

# **MARITIME RESOURCES AND THE *RAPPROCHEMENT* ACROSS THE STRAIT**

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The *rapprochement* between Taipei and Beijing since 2008 represents an extraordinary development in the evolution of the East Asian economic and security environment. Arguably, this development has not been fully appreciated in Washington.<sup>1</sup> As the United States undertakes its “rebalance to the Asia-Pacific,” the focus has been on evolving crises in the South China Sea, the East China Sea, and also on the Korean Peninsula. In two of these three crises, the issue of maritime resources is at the fore. Few Western scholars have probed the interrelationship of these two trends: the Taiwan-Mainland *rapprochement*, on the one hand, and the simultaneous intensification of regional disputes over maritime resources, on the other.

This paper will survey current developments in Taiwan-Mainland maritime cooperation. The obviously critical issues of undersea fossil fuel reserves and of fisheries are addressed at some length, but this paper also takes a rather broad definition of “maritime resources” to include cooperation related to the management of key shipping lanes, as well as the protection of the ocean environment. The second part of the paper examines the role of Taiwan and Taiwan-Mainland relations within the two central maritime disputes currently roiling East Asian security. The conclusion of this paper is that the overall impact of the cross-Straits *rapprochement* on the maritime disputes is rather minor, but could be somewhat positive. It is also suggested that the *rapprochement* is of much greater significance than these disputes over maritime resources.

## **I. CROSS-STRAIT MARITIME COOPERATION TO DATE**

Given Mainland China’s keen interest in developing its maritime sector and Taiwan’s natural geographical endowment as an island, it seems hardly surprising that the maritime domain presents an area ripe for cross-Straits cooperation. This cooperation to date has reached from maritime law enforcement, to fossil fuel extraction, to fisheries, shipping and logistics, as well as oceanographic

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<sup>1</sup> On the problem of “selecting on the dependent variable” among observers of East Asian security, see Alastair Iain Johnston, “How Assertive is Newly Assertive China?” *International Security* 37 (Spring 2013), pp. 32-33.

research and environmental protection. Let us briefly examine each of these areas of cooperation in turn.

Maritime law enforcement or coast guard capabilities have emerged as a dynamic area of development in contemporary East Asia. Undoubtedly, this trend is related to their prominent role in the many maritime disputes of the region. It is obvious that creating a modern and effective coast guard is major priority for Beijing and an important institutional milestone was reached in March 2013 with the unification of most of Mainland China's maritime agencies into a single "China Coast Guard." Taiwan's small, but highly professional coast guard has beckoned as a potential partner for the Mainland's growing force and an initial joint exercise took place in September 2010. A more elaborate exercise, involving 29 vessels and three aircraft, took place in August 2012. According to a report on the latter exercise, "The exercise aims to meet the mounting need for maritime emergency rescue abilities after the Mainland and Taiwan started direct flights and shipments of commodities in 2008."<sup>2</sup> A Mainland academic study of the potential for Taiwan-Mainland cooperation in maritime law enforcement outlined the following areas of possible future cooperation: 1) institutionalized information sharing 2) exchanges of personnel 3) exchanges related to missions and equipment 4) training of personnel 5) coordination of maritime operations and related support and even 6) platform sharing. Among the factors driving enhanced cooperation, the authors noted a common recognition of the growing significance of maritime issues, as well as a shared perception that China had neglected these issues in the past.<sup>3</sup>

Energy cooperation across the Strait is quite dynamic as one might expect many synergies from two proximate, industrialized economies with huge appetites for energy, especially from fossil fuels.

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<sup>2</sup> "Taiwan, Mainland Vice Ministers Preside at Joint Maritime Drill," *Want China Times*, 31 August 2012, on the web at <http://www.chinapost.com.tw/taiwan/china-taiwan-relations/2012/08/31/352757/Taiwan-China.htm>.

<sup>3</sup> 孙书贤, 黄任望 [Sun Shuxian and Huang Renwang] "海峡两岸海上执法交流与合作前景初探 [Preliminary Study on the Prospects for Cross-Strait Maritime Enforcement Exchanges and Cooperation] *太平洋学报* [Pacific Studies Journal] (January 2009), pp. 75, 81.

Taiwan-Mainland energy cooperation dates back to 1994 and has seen ups and downs. Today, there is a clear trend toward integration of supply networks. A major development in spring 2013, for example, was the agreement under which the China National Offshore Oil Corporation (CNOOC) would begin to supply Liquefied Natural Gas (LNG) to Taiwan for the first time. Similarly, Taiwan's major oil refining company, China Petroleum Corporation (CPC) has been working with Mainland companies for some time to bring on line new discoveries throughout the developing world. For example, in March 2013 CPC took a stake in a Myanmar field being explored by CNOOC.<sup>4</sup> China's expanding naval presence across the world's oceans, notably in the Gulf of Aden, raises the intriguing question of whether Taipei is amenable to receiving PLA Navy protection that has been offered for its vessels, specifically in confronting the threat of piracy. There seems to be some evidence of modest cooperation between Beijing and Taipei in the sensitive domain of sea lane security.<sup>5</sup>

As regards the significant question of joint exploration and exploitation of undersea oil and gas deposits, the actual results of cooperation seem to be rather modest, at least for now. Already during the late 1990s, joint exploration projects were going forward to explore for deposits in the Taiwan Strait. Despite some preliminarily positive results, however, test wells drilled as recently as 2009 have not yet yielded major finds within the Strait itself. As might be expected, political sensitivities have also sometimes constrained these exploratory efforts, particularly on the eastern side of the mid-point line in the Strait.<sup>6</sup> To date, Beijing has focused its exploration and drilling efforts on the northern part of the South China Sea – quite distant from the hotly contested Spratlys/Nansha in the southern part of the South China Sea. These wells in the northern part of the South China Sea are estimated to be producing 250,000 barrels of oil per day and perhaps 6 billion cubic feet of natural gas, which represents ½ and 1/3

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<sup>4</sup> "Taiwan Bids for Oil, Gas Security in Myanmar Deal," Arakan Oil Network, 12 May 2013, on the web at <http://arakanoilwatch.org/2013/05/taiwan-bids-for-oil-gas-security-in-myanmar-deal/>.

<sup>5</sup> See, for example, "Taiwan Crew Freed by Somali Pirates Aided by Chinese Vessel," BBC News, 18 July 2012, on the web at <http://www.bbc.co.uk/news/world-africa-18882769>.

<sup>6</sup> This entire paragraph is drawn from Mark J. Valencia, "Maritime Cooperation: A Bridge to the Future," 1 March 2010 on the web at <http://taiwanreview.nat.gov.tw/fp.asp?xItem=93451&ctNode=1342>.

the total of Malaysia, the region's top fossil fuels producer.<sup>7</sup> The exact amount of Taiwan investment in these rather extensive projects is unknown, but there is considerable speculation that a Beijing-Taipei energy exploration partnership model applied successfully in the northern South China Sea could open up opportunities to initiate a similar partnership for the southern part of the South China Sea.<sup>8</sup> At the northeastern edge of the South China Sea is Taiwan's Dongsha Atoll or Pratas Island, which was declared to be a marine park in 2007. Oil and gas exploration in that area seems quite limited, although a spring 2013 report of a Taiwan oceanographic vessel finding gas hydrates in the area could be significant.<sup>9</sup>

Mainland Chinese gas production in the East China Sea has been under way for over a decade. Production from the East China Sea is said to fulfill 12% of Zhejiang Province's demand in 2012, although it should be noted that natural gas is a small proportion of the overall energy mix. Some of these gas fields are already witnessing production declines (e.g. Pinghu), but interestingly a new field called LS-36-1-1, which is located about 200km north of Taipei, is thought to be quite promising and will likely include a pipeline connection to the Mainland city of Wenzhou.<sup>10</sup> As with the situation in the South China Sea, it is quite difficult to ascertain the precise degree of energy cooperation between Taipei and Beijing in the sensitive East China Sea. However, it is perhaps fair to render a preliminary judgment that such joint energy projects are relatively small in scale and have not matured to the phase of significant joint production.

By way of contrast, fisheries are a domain of maritime cooperation that seems to have pushed ahead much more rapidly. This is likely the result of a somewhat synergistic commercial relationship in

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<sup>7</sup> "South China Sea," U.S. Energy Information Agency, 7 February 2013, available on the web at <http://www.eia.gov/countries/regions-topics.cfm?fips=SCS>.

<sup>8</sup> Jens Kastner, "Taiwan Circling South China Sea Bait," *Asia Times*, 12 June 2012 on the web at <http://www.atimes.com/atimes/China/NF13Ad01.html>.

<sup>9</sup> "Team Finds South China Sea Gas Hydrate Deposits," *Taipei Times*, 12 March 2013, on the web at <http://www.taipeitimes.com/News/taiwan/archives/2013/03/16/2003557214>.

<sup>10</sup> This paragraph is drawn from "East China Sea," U.S. Energy Information Agency, 25 September 2012, available on the web at <http://www.eia.gov/countries/regions-topics.cfm?fips=ECS>.

which the Taiwan side has bountiful experience and technology in marine fisheries, while the Mainland side has had relatively plentiful labor to fill out crews, as well as ample motive to upgrade its fishing fleet. There is some scattered evidence of cross-Strait maritime search and rescue cooperation with respect to fisheries, though it is likely that much more could be done to help those engaged in this most dangerous of professions.<sup>11</sup> This could be a positive story of rapid progress in cross-Strait maritime cooperation and commercial integration, but the environmental consequences cannot be ignored, so that adequate attention in any discussion must also be paid to the problem of over fishing and how to improve cross-Strait cooperation in fisheries enforcement for ecological ends and not simply profit.

A study of cross-Strait fisheries cooperation focusing on Fujian Province that appeared in a Mainland academic journal in mid-2013 illustrates the dramatic trends toward integration in the fishing industry in recent years. According to this study, by 2010 Taiwan had invested in 543 Fujian enterprises related to the fishing industry and these investments were valued collectively at over US \$1 billion. These enterprises were able to generate more than US \$400 million in export revenue in 2010. Two long distance fishing companies were apparently created in the 1990s with Taiwan capital. Comprised of 13 high seas-capable vessels, they together accounted for 16.1 % of Mainland China's total distant water fleet (DWF) catch in 2010. It is no wonder that the focus of cooperation is on distant water fisheries, because the "Taiwan Strait and neighboring fishing areas confront the ever more serious problem of resource depletion in offshore waters." Among the analysis' recommendations are the creation of a cross-Strait joint fisheries management institutions that would include joint ecological, pollution, and maritime disaster reporting, management, and response capabilities.<sup>12</sup> The environmental

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<sup>11</sup> See, for example, 许国，吴俊峰 [Xu Guo and Wu Junfeng] "海峡凝聚渔家情: 广东省南澳县渔民救助台湾渔船事迹" [Good Feeling Congeals Among Fishing Families Across the Strait: A Record of Aid Given to a Taiwan Fishing Boat by the Fishermen of South Macao County in Guangdong Province] 两岸关系 [Cross Strait Relations] (June 2008), p. 57.

<sup>12</sup> This entire paragraph is drawn from 林旭东，邓传芳 [Lin Xudong and Deng Zhuanfang] "基于闽台渔业合作的福建渔业经济竞争力提升途径研究" [Research on Increasing the Economic Strength and Competitiveness of

concerns about Mainland-Taiwan fisheries cooperation go beyond local waters, however. Since both Mainland and Taiwan fishing fleets, including their joint endeavors, are major players on the world's oceans, their cooperation cannot develop into a shell game to avoid careful enforcement. Indeed, Chinese fisheries scientists have concluded that illegal, unregulated, and unreported (IUU) fishing practices frequently occurs at the sensitive enforcement seams between authorities.<sup>13</sup> Still, there is reason to believe that Beijing is cognizant of this major problem in maritime policy and is taking steps to address the issue.<sup>14</sup> More cross-Strait initiatives are evidently needed in the domain of fisheries enforcement.

At the same time, other maritime environmental initiatives have apparently gone forward. In late 2009, for example, an effort to develop a cross-Strait mechanism to cope with toxic spill emergencies at sea got underway.<sup>15</sup> A second "Cross-Strait Maritime Forum" took place in June 2011 in Xiamen and was attended by more than 200 expert scholars. In an address at that forum, the Mainland's State Oceanic Administration minister Liu Cigui emphasized the need to press forward with cross-Strait maritime disaster preparedness, the safeguarding of maritime biological resources, and in cooperative ocean research endeavors.<sup>16</sup> Obviously, this forum could evolve into an important vehicle to advance cross-Strait maritime cooperation. Yet another joint maritime scientific endeavor that deserves brief mention is Taiwan-Mainland cooperation in arctic studies. A major event occurred in April 2009 when the Chinese Polar Institute's research ship *Xuelong* made a visit to Taiwan. Since that

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Fujian's Fishing Industry Through Commercial Fishing Cooperation with Taiwan] 发展研究 [Development Studies] 2013, no. 4, pp. 25- 28.

<sup>13</sup> 许浩 [Xu Hao] "管制IUU捕捞的渔业法对策" [Law and Policy for Controlling IUU Fishing] 海洋开发与管理 [Ocean Development and Management], Vol. 26, No. 8, (August 2009), p. 26.

<sup>14</sup> See, for example, Xu Liuxiong and Liu Xiaobing, "An Analysis of the Goals and Achievements of the Western and Central Pacific Fisheries Commission From China's Perspective," in (eds.) Jon M. Van Dyke, Sherry P. Broder, Seokwoo Lee, and Jin-Hyun Paik, Governing Ocean Resources: New Challenges and Emerging Regimes (Boston: Martinus Nijhoff Publishers, 2013), p. 398.

<sup>15</sup> Information on this initiative is available at on the website of Taiwan's environmental protection ministry at [www.epa.gov.tw](http://www.epa.gov.tw).

<sup>16</sup> "第二届海峡两岸海洋论坛在厦门开幕" [The Second Cross-Strait Maritime Forum Takes Place in Xiamen] 海洋开发与管理 [Ocean Development and Management] 28 (June 2011), pp. 2-3.

“ice-breaking” visit, Taiwan researchers traveled to the Antarctic later in 2009 and also to the Arctic aboard *Xuelong* in 2012.

One final area to consider in the broader arena of maritime cooperation is port logistics. This is a domain of strength for both the Mainland and Taiwan, so it is no surprise that a major “boom” has been underway across the Strait since the *rapprochement* began in earnest in 2008. As a late 2012 report on the issue relates: “There are now 29 direct container shipment routes and seven direct passenger routes across the Taiwan Strait, while a total of 85 ports have been opened by each side. As of June this year, cargo exchanges between the two sides had surpassed 250 million tons, and passengers had made over 5.5 million journeys across the Strait.”<sup>17</sup> While not surprising, these figures, nevertheless, represent a remarkable achievement given that just a few years ago there were hardly any direct maritime linkages between Taiwan and the Mainland.

This survey of Taiwan-Mainland maritime cooperation is likely incomplete and cannot aspire to be truly comprehensive. However, it does yield the impression that maritime cooperation corresponds to a natural and functional tie between Taiwan and the Mainland. It is evident that maritime cooperation is rapidly accelerating and going ahead in a very wide variety of economic, security, scientific and social domains.

## **II. CROSS-STRAIT RELATIONS AND THE MAJOR MARITIME DISPUTES IN EAST ASIA**

The above trends toward cooperation and integration are, of course, encouraging. However, the issue of cross-Strait maritime cooperation cannot generally be isolated from the delicate and complex challenges posed by the major maritime territorial disputes in East Asia. A rather straightforward logic is evident in nearly all Mainland analyses of the subject: Taiwan and the Mainland share nearly identical, yet highly contested, maritime claims in both the South China Sea and the East China Sea and, therefore,

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<sup>17</sup> “Mainland, Taiwan Shippers Call for Further Cooperation,” *Xinhua*, 30 November 2012.



their active cooperation is viewed as valuable to strengthening these claims.<sup>18</sup> Taipei seems to be highly sympathetic, but is also rather circumspect for certain obvious reasons, not least concerns about how such cross-Strait cooperation in these maritime territorial disputes might be viewed in Washington and among other regional partners. While it is important not to exaggerate the role of the cross-Strait relationship in these disputes since the interests of the great powers will naturally be most important in determining the outcomes. And yet, the cross-Strait relationship remains relevant and can have some impact on the margins of these disputes. The following two sub-sections explore the role of cross-Strait relations in the two major maritime disputes in turn.

#### **a. The South China Sea**

Major tensions have been building up in the South China Sea since at least 2009. Such tensions were so acute in mid-2011 that visiting deputy Foreign Minister (now Ambassador to the United States) Cui Tiankai warned on a visit to Hawaii: “I believe the individual countries are actually playing with fire, and I hope the fire will not be drawn to the United States.”<sup>19</sup> A major Washington think-tank report focusing on the South China Sea, moreover, asserted in early 2012 that Southeast Asia forms a new, “critical battleground for the transition in global power.”<sup>20</sup> Tensions flared up over the contested maritime claims between Hanoi and Beijing during the summer of 2011. Even as that particular situation seemed to ease, however, new strains with respect to maritime claims have arisen in between Beijing and Manila during 2012-13. Concerning these developing conflicts with neighbors in the South China Sea, at

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<sup>18</sup> See, for example, 周忠菲 [Zhou Zhongfei] 两岸海洋合作: 理论与实践的探索 [Cross-Strait Maritime Cooperation: A Probe into Theory and Practice] 现代台湾研究 [Contemporary Taiwan Research] (January 2013), p. 36.

<sup>19</sup> Edward Wong, “Beijing Warns US about South China Sea Dispute,” New York Times, 22 June 2011, at [http://www.nytimes.com/2011/06/23/world/asia/23china.html?\\_r=1](http://www.nytimes.com/2011/06/23/world/asia/23china.html?_r=1).

<sup>20</sup> Patrick M. Cronin and Robert D. Kaplan, “Cooperation from Strength: U.S. Strategy and the South China Sea in Patrick M. Cronin (ed.) Cooperation from Strength: the United States, China and the South China Sea (Washington DC: Center for New American Security), p. 11-12.

least some Chinese flag officers seem inclined to “以卵击石” [break an egg with a stone]...<sup>21</sup>

Meanwhile, consistent with United States’ “rebalance to the Asia-Pacific,” the U.S. Navy reported that its ship visits to the Philippines in 2012 were up to 88 from 54 in 2011 with further expansion sought.<sup>22</sup>

Considered as a whole, these developments toward escalating great power rivalry are profoundly troubling, to say the least. While the emergence of geopolitical rivalry between the U.S. and China is natural to some extent, there is nevertheless, a clear imperative among concerned scholars to propose and seek solutions to avert a catastrophe – though that is not the specific purpose of this particular paper.

Returning to the central question of the role of cross-Strait relations in the dispute, the most obvious reason that Taiwan remains an important factor in the South China Sea conflict is that the Republic of China (ROC) controls and administers the largest land feature in the South China Sea, known as Itu Aba or Taiping Dao. The size of this particular feature matters: strategically, because it is large enough to accommodate an airfield, but also legally since it might be large enough to genuinely support human habitation and economic activity. If so, according to the Law of the Sea treaty, then the owner could legitimately claim not simply territorial waters (12 miles) but the much more expansive Economic Exclusive Zone (out to 200 miles). The significance of these facts is hardly lost on Beijing. Therefore, in Chinese naval circles, there is now ample interest in the historical origins of Taiwan’s garrison on Itu Aba.<sup>23</sup> Similarly, the issue of the role of cross-Strait relations is widely discussed among Mainland

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<sup>21</sup> Major General (PLA-ret.) Luo Yuan quoted in an interview with 郑明 [Zheng Ming, PLA Navy Admiral (ret.)] “钓鱼岛，黄岩岛事件：或可成为我国制定和实施海洋发展战略的一个切入点” [The Events Related to the Diaoyu and Huangyan Islands: How They Might Become Defining Points for Laying Out and Realizing of Our Country's Maritime Development Strategy] 现代舰船 [Modern Ships] September 2012, pp. 12-17.

<sup>22</sup> Gina Harkins and Sam Fellman, “Navy Wants to Expand Philippine Presence, Create Temporary Base,” Navy Times, 27 July 2013, on the web at <http://www.navytimes.com/article/20130727/NEWS/307270004/Navy-wants-expand-Philippine-presence-create-temporary-base>.

<sup>23</sup> 马骏杰 [Ma Junjie] “1956年巡弋南沙群岛” [The 1956 Cruise to the Nansha Island Group] 现代舰船 [Modern Ships] (June 2009) pp. 51-55.

foreign policy experts.<sup>24</sup> Undoubtedly, issues related to maritime territorial claims may have the further effect of stirring up Chinese nationalism and thus further binding together “patriots” on both sides of the Strait.<sup>25</sup> Indeed, the ideological or even propaganda element is not always very subtle.<sup>26</sup> Notably, some Mainland strategists had warned against the possibility that the South China Sea issue could distract Beijing’s focus from the critical Taiwan issue.<sup>27</sup> However, that seems to be an outlier position with most Mainland strategic thinkers seeing a complementary fit among these two issues in Chinese foreign policy. Indeed, the 11 May 2013 shooting of a Taiwan fisherman by the Philippines Coast Guard elicited an outpouring of favorable coverage in the Mainland for Taiwan’s armed forces and the military drills that were undertaken in the aftermath of the incident.<sup>28</sup>

The same incident seems to have dramatically increased support on Taiwan for increasing coordination with the Mainland regarding the South China Sea issue, according to one recent report. The same report illustrates Taipei’s increasing attention to the South China Sea issue in recent years. Interestingly, that focus seems to have preceded the present Ma Administration. Significantly, the airstrip at Itu Aba received a renovation and upgrade that was completed in 2007. President Chen Shuibian made the first ever visit by a Taiwan leader to the distant outpost in the South China Sea during 2008. The past two years have witnessed a similar new seriousness. Members of the Taiwan parliament

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<sup>24</sup> See, for example, 鞠海龙 [Ju Hailong] “当代南海问题的函数解析: 兼论两岸关系对我国和平解决南海问题的影响” [A Functional Analysis of the Contemporary South China Sea Issue: The Influence of Cross-Strait Relations on the Peaceful Settlement of the South China Sea Issue] 东南亚研究 [Southeast Asian Studies] (June 2009), pp. 41-45.

<sup>25</sup> See, for example, 郭健青 [Guo Jianqing] “两岸应携手维护南海主权” [Editorial: Both Sides Should Join Hands to Defend Sovereignty over the South China Sea] 现代台湾研究 [Modern Taiwan Studies] (2012) No. 2, preface.

<sup>26</sup> See, for example, 张文生 [Zhang Wensheng] “南海为权, 两岸能否合作” [Supporting Rights in the South China Sea May Depend on Whether the Two Sides of the Strait Can Cooperate] 两岸关系 [Relations Across the Strait] (August 2012), pp. 21-22.

<sup>27</sup> 董彦 [Dong Yan] “南海争端不可被 ‘一叶障目’” [The South Sea Rivalry Must Not Become ‘The Leaf that Obscures the Mountain’] 中国报道 [China Report] (August 2008), pp. 28-29.

<sup>28</sup> See, for example, 晓枫, 陈昊 [Xiao Feng and Chen Wu] “台湾护渔联合军演” [Taiwan’s Fisheries Escort Joint Military Drill] 兵器知识 [Ordnance Knowledge] (July 2013), pp. 42-45.

visited the island and live-fire military drills were also conducted in close proximity to Itu Aba in 2012.<sup>29</sup>

Another paper by the same Taiwan analyst, Yann-Huei Song suggests some definite limits, or at least major obstacles to further Taiwan-Mainland cooperation regarding South China Sea claims. He asks, for example, “if Taipei moves too closely to China’s position on the SCS issues ...” how would Taiwan’s relations with ASEAN be impacted? And what would be the impact on its military defense relations with the United States?<sup>30</sup> Nevertheless, a certain influence of the cross-Strait rapprochement is already quite discernible on the South China Sea issue. For example, the author had an opportunity to attend a South China Sea workshop in Beijing in mid-2013. The number of scholar attendees from Taiwan was impressive as was the intellectual contribution of these particular attendees. Interestingly, the presenter at the conference offering the most vigorous defense of China’s U-shaped claim in the South China Sea was a Taiwan scholar, who had immigrated to the Mainland and become quite prominent in maritime, legal circles there. In another interesting example of the intellectual contribution of Taiwan scholars to the dispute in the South China Sea, a second Taiwan scholar attending this Beijing conference, Michael Sheng-Ti Gau, authored an important paper in the journal Ocean Development and International Law in 2012. This paper makes the interesting argument that not only has Taiwan modified some of the more extreme interpretations of China’s claims in the South China Sea, but it also seems to imply that Beijing is following a similar approach in order to “facilitate bilateral maritime delimitation negotiations ...”<sup>31</sup> In other words, it may be quite conceivable that the Taiwan-Mainland *rapprochement* could harden China’s overall approach to the South China Sea either through nationalist fervor or a perceived diplomatic-legal advantage, but it is also quite possible that the *rapprochement*

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<sup>29</sup> Yann-Huei Song, “Recent Developments in the South China Sea: Taiwan’s Policy, Response, Challenges and Opportunities” paper presented at the conference “Managing Tensions in the South China Sea,” at the Center for Strategic and International Studies (CSIS), 5-6 June 2013, on the web at [p://csis.org/files/attachments/130606\\_Song\\_ConferencePaper.pdf](http://csis.org/files/attachments/130606_Song_ConferencePaper.pdf)

<sup>30</sup> Yann-Huei Song, “The South China Sea Workshop Process and Taiwan’s Participation,” in Nien-Tsu Alfred Hu and Ted L. McDorman (eds.), Maritime Issues in the South China Sea: Troubled Waters or A Sea of Opportunity (New York: Routledge, 2013), p. 80.

<sup>31</sup> Michael Sheng-Ti Gau, “The U-Shaped Line and A Categorization of the Ocean Disputes in the South China Sea” Ocean Development and International Law 43 (2012), p. 63.

could result in a mellowing of Beijing's outlook, not least because of the enlightened approach to maritime disputes advocated by many influential Taiwan scholars.

## **b. The East China Sea**

The unfolding tensions in the East China Sea over the Diaoyu/Senkaku islets may present the most dangerous challenge to global security at present since this crisis could quite easily erupt into a conflagration involving several great powers. After several promising developments during the 2008-09 time frame in China-Japan relations, the relationship went sour during the September 2010 "trawler incident," in which a Chinese trawler captain and his crew was detained for supposed reckless behavior at sea. Beijing is alleged to have responded by temporarily halting shipments of rare earths to Japan. In 2012, a new round of escalation began, which has featured risky encounters over the last year at sea and also in the air, including: almost continual and close proximity interaction between coast guard cutters patrolling near the disputed islets, major military exercises with close and allegedly intrusive observation, the alleged activation of fire control radars during such maneuvers, and also a flight over the disputed sea area with an unmanned drone. An article published in mid-2013 cover story by a magazine affiliated with the Chinese Navy said Japan-China relations had now reached a new nadir and, illustrating the very dangerous escalation dynamic of this relationship, quoted a senior Japanese Admiral's recommendation that Tokyo "must prepare for the possibility of the worst case ..."<sup>32</sup>

Arguably, Taiwan's role in the East China Sea maritime dispute could be even more prominent than in the South China Sea. Part of the reason is simple proximity since the disputed Diaoyu/Senkaku islets are quite close to Taiwan. And therefore, it is not surprising that Taiwan's actions and interests have had a role in the dispute since the very origins of this dispute in the 1971 Okinawa Reversion

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<sup>32</sup> 章騫 [Zhang Qian] "日本自卫队将领谈日本'岛屿防卫' [JMSDF Admiral Discusses Japan's 'Defense of Islets'] " 现代舰船 [Modern Ships] (June 2013), p. 13.

Agreement.<sup>33</sup> Taiwan and Japan have periodically clashed in the East China Sea, especially regarding fishing rights. As is well known, President Ma Yingjeou has in his background the experience of studying the East China Sea issue as a graduate student at Harvard Law and this interesting fact may have raised certain expectations both on Taiwan and in Beijing regarding the prospects for Mainland-Taiwan cooperation on the issue of maritime disputes. For a brief time in the fall of 2012, it seemed this kind of strategic cross-Strait collaboration might be playing out as Taiwan fishing vessels with coast guard escorts surged into the contested area, engaging in battles with water cannons against the Japan Coast Guard. At nearly the same time, Beijing was also engaged in a “non-military escalation” of the dispute as it sortied a large number of cutters for regular patrols in the Diaoyu/Senkakus for the first time.<sup>34</sup> While tracking these developments closely, Mainland analysts seem skeptical that Taipei would risk any complication of its relations with Washington. Moreover, it is thought that Taiwan’s leadership is more interested in securing material benefits for Taiwan, as in the recent Taiwan-Japan fishing agreement, than in applying pressure on Tokyo regarding sovereignty in the East China Sea.<sup>35</sup> However, as with the South China Sea, there could be opportunities for Taiwan to influence events on the margins, especially perhaps when adopting the mature, but rather unassailable position of calling both major parties back from the brink.<sup>36</sup>

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<sup>33</sup> For a recent review of this history and Taiwan’s role in it, see Paul Smith, “The Senkaku/Diaoyu Island Controversy: A Crisis Postponed,” *Naval War College Review* 66 (Spring 2013), pp. 32-33. <http://www.usnwc.edu/getattachment/bfa92a47-1f5f-4c23-974c-f92e1ed27be4/The-Senkaku-Diaoyu-Island-Controversy--A-Crisis-Postponed.aspx>

<sup>34</sup> Lyle Goldstein, “Non-Military Escalation: China Cultivates New Heft in Maritime Enforcement Forces,” *China Brief* 12, 30 November 2012, pp. 11-15.

<sup>35</sup> 郭拥军 [Guo Yongjun] “试析马英九当局对日本‘购岛’事件的反应” [Preliminary Analysis on the Reaction of the Ma Yingjeou Administration to the Occurrence of Japan's Purchase of the Islands] *现代国际关系* [Contemporary International Affairs] (November 2011), pp. 1-7, 13.

<sup>36</sup> On Ma Yingjeou’s East China Sea Peace Initiative, see for example, Kent Wang, “Solving the Senkaku/Diaoyu Dispute,” *The Diplomat*, 5 November 2013, on the web at <http://thediplomat.com/the-editor/2013/11/05/solving-the-senkakudiaoyu-dispute/>.

### III. CONCLUSION

This paper reveals a rather developed set of cross-Strait relations in the maritime domain. These cooperative and collaborative endeavors cross numerous sub-sectors from maritime law enforcement to oil and gas exploration to fisheries to port logistics and shipping to marine environmental protection. Of the issues on this list, the issue of oil and gas exploration has naturally elicited the most attention for a variety of reasons, including the high expected profit margins on any major discoveries. Attention has also focused on that particular maritime sub-sector, because of its potential to impact one or both of the major maritime territorial disputes that plague the East Asian region. To date, however, cross-Strait sea bed energy exploration efforts have not yielded major finds, so the importance of the issue has likely been exaggerated. Meanwhile, fisheries cooperation seems to be both broad and deep with significant financial and also environmental implications. Indeed, this survey of cross-Strait maritime cooperation reveals that the environmental aspect of that cooperation could be both the most promising and most important area for increasing cross-Strait maritime cooperation.

With respect to the two main maritime disputes in East Asia at present, it is important not to overstate Taiwan's role and the importance of cross-Strait relations. To borrow an analogy from the Korean Peninsula, if Korea is a shrimp squeezed between whales, then Taiwan may ultimately count for plankton or some such very minor role in what are developing as troubling disputes between the world's foremost powers. It is hardly difficult to find signs that in both the South China Sea and also the East China Sea that the dynamics of mistrust and misperception that seem endemic to great power rivalry are escalating these conflicts in a troubling direction. Restraint and de-escalation are the urgent tasks for Beijing, Washington and other responsible actors in the region.<sup>37</sup> As argued above, it is true that the *rapprochement* across the Strait may, on the margins, serve to strengthen China's claims in these

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<sup>37</sup> Several proposals for step-by-step mutual compromise within in these maritime disputes (and in other domains of Asia-Pacific security) are discussed in Lyle Goldstein, Meeting China Halfway: One Hundred Steps to Realizing New Type Great Power Relations (Washington DC: Georgetown University Press, forthcoming 2014).

complex maritime disputes. But as many on both sides of the Strait seemed to have gathered already, it seems a more interesting and potent role for Taiwan and cross-Strait relations in these complex disputes may well be the inclination of Taiwan's intellectual elite – by crossing cultural barriers – to propose and advocate for creative, sophisticated and mature solutions.

A final “parting shot” in this paper takes us beyond the question of maritime resources to the larger issue of the regional and global order in which U.S.-China relations will undoubtedly play the most crucial role in this century and many that follow. The essay began with the perhaps controversial supposition that Washington has not taken adequate account of the significance of the *rapprochement* across the Strait. Instead, attention in the U.S. capital has tended to focus narrowly on the various island disputes driven, above all, by historical antagonisms and parochial interests. Even as these disputes over “rocks” have captured the headlines, U.S. decision-makers have not adequately understood the significance of accelerating interdependence across the Strait. In fact, many American strategists are now actively pondering a role for Taiwan in the U.S. “rebalance to Asia,”<sup>38</sup> but such efforts are misguided and reflect a dangerous zero-sum mindset. By contrast, a more enlightened U.S. position should recognize that the positive results of more and deeper ties across the Strait, in fact, far outweigh the relatively small stakes and trifling issues related to the ownership of various reefs in the South China Sea and East China Sea. The new Taiwan-Mainland *rapprochement* not only serves the citizens on both sides of the Strait, but can have enormous global consequences by helping to enable a transformation in U.S.-China relations from global rivalry to genuinely equal and effective partnership.

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<sup>38</sup> See, for example, L. C. Russell Hsiao and Mark Stokes, “Taiwan’s Role in Air Sea Battle,” Project 2049 *Asia Eye*, 16 April 2012.