerns the legal and political status of Taiwan and its government authorities. I think it's highly relevant to the broader issue of the ROC. So, is the ROC a sovereign entity in any significant way? The PRC view, as I read it, is no. The Taiwan view, of course, is assuredly yes. Sovereignty is a complicated concept. There are different dimensions to it. If you want to put yourself to sleep I have a book that I wrote that I suggest to you. But for our purposes, two are relevant, one is international legal sovereignty and that's whether a government and its people may participate in the international system and we've talked about that. The other is called Westphalian sovereignty, which refers to independence vis-à-vis outside parties and non-subordination to them. The issue here is whether the governing authorities of a particular territory, however they're organized, have the absolute right to rule within their domain. Now, these authorities may choose to limit their powers in some way, delegate them to some international body, but they'd do that voluntarily.

Now, when it comes to Westphalian sovereignty, and I really think that's been the issue of rivalry between the two sides of the Strait over the last three years, there are two questions: one is whether Taiwan's legally a part of China and the other is, if it is, how? And this is a sort of long and complicated issue, but I think the key point is a great majority of people on Taiwan believes that the Hong Kong formula for uniting with China, called "One Country, Two Systems," is unacceptable because Hong Kong is not a sovereign entity and that the ROC is a sovereign state, and it's the existence of the ROC that makes the Hong Kong formula unacceptable.

So, to sum up, I would cite what I think are facts. Number one, that the ROC government on Taiwan can trace a historical lineage all the way back to January 1, 1912. Second, the Republic of China was the successor state to this Qing Dynasty. Third, that it has ruled somewhere continuously ever since 1912, and to this day. And all of this gives Taiwan a standing vis-à-vis Beijing that no other relevant political entity possesses, neither Hong Kong nor Macau or any province of the PRC. Tibet's a bit more complicated, but it's still different. That Beijing claims that it is the sole successor state to the ROC does not make it true, and after all, it has a vested interest in that claim.

As we've seen, at least conceptually, regime change need not produce a single successor state, you could have two. And as we have seen, the historical lineage that the PRC can claim is to be an armed party that rebelled against the ROC. My basic point is that if we think more creatively about the history of the ROC and what it means, it opens up new possibilities for

resolving the fundamental cross-Strait issue in the future and unless the PRC is willing to address and accommodate the reality of the ROC in such creative ways, it's never going to achieve its political objectives. Thank you very much.

(Applause)

DR. TUCKER: I'm going to be relatively brief, but I do feel compelled to bring the United States back in to our discussions. I am, after all, an American diplomatic historian as well as a specialist on China and Taiwan, and the United States has been very absent, not completely, but pretty absent, today, and it's really important, I think, because Sun Yat-sen was in the United States in 1911 when the revolution happened, and Americans, making an obvious, and I would say superficial, connection, called him the father of his country and the George Washington of China.

But Sun was, as we know, rapidly pushed aside by Yuan Shikai who would go on to try to make himself emperor and Americans found this whole struggle in China largely opaque. They thought of China as far away, exotic, and largely irrelevant to what they felt they needed to know about the world. And then Woodrow Wilson became president and decided that he did understand what was happening in China and that the United States had to weigh in on the side of morality rather than money or power, as his predecessors Roosevelt and Taft had done. And therefore Wilson went on to recognize the Republic of China, even though China was on the verge of civil war, and the fact that the operational head of the Kuomintang had been assassinated by the new president. He also pulled the United States out of a banking consortium which he said was necessary so as not to exploit China, but as a result, he forced the new government to borrow money from Japan, with, as we know, not terribly good results.

Now, the specific story here might be unfamiliar, but the larger elements, I think, have a very contemporary ring. Repeatedly, in its history, Washington's approach to the Republic of China was ill advised and uninformed. Americans conflated U.S. interests with those of the Republic of China, convinced themselves of shared ideals and goals, and thereby encouraged the ROC officials to assume U.S. support, and this confusion led to disappointment during the Second World War, during the Chinese Civil War, and during the Cold War.

The real nature of the ROC was, in fact, less important than the image it constructed and the picture that the United States wanted to see. The soft power that Dr. Liu just talked about proved very powerful, crucial, in fact, to the survival of the ROC, and I would say today, ironically, the ROC is a bastion of democracy, which it certainly wasn't under Chiang Kai-shek, and a preserver of Chinese culture.

Dr. Liu contends that Taiwan businessmen living in the PRC have already, in essence, recovered the mainland for the ROC given their influence across Chinese society and China's economy, but for the time being, there continues to be a practical divide here despite Taiwan's influence inside the PRC and the constructive talks between Beijing and Taipei. Accordingly, as far as the U.S. is concerned, let's be honest, we deal with two Chinas or one China and one Taiwan, in a very practical and pragmatic sense, as we have since 1949.

The story that Tom Gold talked about of the ROC's development on the island of Taiwan actually involved a large measure of American economic, cultural, military, and political assistance, and this paralleled the acknowledgment of and the acceptance by the United States that the People's Republic of China could not be overthrown and would endure. So, here we have two Chinas, two entities that the U.S. government has to deal with.

Now, it's worth noting, as Richard Bush has observed, that Beijing often refers to the American Civil War to justify its actions and that this analogy is largely unpersuasive. I think for Americans, more relevant may be the fact that having fought the British and long been hostile to them in the wake of the Revolutionary War, and despite the growth of American nationalism and American power, two English speaking entities have survived and prospered, cooperating, but not reunifying. And so today the United States has not abandoned the Republic of China, although currently, as has happened before, there are prominent Americans who are urging Washington to do so.

Dr. Bush argues that cross-Strait stalemate reflects the muddled successor state conundrum that he believes must give way to some form of shared sovereignty. Beijing, he thinks, has to understand that the existence of the Republic of China makes a wholly PRC formula for resolution unworkable.

As we embark on the post 100<sup>th</sup> anniversary era, peace remains the central U.S. goal, but that depends, I would contend to you, on creativity that allows the ROC and the PRC to work together, whether as part of a single China, or as two separate, mutually respectful sovereign states.

The floor is now open to questions. The young man over there? And please identify yourself and make these questions or very short statements, please.

QUESTION: (Inaudible), PhD candidate in Chinese history at Johns Hopkins University. I have a question -- it came from Dr. Liu's presentation but I think it might have relevance to maybe everything. Speaking of soft power, this is something that I've -- and I hope this doesn't -- or at least the beginning of my question doesn't come off as being superficial, but I've always thought about this interesting tension between -- when I think about soft power, of Taiwan, of the ROC, over on the mainland, I think about the various TV programs and popular music and, Professor Gold has written about popular music, that refer not to just the republican era but the Qing, right? Princess Pearl, *Huan Zhu Ge Ge*, the most popular talk show that's watched by young people from the mainland produced in Taiwan is called -- I mean, it's a play on names of their host -- but it's called *Kangxi Lai Le*, it refers to the most (inaudible) Emperor of the Qing, and in Mary Rankin's keynote address she actually brought up the very interesting episode that happened in 1895, the Taiwan Republic, which was another very, very short instance of some elite reformers from the mainland in collaboration with some elite reformers from Taiwan --

DR. TUCKER: Could you make it a question?



QUESTION: My question is -- is Taiwan the fulfillment of just the ROC or is it the fulfillment of this imagined state, going back to Professor Strand's presentation, that really came from the late Qing and we should not take 1911 -- we should take 1911 seriously but maybe it should also help us think about other sorts of political culture, social culture that led up to this, and that is also played out. I mean, preserving --

DR. TUCKER: Okay. Thank you.

DR. LIU: Thank you. This is obviously complicated question, I cannot really respond in such a short period of time. But I think you pointed out quite rightly, Taiwan is now influencing mainland China in all ways, not just the way I mentioned, but I think you probably also recognize if you travel lately, especially after what we call Jasmine Revolution. I would presume -- actually, last month I was traveling in Beijing and Shanghai, I noticed that Taiwan's TV program cannot be shown lately and many important newspapers from Taiwan, their websites have been blocked, cannot be seen. But I think if the case you mentioned, Taiwanese TV performers or movie performers make the contract with Chinese producers, then they would be okay, but I agree that even the New Year's Eve programs run by CCTV, Taiwanese TV performers are now occupying a very important part of that program and also attract lots of attention in mainland China. So, I do believe that in the years to come Taiwan will have more influence over this soft power. Thank you.

QUESTION: Thank you, Linda Tsao Yang, Chairman of Asian Corporate Governance Association, Beijing, Hong Kong. I have a question for Professor Liu. You mention about Taiwan's soft power, it seems to be in some ways quite effective in influencing the way either the business is done, the culture of the business people, and so on. Now, since Ma Ying-jeou's election, Beijing has been pushing soft power as well, you mention ECFA and the (inaudible) expanding the facilities and so on. From your viewpoint, does it have any effect, and if so, what kind of effect Beijing's soft power has had since the election of President Ma Ying-jeou? Thank you.

DR. LIU: This is a very difficult task for me, but I should think that currently we are opening up three links with each other, more and more influence, not just one way influence, but also mutual influence. Just last week I know that the new round of tourism, the flight negotiation, we are preparing to open up to 500 flights in a week, so that will be beginning some time from this summer. And in that kind of situation, I would say that you are quite right to say that not just Taiwanese influencing China, but also mainland China is now trying to influence Taiwanese.

Currently, I think most of you probably already observe the awkward situation after Ma Ying-jeou took over the presidency in 2008. More and more communication across the Taiwan Strait, but the public survey in Taiwan shows that Taiwanese people, more than half, don't like to have a closer relationship with China. And so far political scientists in Taiwan cannot really figure out the reason, because after 2008 we have more Chinese tourism -- tourists are coming to Taiwan, and perhaps a good and bad image left in Taiwan, that may be. My

observation is that is early part of communication, closer communication, between two societies, it happens, but as long as we can continue this current course, people would know each other more and then we would tolerate, we would understand, and then gradually move into much better stage.

But talking about political angles, how exactly Beijing would be influencing our elections. I have some reservation on that. From my understanding, Beijing is a very cautious and very careful about sending any message to Taiwan because the experience they learn in the past, it would be much better for them just to keep quiet, not to do anything, otherwise probably they cannot help Ma Ying-jeou. Instead they would help DPP to win the next election. Thank you.

DR. TUCKER: Yes?

QUESTION: Hi. Thank you. Qiang Zou with *Legal Daily* of China. First, I should say, sorry for we Chinese create the problem for the American people. But my question, as we know, the clear and consistent policy of the U.S. government that there's only one China, so I just wonder, how do you elaborate this policy? What do you mean by saying "one China"? Thank you.

DR. BUSH: We could have a whole program on this but in my personal opinion I think it means mainly that there's not two Chinas and, you know, we made that decision some time ago, and furthermore, the Chinese government that represents the Chinese state in the international system is the People's Republic of China. We are much more ambiguous when it comes to applying a one China principle to cross-strait relations and to the issue of unification and there our focus is very much on process, how unification might take place, how the fundamental issue is resolved, and not on the substance. We don't endorse anybody's point of view on that and what we don't want to see is sort of unilateral change in the status quo.

QUESTION: Hi. I'm Jay Taylor, an independent writer. I think Richard Bush would make a very good international lawyer. He has some very good arguments, but I'm afraid Peking -- as some say Beijing -- Peking, I'm afraid, can come up with equally persuasive legal and historical arguments. The Civil War, for example -- I mean, the Confederacy -- they had some very good arguments, legal arguments, historical arguments, for their right to separate. After all, the Constitution didn't forbid that and the Declaration of Independence that when a state or a body finds themselves at odds with a ruling group they can secede. They made these arguments. They persuaded many European countries that this was persuasive. Britain was on the brink of recognizing the Confederacy and it was the Emancipation Proclamation that prevented that.

Anyway, I think the end -- these legal arguments are really not going to have any role except in perhaps justifying whatever position we take and they will justify whatever position Beijing takes if it comes to a conflict over these questions. What really will determine whether the legacy and the realization of the revolution of 1911 in Taiwan, whether that continues for the long-term, and if it does, it will have a profound effect, I think, on

developments in China as suggested here -- that will be decided, I think, by relations between the United States and China, by the power of China and the United States and how these are reflected and come out of internal politics in both countries.

I'm sorry. Would you comment on that?

DR. BUSH: I don't disagree at all. I did want to make the point that these arguments that we hear with great intensity which leave us with the impression that that's the only answer to the question, it's not necessarily true, if one wants to be creative about it. I do detect, I think, Jay, from your accent that maybe you're from the South.

(Laughter)

QUESTION: Gerrit van der Wees, editor of *Taiwan Communiqué*. I have a question for Richard. Richard, you asked about the relevance of the ROC for today and the old Civil War was, of course, won by the Communist Party and the PRC does represent the one China. About Taiwan and its future, I think on Taiwan we still see some folks hanging on to the old one China heritage but opinion polls on the island show that large majorities see themselves as Taiwanese and really want to be accepted internationally as Taiwan. The other day I was a guest at the Voice of America and there were questions from China and one caller from China said, well, we should drop the ROC and replace it by the People's Republic of Taiwan, and I thought that was an interesting thought, and he said, well, in that way it will not be gobbled up by China -- my free translation of what he said. The basic question is how does Taiwan have a better chance internationally if it does present itself as Taiwan or if it does represent itself under the old ROC myth?

DR. BUSH: I think that that's a sort of issue that's being battled out. We had the strategy of the DPP government, which had certain results. We have the strategy of the Ma administration, which has had modest results. And I'd refer you to a program, you were probably here, that we had a month or so ago about international space for a mixed picture on that. [See ["International Organizations and Taiwan,"](#) March 14, 2011.]

I don't sort of dispute your reporting about the polls. I think you report them accurately. The problem with at least some polls on Taiwan is that the questions are not exactly designed to reveal the complexity and -- of Taiwan people's thinking and, you know, it may be that if we had more sophisticated polls it would confirm your impression, but I think that it is at least possible that -- just -- even though most Taiwan people love Taiwan, and that's what they identify with, that that doesn't rule out a variety of sort of different types of coexistence with the mainland, and that's an important task for the Taiwan political system to sort of better clarify what those possibilities are.

Fu-kuo, did you want -- you don't have to if you don't want to.

DR. LIU: Okay, just very quick. Thank you. I think I would agree with Richard. This effort we have been doing since the time I became a graduate student and almost in my

generation and my parent's generation, we have fought for this effort. But unfortunately my very humble or perhaps brief impression that if Taiwan is going to do something in the international community, we have to settle the relationship with Beijing first. Good or bad, this is the way that we need to really cope with, so I personally very much feeling convinced that we need to do more with Beijing rather than just spreading lots of energies outside of the region. That may be the core for Taiwan to really work hard through. Thank you.

QUESTION: Hi, I'm Darby Lee from Georgetown University and also an intern at the Mansfield Foundation currently, and I have another question for Dr. Bush, if he doesn't mind.

Given the current rise of China and, of course, the PRC, do you think it is really a viable thing in the future for Taiwan and China to coexist? And if so, how would the international community and Taiwan work to keep the status quo as it is?

DR. BUSH: I think there are a couple of variables here, one is the degree of strategic patience on Beijing's part. We know what its goals are and we can see its strategy at work and the -- but I think that it would take some time for that strategy to play out. I think it takes more creative thinking about -- on Beijing's part on how to resolve the fundamental dispute. Until that happens, the coexistence and maintaining the status quo is probably the better option. The bad outcome would be if either side or particularly Beijing got impatient and decided to push circumstances before they're ready to be pushed.

What was the other thing I was going to say? Oh, I do also think that it's important for Taiwan to do some homework. There are a number of things that Taiwan has to do to maintain its position in the status quo. I think it needs to ensure that it has a truly world class competitive economy, it does need to strengthen itself militarily, improve its relations with the United States, it has to have a better understanding of what it means to say that the Republic of China is an independent sovereign state, and what that means for cross-Strait relations. If it doesn't strengthen itself that way, sort of reconstruct itself for this new era, I think it may be that the growing power asymmetry between the two sides of the Strait, will lead to a loss of confidence.

DR. TUCKER: I would only add that a couple years ago we were very worried because China had deadlines on how quickly unification had to happen and that Taiwan had to act. More recently the position has been, we want to prevent independence and we understand that unification is far in the future. I think China believes time is on its side and, I guess, in the interim, as Dr. Bush says, Taiwan has a lot that it can do to help its own situation.

QUESTION: Thank you, Genie Nguyen with *Voice of Vietnamese Americans*. To follow the train of thought, Dr. Bush had proposed that we can have two sovereign entities -- Taiwan has proven that you are very responsible players in the region and recently I attended the speech by President Ma, and this morning the ambassador was here and then Dr. Liu. You all have proven that Taiwan has played its part as the responsible partner in the region, in the Pacific, and in the future the U.S. and the international community are looking for what to -- the

other partner in the transpacific partnership. So, would that be possible that we propose for Taiwan to have its own seat in the UN? And also in ASEAN -- in the group of people, the countries that could have some vote or say so in maintaining the peace, prosperity, and security of the Pacific Ocean?

And I also have a side question for Dr. Liu. With the soft power and your intention to be the center of traditional Chinese culture, what would you do with China -- Chinese plan for -- with the Confucius Institute?

DR. BUSH: The brief answer to your question is that, you know, the state of play since October 1971, if not before, has been that the PRC's goal has been to drive Taiwan from the international system. Now, if one thinks creatively there are ways for Taiwan to come back into the international system and play a constructive role, but it really requires more flexibility on Beijing's part to allow that to happen. Other major countries would not stand in the way, international law wouldn't stand in the way, it's really up to Beijing. And I think what Beijing does on this is very important in terms of its image within Taiwan itself.

DR. LIU: Thank you. This is the task President Ma Ying-jeou is now working very hard. But I can report to you that two years back our president, President Ma, already proposed that starting from the writing characters, Chinese mainland people are using simplified characters. We are using traditional ones. So, for the younger generation in mainland China, they cannot recognize ancient literatures because they were all written in traditional form. President Ma already proposed that we should greatly combine such writing, maybe aiding more traditional writing into the simplified characters, and I personally feel fortunate, Beijing government already agreed and then gradually a group of experts are now working together.

So, talking about Confucius Institute, I do not believe that our Taiwan Academy is looking into competing with this institute because talking about Chinese culture, we are really doing the same job -- doing the same thing. But perhaps just looking from business or commercial point of view, maybe both of the institutes in the global community are competing for some business opportunity. But I personally do not agree that this one is from our government really targeting cultural competition with mainland Chinese, because if you look around -- looking into the substance, the materials that we are supplying, we are carrying almost the same things with mainland China. And currently our government is trying to develop a more cultural relationship with mainland China. So, even if currently there is no direct communication on this cultural cooperation, but it has been put on the agenda. If not this year, perhaps next year, there would be a cultural cooperation agreement, should be considered, should be signed. Maybe next round of the Chiang-Chen talks. So, that may be the direction I can offer to you. Thank you.

DR. TUCKER: I want to congratulate everybody in the audience for making it to 5:30 and I wish you would join me in thanking the panel for great presentations.

(Applause)