

Taiwan and China Dance Ever Closer

To further economic integration, Beijing and Taipei may table the issue of the island's sovereignty

COMMENTARY



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HONG KONG

Beijing and Taipei are hoping a simple commercial negotiation will kick off a rapprochement in which Taiwan's political status, which has divided the island and the mainland since 1949, is officially put aside in favor of an economic integration already far advanced.

Chen Yunlin, who arrives in Taiwan on Nov. 3, is the highest-ranking Chinese to visit the island since formal contact between Taipei and Beijing commenced 16 years ago. The 67-year-old chief of the Association for Relations across the Taiwan Straits will discuss sea transport, aviation routes, and the frequency of charter flights between Taiwan and the mainland.

Yet for Beijing and Taiwan's governing Nationalist Party, the long-term

goal of talking more with the Chinese is far grander. The Nationalists want a 30- to 50-year agreement that says simply: Taiwan's political sovereignty is off the docket for now. Let's do business and revisit the question at an agreed-on moment later.

As for Beijing, Chen's visit signals that the mainland wants at least 20 years to focus on its economy without worrying about Taiwan. "Both sides consider this a window of opportunity," says Andrew Yang, secretary-general of the Chinese Council of Advanced Policy Studies, a Taipei research institute.

In an Indian magazine in October, Taiwan President Ma Ying-jeou said he wants a peace pact with Beijing in his current term. Many policy experts, including some who support Ma, do not share his optimism on timing. But even

the most cautious say the president could open serious negotiations if he wins a second term. Until then, the action will focus on "functional issues," such as those Chen Yunlin will discuss.

Taiwan's investments on the mainland are estimated to exceed \$100 billion—double what they were five years ago. Neither side could untie the two economies even if they wanted to. In Taipei, investors and executives see big commercial gains to be made from daily flights to the mainland—which China's Chen will discuss in his visit. "Taipei to Shanghai in 70 minutes? We can't keep missing these natural

advantages," says Tsai Yi, a vice-president at Avinta, a high-tech manufacturer in Taipei. "We should have begun these talks long ago to position ourselves as a hub in Northeast Asia."

Ma has already relaxed regulations on mainland tourist traffic, launched weekend charter flights, and eased investment limits on the mainland. Business is eager for a bigger deal, but Taiwan voters remain wary. In late October,

Chen's advance man was roughed up in Taiwan by protesters worried the Nationalists will "sell the island to China."

The model for the "status quo" agreement senior Nationalists have outlined is the one London and Beijing arrived at for Hong Kong after China reassumed sovereignty in 1997. In Hong Kong's case, it is "one country, two systems" until the middle of this century. But Taiwan's blueprint has an essential difference: Nothing by way of final status or territorial reversion will be fixed. To talk again in 50 years about unification would be the only stated undertaking.

Chen arrives in Taipei bearing two pandas as gifts—just the sort of imagery advocates of rapprochement want to see. If his visit comes off, it will show Asian diplomacy at its most effective.