

S U M M A R Y

**National Committee on American Foreign Policy
Meeting with the Delegation from the
Shanghai Institute for International Studies**

February 9, 2004

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The National Committee on American Foreign Policy met with a delegation from the Shanghai Institute for International Studies (SIIS) on February 9, 2004 and the following is a summary of the meeting highlights.

The Chinese delegation had just returned from Washington, DC where they had met with several U. S. government officials and with American think tanks.

The "message" that the Chinese group took from its visit to Washington, DC was first - that the United States is firm in its opposition to any unilateral change of the status quo in the relations between China and Taiwan. The United States had sent this message quietly to President Chen Shui-bian but was then forced to present it publicly. Second, the United States now thinks it has control over the situation and there is no need for any more warnings. Taiwan has received the message and China should not ask the United States to do anything more. Even if President Chen is reelected, there is no cause for alarm and China should be restrained. Third, the Executive Branch of the U. S. government believes that it has the support of the Congress on this issue.

The discussion then focused on the longer range issues involved in the impasse between China and Taiwan and how that impasse might be broken.

An American participant began the discussion by saying that all three sides-China, the United States and Taiwan-bear some of the responsibility for the recent rise in tension in the Taiwan strait. Since the DPP assumed power in Taiwan in 2000, China has failed to demonstrate any flexibility in its position. It refused to allow Taiwan to become an observer in the World Health Organization; it refused to talk to President Chen Shui-bian without Taiwan accepting the one China precondition; and it failed to modify its One China, Two Systems formula which has virtually no support in Taiwan.

The United States, for its part, has been sending mixed messages to Taiwan. The Bush Administration began by saying that it would do whatever it takes to defend Taiwan. It sent one of its officials to Taiwan to say that President Bush was Taiwan's guardian angel. And it provided President Chen considerable leeway on a transit trip to New York. All of these U. S. actions contributed to Taiwan's belief that it could push the envelope on changing the status quo. And once Taiwan moved

in that direction by announcing its plan to hold a referendum on the same date as the presidential election, the U. S. government was forced to try to rein President Chen in-first through private messages which were ignored and, finally, through public statements.

The lesson of the past four years is that China needs to demonstrate much greater flexibility in dealing with Taiwan or it will one day be faced with unstoppable pressures for independence; the United States needs to stop giving Taiwan (and China) mixed signals; and Taiwan needs to concentrate on finding ways to consolidate the status quo rather than pushing for a unilateral change in the status quo.

Another American participant began by saying that the most beneficial policy for all three sides - the U. S., China and Taiwan - would be to maintain the status quo until the time comes when China and Taiwan can define their relationship and China looks more attractive to Taiwan. This will depend on an evolution of the Chinese political system in the direction of political reform. So long as China maintains its current political system, Taiwan will not want to get closer. The American said that a return to the "1992 Consensus" is the best way to get talks going again. But China needs to change its "One China, Two Systems" formula. There is little support for this idea in Taiwan. Also, if China were to become more flexible on allowing Taiwan more international space - e.g., admission of Taiwan as an observer to the World Health Organization - Taiwan should reciprocate by reassuring Beijing that it has no intention of moving toward independence.

A Chinese participant said that there are several points of "new thinking" emerging in China on the cross-strait issue. First, the Taiwan issue cannot be resolved in the immediate future. It will be a long range process and there is no timetable. Second, there is a realization that Taiwan is a democracy and that every four years there is an election. As a result, the ruling party will always be constrained by the opposition. Third, China will use economic and trade relations as a way to win the hearts and minds of the Taiwan people. Much of Taiwan's manufacturing industry is already moving to the mainland. Fourth, China should give serious consideration to allowing more international space for Taiwan if Taiwan "even vaguely" accepts the One China idea. Fifth, the Chinese government is increasingly listening to different views on how to handle the cross-strait issue and although the "hardliners" present their views, the Chinese government does not side with them. Finally, the Chinese

participant said that he agreed that political reform is necessary but that this is a very sensitive issue in China and it will probably not be possible to move very far in this direction until Hu Jintao has consolidated his power. In his first term, he will probably seek to consolidate his power. Political reform might have to wait for Hu's second term.

The Chinese participant said that if the Pan Green party were to win the election, there would be an immediate warning from China on the danger of moving toward independence. But there would be no military threat. China would talk to the DPP indirectly and it hopes the United States would do so also. The Chinese participant said at one point that some in the PRC are advocating that: if the DPP wins, China should abandon its cooperative stance towards the United States on North Korea, terrorism and other issues. But he suggested that this was the "hardline" position and not the position of the government.

The Chinese participant went on to say that he hopes the United States will now put the cross-strait issue into a larger strategic framework. The United States should have learned its lesson from recent events and in the future it should not send Taiwan the wrong signals. The Chinese participant also said that China is now working hard on the problem of how to be perceived as a "good guy" in the world. Some Chinese scholars are arguing that China's rise to being a great power should be modeled not on Germany and Japan in the 1930s, but on the United States in the early part of the 20th century. China, he said, accepts the U. S. military presence in the Asia-Pacific. To support this view, he cited former Premier Qian Qichen's recent statement that China welcomes the positive and peaceful role of the United States in the Asia-Pacific. China, said the participant, has neither the intention nor the capability to challenge the United States in the Pacific. It must find a way to coexist. Also, China is pursuing good relations with all of its neighbors from ASEAN to India. Finally, China is maintaining a relatively low military budget while concentrating on economic development. China should, however, demonstrate greater transparency in its military strategy and planning.

The Chinese participant concluded with two final interesting points. First, in response to a question, he said that it is possible to turn the referendum in Taiwan into something positive. The referendum should be a wake-up call to the Chinese government that unless there is some new thinking on the cross-strait issue, in 2008 there will be a real move toward independence. Second, he said that China is thinking seriously about

turning the Six-Party Talks into a Northeast Asia Security Forum of some kind.