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# Prospects of Confidence-Building Measures across the Taiwan Strait and Implications for Regional Security

## Introduction

The dramatically improved security in the Taiwan Strait, as a result of the reconciliatory policy initiated by President Ma Ying-jeou on the Taiwan side and the practical response taken by President Hu Jintao on the mainland side since 2008, has opened a window for discussions on the possibilities of closer relations, including cross-strait confidence-building measures (CBMs). Pragmatism exercised by both in handling cross-strait relations has led them to resume intensive dialogues that have achieved a series of landmark agreements among which the Economic Co-operation Framework Agreement (ECFA) is a milestone epitomising an initial step towards institutionalisation of their bilateral relations. The step-by-step approach, starting from easy issues and leaving those difficult ones to be solved in the future, carefully observed by them both has made further co-operation possible and has accumulated mutual trust that is basically required for future talks on more difficult and sensitive issues.

While Taiwan and China have been able to intensify their economic and social interactions, discussion of political and security issues has generally been seen premature because of their sensitivity. The future negotiation on these issues would inevitably touch upon military deployments, one-China principle, and sovereignty, at least from the mainland's perspective. Beijing is understandably keen on an early negotiation of political and security issues, but Taipei sticks to the current pace of talks due to its domestic constraints. China has so far demonstrated its flexibility for the time being, but how long its patience would last remains to be seen.

Yet, an emerging consensus is that the talks on CBMs might not be avoided in the future. Actually, the core question is whether negotiation on CBMs should be eschewed anyway. The stability and security in the Taiwan Strait requires institutionalisation of bilateral relations and therefore a mechanism is essential for preserving the agreements and reducing misunderstanding. If mutual trust continues to accumulate, CBMs could pave the way for the eventual termination of hostility between the two and for the realisation of a sustainable peace. However, both sides of the Taiwan Strait hold different agendas of CBMs that would cause serious obstacles towards their future discussions. Domestic disputes and international response would further deteriorate the already fragile mutual trust and delay the talks over CBMs. After all, future cross-strait CBMs, if achieved and implemented, will not only shape the outlook of the bilateral relationship between Taiwan and the mainland, but will also have great impacts on the region's security environment as a whole.

## CBMs as Political Gestures

Each side of the Taiwan Strait has long advocated its ideas in connection with CBMs in ways to pursue its own political interests vis-à-vis the other. To ease the pro-independence suspicions of China and the US, the re-elected DPP President Chen Shui-bian at his second inauguration in 2004 initiated the idea that both sides of the Taiwan Strait should consider the construction of CBMs. A National Defence Report under the Chen administration even outlined detailed measures of CBMs, including ‘track two’ dialogues, military-to-military co-operation on non-sensitive operations, de-militarisation measures, all leading to the eventual elimination of hostility with the conclusion of signing a peace accord.<sup>1</sup> Furthermore, the Chen government offered to set up a military buffer zone in the Taiwan Strait aimed at reducing uncertainties and to establish a security consultation mechanism between the two sides with the possibility of developing a code of conduct for military movements.<sup>2</sup> It may look staggering that it was the pro-independence government in Taiwan which initiated the idea to start discussion on CBMs, but the Chen administration was perfectly aware that this initiative would not rouse much domestic hostile sentiments due to the party’s ideology. The DPP government also realistically understood that it needed to show political goodwill in a way to persuade the Chinese and the Americans that it was a trustworthy and responsible player.<sup>3</sup>

China’s initial response to Taiwan’s call for the construction of CBMs was extremely cautious. China’s understanding of CBMs was that these measures should be exercised between states. Beijing would resist any move that would be easily interpreted as China’s acquiescence to Taiwan’s statehood.<sup>4</sup> However, soon after the surprising victory of the re-elected Chen Shui-bian in the 2004 presidential election, Beijing publicly declared in May that both sides could consider formally ending the state of hostility by establishing a mechanism of mutual trust in the military field with the construction of a cross-strait peace framework. Yet, the Chinese side insisted that Taiwan should recognise the ‘one-

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<sup>1</sup> ROC Ministry of National Defence, *2004 National Defence Report* (Taipei: Ministry of National Defence, 2004).

<sup>2</sup> Arthur Ding, “Conflict Prevention and Management in Northeast Asia: A Perspective from Taipei,” in Niklas Swanstrom (ed.), *Conflict Prevention and Conflict Management in Northeast Asia* (Washington, DC: Central Asia-Caucasus Institute and Silk Road Studies Program, 2005).

<sup>3</sup> Niklas Swanstrom and Sofia Ledberg, “The Role of CBMs in Cross-Strait Relations,” Policy Report following the Silk Road Studies Program Workshop Uppsala, Sweden, 15 December 2005, see <  
<http://www.silkroadstudies.org/new/docs/publications/2006/CMBs%20in%20Cross-Strait%20Relations%20-%20policy%20report.pdf>>.

<sup>4</sup> Wang Kunyi, “How to Construct Cross-strait Mechanism of Military Mutual Confidence,” 16 April 2009, see <  
<http://www.chinareviewnews.com/doc/1009/4/3/7/100943782.html?coluid=33&kindid=4371&docid=100943782>>.

China' principle.<sup>5</sup> This statement made by Taiwan Affairs Office of the State Council was intended to send the DPP government a warning signal that continuing 'separation' movements would put Taiwan in great danger, while China was also inclined to induce the DPP to co-operate by echoing President Chen's call for the establishment of CBMs.

In April 2005, the leaders of Taiwan's Chinese Nationalist Party (or *Kuomintang*, KMT) and the mainland's Chinese Communist Party (CCP), Lien Chan and Hu Jintao, held a historic meeting, the first time in almost sixty years after the end of China's civil war. Their meeting was concluded with an agreement on five-point prospects in which a military mechanism of mutual trust should be set up under the framework of peace and development of the cross-strait relations. The proposed CBMs have ever since become the official policies of the two parties. On the CCP side, Hu Jintao proposed to negotiate a termination of animosity between the two sides by developing a peace framework of cross-strait relations in the CCP 17th Party Congress held in October 2007. On the KMT side, Ma Ying-jeou succeeded Lien Chan as the chairman of the KMT and he endorsed the cross-strait military CBMs jointly advocated by Lien and Hu. Before he was elected as president, Ma explicitly stated in his campaign that his government would negotiate on CBMs. In retrospect, the Lien-Hu 2005 meeting was held at a time when the DPP government came under fierce criticism raised both by Beijing and Washington for its policy towards China. The statement of the five-point prospects served as a clear indication for the KMT that it was able to propose a different agenda from the DPP to stabilise cross-strait relations.

The KMT landslide victory both in the presidential and parliamentary elections in 2008 helped paint a rosy picture of the Taiwan Strait. Indeed, the enduring tension has been reduced and concrete agreements have been signed. These positive developments have led some to expect optimistically that more sensitive issues will be discussed soon. At an important occasion to commemorate the 30th anniversary of the Message to Taiwanese Compatriots, Hu Jintao intended to reassure China's commitment to closer ties across the Taiwan Strait when he delivered a six-point speech in late 2008. President Hu proposed to enhance contacts and exchanges on military issues and to consider a military mechanism of mutual trust.

Yet, after Ma's inauguration, the KMT's approach towards CBMs with China has become cautious since the government was aware of the tremendously polarised public opinion towards the mainland affairs, particularly those highly sensitive issues. The Ma administration is keen to avoid any repercussion resulting from sensitive negotiations to sabotage the achievements made in cross-strait relations. In a video conferencing meeting with American think tank scholars in

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<sup>5</sup> "Statement on Current Cross-Strait Relations," Taiwan Affairs Office, State Council of the PRC, 17 May 2004, see <[http://www.gwytb.gov.cn/zywg/zywg0.asp?zywg\\_m\\_id=105](http://www.gwytb.gov.cn/zywg/zywg0.asp?zywg_m_id=105)>.

April 2009, President Ma pointed out that CBMs was an extremely sensitive and difficult issue and it would be left untouched until most of economic issues could be solved. It is therefore apparent that the KMT government will not negotiate cross-strait military issues with the Chinese side as long as domestic conditions have not been met. However, it remains unclear whether a re-elected Ma administration in 2012 would start the CBMs dialogues or how a future DPP government would deal with the CBMs issues with China.

## CBMs as Political Agendas

### *Implications*

Taiwan and the mainland focus on different implications CBMs would have on future bilateral relations. This would further defer the process of negotiations and create extra obstacles. China's CBMs tend to be political-oriented. For China, CBMs can lead to the construction of a mechanism for building political trust that would harmonise the differences and perhaps pave the way for political integration. Some Chinese scholars propose that the main purpose of cross-strait CBMs is for both sides to jointly defend their common strategic interests, such as sovereign claims and maritime interests in those disputed areas in East China Sea, South China Sea and Diaoyutai (*Senkaku*) islands. From the mainland's standpoint, both sides should reach basic political understandings before detailed measures to be discussed. Some Chinese scholars contend that military CBMs without political mutual trust will be fragile.<sup>6</sup> The reason why the mainland intends to set political agenda prior to technical matters is that Beijing is highly concerned that Taiwan might take advantage of CBMs of reducing threat from the mainland while leaving much room for Taiwan's manoeuvre, including ignoring political settlements or even pursuing Taiwan independence.<sup>7</sup>

China's another concern is that it wants to avoid CBMs issues to be 'internationalised'. From Beijing's perspective, CBMs between the two sides of the strait are unique compared to other international cases in the sense that relations between Taiwan and the mainland is not a state-to-state relationship. Chinese scholars argue that the construction of cross-strait CBMs should find its

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<sup>6</sup> For instance, Li Jiaquan argues that political mutual trust between the two sides should be prior to military CBMs. See *Xinhua News*, 15 July 2010, <[http://big5.xinhuanet.com/gate/big5/news.xinhuanet.com/tw/2010-07/15/c\\_12336873.htm](http://big5.xinhuanet.com/gate/big5/news.xinhuanet.com/tw/2010-07/15/c_12336873.htm)>.

<sup>7</sup> Zheng Jian, "To Achieve Cross-strait Military Mutual Trust through Strategic Cooperation," *China Review News*, 29 August 2010, see <<http://www.chinareviewnews.com/doc/1014/0/3/2/101403292.html?coluid=3&kindid=2778&docid=101403292>>.

own way and other international CBMs cannot be applied to cross-strait relations.<sup>8</sup> They have been sensitive to the suggestion of referring to other international cases and involving the third parties in the peace process.

On the contrary, Taiwan's main objective in the construction of CBMs is the promotion of peace and therefore it is more concerned about security than political dimension of CBMs. From Taiwan's perspective, CBMs should be aimed at improving the security environment across the strait by preventing tensions from escalating and unintended military conflicts from emerging. In addition, transparency of military expenditures and movements of the PLA is also in the interest of the Taipei side. On the other hand, Taipei is most concerned about and aims cautiously at reducing any political implications stemming from CBMs. Politically, the Ma administration is keen to preserve the status quo. Any mention of political settlements to the disputed sovereign issues would be squarely repudiated by Taiwan.

### *Prerequisites*

In addition to the concerns about implications, both sides of the Taiwan Strait have also put forward prerequisites for CBMs discussions that could actually hinder them from moving forward. The Chinese side has repeatedly stated that the formal termination of hostility, the conclusion of the peace accord, and the construction of a framework of peaceful development all should be based upon both sides' consent on the 'one China' principle.<sup>9</sup>

Across the strait, President Ma has indicated that Beijing should reduce the direct military threat to Taiwan, particularly removing those missiles pointing to the island, before both sides can seriously negotiate over CBMs. Among other weapons, China's missiles deployed in its southeast coastal provinces have been perceived by the Taiwan people as greatest threat. China's strategic missile forces, the Second Artillery Corps of the People's Liberation Army (PLA), has vigorously modernised its theatre ballistic missile forces since the mid-1990s and has forcefully developed a formidable class of indigenous cruise and ballistic missile force with precision striking capabilities. The combination of 300-km range DF-11, 600-km range DF-15 short-range ballistic missiles (SRBMs), and 200 ground launched cruise missiles (GLCM), along with their surveillance and targeting abilities, deployed directly opposite Taiwan, has increased Taiwan's

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<sup>8</sup> "Advantages of Cross-strait CBMs to Asia-Pacific Peace and Security," *China Review News*, 19 March 2010, see <http://www.chinareviewnews.com/doc/1012/6/3/2/101263242.html?coluid=7&kindid=0&docid=101263242>.

<sup>9</sup> For instance, President Hu Jintao's statement, 31 December 2008, *Xinhua News*, see [http://news.xinhuanet.com/newscenter/2008-12/31/content\\_10586495.htm](http://news.xinhuanet.com/newscenter/2008-12/31/content_10586495.htm).

vulnerability.<sup>10</sup> Over all, China's military modernisation developed in the past two decades has immensely enhanced its capability to mount offensive action against Taiwan while deterring US involvement in their conflict.<sup>11</sup> From Taipei's standpoint, it is therefore a legitimate call for China to reduce the direct threat to Taiwan before the government is able to talk to Beijing about mutual confidence in military dimension.

In addition to the military issues, Taipei has also indicated that bilateral political trust must be better accumulated, internal consensus must be achieved, and Taipei's relations with Washington must be further enhanced, before CBMs across the strait can be discussed. These three conditions proposed by the Taiwanese side have been seen by Beijing as excuses used by Taiwan and further obstacles towards dialogue on CBMs.<sup>12</sup>

### *Timetables*

Based upon the different prerequisites, both sides have divergent timetables of negotiation process of CBMs. Soon after the KMT came back to power, particularly after both sides have been able to reach important agreements in a rather short period of time, there were times when Beijing felt confident that both sides could enter into the next stage of talks concerning more sensitive issues. There were even reports indicating that it has a sense of urgency in the Chinese leadership to move forward CBMs talks after the economic and 'easy' parts of relations have been solved. However, Taiwan people have not yet been prepared to move at such a rapid pace and the Ma government has been well aware of that. Without yielding its ultimate goal, Beijing has started to show its flexibility about the timetable of cross-strait development. China has so far not seriously exercised pressure on Taiwan to begin negotiations over CBMs. Chinese officials and scholars have suggested that both sides start informal discussion on CBMs based on the 'track two' platform between scholars and think tanks from the two sides.

From the long term perspective, though, Beijing would not like the talks to be prolonged indefinitely with misgivings of Taiwan's constant change of governments and emerging obstacles to future relations. President Ma has already stated that unification between the mainland and Taiwan will be very unlikely to happen in his lifetime. A future DPP government would stand far more aloof from the idea of closer political ties with China.

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<sup>10</sup> Martin Andrew, "China's Conventional Cruise and Ballistic Missile Force Modernization and Deployment," *China Brief*, Vol. 10, Issue 1 (January 2010), pp. 5-7.

<sup>11</sup> David A. Shlapak, "Questions of Balance: The Shifting Cross-Strait Balance and Implications for the US," 18 March 2010, see <[health.rand.org/pubs/testimonies/2010/RAND\\_CT343.pdf](http://health.rand.org/pubs/testimonies/2010/RAND_CT343.pdf)>.

<sup>12</sup> *China Review News*, 9 November 2009, see <<http://www.chinareviewnews.com/doc/1011/2/7/5/101127510.html?coluid=0&kindid=0&docid=101127510>>.

Because of the domestic polarisation of mainland policy, the Ma administration considers it premature to initiate negotiation over CBMs before some conditions to be met. The political mutual trust has just been accumulated not long ago and Taiwan people have not yet been prepared for such a sensitive issue. The Ma government will adhere to the ‘economy first, politics later’ approach in ways to build up mutual trust across the strait and reduce people’s apprehension. Besides, the government has been very sensitive about political dialogues between the two sides and has only stated that CBMs is not an urgent issue to talk about at the current stage.<sup>13</sup>

Over all, although both sides of the Taiwan Strait have talked about CBMs, the persisting mutual distrust resulting from its long-term hostility lead them to be suspicious of each other’s sincerity. From Beijing’s perspective, CBMs should be designed to reduce tensions and further end hostility in ways to create amicable atmosphere and environment that could facilitate closer relations. Any of Taipei’s attempts to delay talks over CBMs could be interpreted by Beijing as promotion of ‘peaceful separation’ from the mainland, a move focusing on economic co-operation solely without any interest in political negotiation at all. China is also suspicious of Taiwan’s call for removing the missiles deployments in the military regions opposite to the island, as this can possibly be China’s unilateral measure without any Taiwan’s reciprocal move.

Likewise, Taipei is also highly distrustful of Beijing’s intention to bring the sensitive issues to the negotiating table. Despite the eased tensions across the Taiwan Strait and the concrete agreements, China’s military threat to Taiwan has actually intensified with its increasing capability and precision of targeting that can hardly convince people in Taiwan of its readiness for peace. Besides, the repeated demand made by Beijing for the adherence to the ‘one China’ principle has also rendered the KMT government impossible to yield.

China should confine itself from being hasty about the pace of CBMs as any sign of urgency could only cause Taiwan people’s suspicion about China’s political intention. China can take unilateral goodwill military steps towards Taiwan, such as adjusting deployments of missiles against Taiwan. Though some in the mainland have argued that adjustments in military deployments should be reciprocal, the fact is that only the mainland is capable of posing threat to Taiwan but not the other way round. The aim of CBMs should not only focus on the formal end of hostility, but also on putting the use of force entirely obsolete so that a sustainable peace can be attainable.

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<sup>13</sup> “Cross-Strait CBMs Is Not Policy Option,” *Radio Taiwan International*, see <[http://news.rti.org.tw/index\\_newsContent.aspx?id=1&id2=2&nid=244164](http://news.rti.org.tw/index_newsContent.aspx?id=1&id2=2&nid=244164)>.

## Domestic and International Environments

### *Domestic Problems*

Despite the fact that the vast majority of public opinion highly supports the current policy towards the mainland China, Taiwan people in general and the political parties in particular are still highly polarised about the future of cross-strait relations. There has been serious criticism from the ‘green camp’ who believes that the Ma government’s mainland policy has been over pro-China at the cost of Taiwan’s sovereignty and dignity. In addition to the domestic polarisation, the constant low approval ratings confronted the Ma administration have kept the government cautious about how people would respond its policy towards the mainland.<sup>14</sup> The government has tried to seek expanding the general support for its mainland policy across party lines.

On its policy towards Taiwan, China is not without its own internal difficulties. While the top leadership has been able to keep the stable pace of cross-strait relations, some in the mainland are sceptical about the ‘soft’ approach towards the Ma government that may be seen as making unnecessary concessions without concrete rewards. Any setbacks of the bilateral relationship could challenge the government’s Taiwan policy and force the leadership to alter the pace and the direction entirely.

### *American Response*

Both Taiwan and the mainland are perfectly aware that the US attitude towards cross-strait CBMs is essential and they seek support from Washington to their interests. From Taipei’s standpoint, America’s endorsement for CBMs between Taiwan and China is vital for strengthening Taiwan’s sense of security. Taipei has paid great attention to how Washington would weigh its advantages and disadvantages resulting from the better relationship across the Taiwan Strait. The Ma administration is eager to maintain its balancing relations with both Beijing and Washington. Some people in Taiwan have voiced concern that future CBMs might offer China opportunities to convince both Americans and Taiwanese of the lack of necessity of Taiwan’s arms procurement from the US. President Ma also indicated that Taiwan would be very cautious to deal with CBMs as this over-sensitive issue will involve Taiwan’s relations with the US, particularly concerning the arms procurement.<sup>15</sup> Therefore, Taiwan would need the US support

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<sup>14</sup> Monthly public opinion polls about the government’s popularity and its China policy, *Global Views Monthly Magazine*, see <<http://www.gvm.com.tw/gvsrc/index.asp>>.

<sup>15</sup> Interview with President Ma Ying-jeou, *Lianhe Zaobao*, 9 May 2009, see <<http://www.zaobao.com/special/face2face/pages1/face2face090509a.shtml>>.

as well as its involvement, in one way or the other, in the process of negotiation and implementation of CBMs.

Beijing has been active in pushing the US to encourage Taipei to jointly explore and promote military CBMs. With America's endorsement or without its opposition, the Chinese leadership would secure domestic support for its amended policy towards Taiwan as a whole and the future CBMs in particular. For sure, the US support would neutralise Taiwan's concern that Washington would be alert to the future military mechanism between Taiwan and China. Different from Taiwan's stand, though, China's expectation for America's role in CBMS is only a promoter or facilitator at most, in the early stage of the discussions, but not a mediator in the process of negotiation, nor a guarantor in the implementation. Besides, Beijing has linked cross-strait CBMS with US arms sales to Taiwan. Chinese high-level officials have vigorously attempted to persuade their American counterparts that the US should refuse Taiwan's request for hi-tech military hardware, such as F16C/D fighter jets, on grounds that cross-strait tensions have largely been eased.

The US long-term official policy towards Taiwan and China is that both sides of the Taiwan Strait should solve their problems through peaceful ways. Since President Ma Ying-jeou assuming his presidency, the US has constantly praised Ma's mainland policy and endorsed the achievements both sides have made. Washington has also backed cross-strait military CBMs as a means to reduce uncertainties in the Taiwan Strait. The American government and scholars have explicitly supported the development of CBMs and they are enthusiastic about measures taken by both Taiwan and China to reduce possibilities of involving the US in their military conflict.

In the long run, it is worthwhile for both sides, particularly Taiwan, to consider what kind of role(s) the US should play in the ever evolving cross-strait relations, though Washington has constantly reiterated that it would not involve cross-strait CBMs. Whether Beijing or Taipei likes it or not, it is inevitable that the US will play a decisive role in their future negotiation on CBMs and actually in the whole peace process between them. In the past, the US has actively exerted its influence in bringing the two sides of the Taiwan Strait from brinkmanship whenever it deems necessary. Washington has also encouraged the two to solve their problems on the negotiating table and enhance their co-operation through interaction.

Although the US in general welcomes the improvement of the cross-strait relations developed in the past couple of years, Washington will continue to keep the development in the Taiwan Strait under close scrutiny. The US is very curious about how the two sides are conducting their dialogues, how many channels of negotiation they have, which is the most effective one, and what future agendas they are designing. Washington would expect to be consulted by Taiwan throughout negotiating process. In terms of CBMs, the US would be eager to know

what steps Taiwan and China will take and what areas CBMs will cover, due to its military ties with Taiwan.<sup>16</sup>

One of the areas the US would be most concerned about is whether Taiwan and the mainland will enhance their co-operation, particularly in military terms, vis-à-vis a third party. Given the recent disputes in the maritime areas surrounding China, any suggestion of cross-strait co-operation in South China Sea or East China Sea will immediately cause the US and others in the region great concern. After all, the US strategic interest in East Asia is to encourage all sides to work in ways to promote peace and stability, but not to arouse suspicion and anxiety that would lead to greater uncertainties.

### Implications for the US and Regional Security

Both sides of the Taiwan Strait have got off to a good start in the past couple of years in the process of building mutual trust. They have proposed some measures to reduce tensions in either unilateral or bilateral way. Even in military terms, both have taken some unilateral moves that could be interpreted as good-will gestures towards future CBMs. They both have altered the ways of military manoeuvre by averting directly targeting the other. Bilaterally, in mid-September 2010 both sides have conducted a land-mark joint maritime rescue drill by their costal patrol agencies commanded by the deputy-ministerial level officials. This exercise is highly praised by the media as a positive signal in their pursuit of mutual military trust.<sup>17</sup> For the first time, the mainland's policy towards its threat to Taiwan has been revealed when the Chinese premier Wen Jiabao publicly stated in a sideline press during his UN visit in September 2010 that the missile issue would be solved.<sup>18</sup> All these unilateral and bilateral measures or statements taken by both sides may create sound foundations for future military CBMs.

However, successful CBMs across the strait will highly rely on how the actors around, particularly the US, would perceive the development of cross-strait relations. Although the Taiwan Strait has become more stable thanks to the reconciliation between the two, the US is confronting other challenges in the region. The rapid rise of China in almost every dimension poses serious threat to the US supremacy in Asia. The changing balance of power between Taiwan and

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<sup>16</sup> Bonnie S. Glaser, "Building Trust across the Taiwan Strait: A Role for Military Confidence-Building Measures," *Center for Strategic and International Studies*, January 2010, see <<http://csis.org/publication/building-trust-across-taiwan-strait>>.

<sup>17</sup> "Taiwan, China to Launch Joint Maritime Rescue Drill," *Central News Agency*, 10 September 2010, <[http://focustaiwan.tw/ShowNews/WebNews\\_Detail.aspx?Type=aALL&ID=201009100031](http://focustaiwan.tw/ShowNews/WebNews_Detail.aspx?Type=aALL&ID=201009100031)>

<sup>18</sup> *China Times*, 24 September 2010, <<http://news.chinatimes.com/focus/0,5243,50106677x112010092400101,00.html>>.

the mainland in favour of China may have great impacts on American strategic interest. Furthermore, the US may have to contemplate how to well prepare for a most likely scenario of an emerging equilibrium where China's rapid military modernisation poses a formidable challenge to America's supremacy in East Asia, possibly in the next 10-20 years.

Since China's ascendance is an inevitable phenomenon, the question about whether and how the US is well prepared for it will concern us all. The US should maintain healthy military relations with both sides across the Taiwan Strait. Washington and Beijing have to assume their military co-operation in a way to enhance their mutual trust that is fundamentally required for region's stability. America also has to boost Taiwan people's sense of security by continuing its arms offers to Taiwan.

In addition, all players around need to consider the feasibility of construction of a multilateral security mechanism where the major actors will be involved and conflicts can be solved through dialogues. Bilateral CBMs like the possible one across the Taiwan Strait may reduce their mutual distrust, but a closer military relationship based on bilateral CBMs may also cause others' concerns. On the other hand, a multilateral security CBMs could address and solve major security concerns in a peaceful way and therefore enhance mutual trust among all. While the two sides of the Taiwan Strait are contemplating future CBMs and the US is strengthening its bilateral alliance with countries around, it would be constructive and meaningful for the US and others to seriously consider a multilateral security mechanism where the US supremacy will remain and where the transformation of China's rise will be peaceful. Both America's prevailing power and China's peaceful rise will be crucial for region's security and peace as a whole.