



# National Committee on American Foreign Policy

Where Leaders Meet

## Northeast Asia Projects

### Summary of the First Roundtable on U.S.-China Policy and Cross-Strait Relations June 1997, New York City by Donald S. Zagoria

The June 1997 meeting was attended by the persons listed at the end of this report. During the two-day roundtable, the participants entered into open, candid talks about Cross-Strait issues. A summary of those discussions follows.

1. **Issues relating to sovereignty:** Basic differences on sovereignty and sovereignty-related issues are at the heart of the differences between the PRC (the People's Republic of China) and Taiwan. In his opening statement, a scholar from the mainland reiterated the PRC position that there is only one China and that Taiwan is part of China, and he rejected the view of "some people" who reject the "one-country, two-systems" formula as "unsuitable" for Taiwan and applicable only to Hong Kong. The PRC scholar did, however, indicate that the "one-country, two-systems" formula is flexible and an "evolving notion." He even asked "what is one China?" and "can sovereignty be shared?"

One Taiwanese scholar, in his opening statement, said that Taiwan is already a sovereign state; that "China is divided" and that the PRC is one part and Taiwan is another; and that there is a situation of "shared sovereignty." Another Taiwanese said that the PRC and the ROC (Republic of China) need to work out a relationship of "separate jurisdictions but shared sovereignty." He also speculated about the possibility of an eventual confederation or federation. The first Taiwanese scholar said that the whole issue boils down to whether the PRC government could be flexible enough on its "one-China" principle to accept "shared or divided sovereignty."

2. **The issue of "international space" for Taiwan:** The scholar from the PRC, in his opening statement, said that the PRC and Taiwan must "work together" to find a solution to the problem of Taiwan's international space, thereby demonstrating some flexibility on the issue. He reiterated that the two sides need to "find a formula" to resolve this issue. The PRC, he went on, does not oppose Taiwan's "unofficial" economic and cultural relations. Its concern is "pragmatic diplomacy," "vacation diplomacy," and so on that it believes is aimed at or may result in the permanent separation of Taiwan. He said that "scholars need to work out" the idea of "international space."

A Taiwanese scholar argued that the PRC should "stop squeezing" Taiwan in its quest for international space, should allow Taiwan to join a variety of international organizations such as the World Bank and the IMF, and should not equate "pragmatic diplomacy" with a quest for separation. He said that Taiwan should be able to develop an "international personality" before reunification and that the PRC needs to be more flexible on this issue and to stop



equating the quest for an international personality with separation.

3. **Trust:** There are deep mutual suspicions about the motives and goals of the two sides. As one Taiwanese scholar put it, the PRC and Taiwan are in a vicious circle. The PRC has a fixation about the "one-China" formula, and Taiwan is "allergic" to the principle even though it officially accepts it. The underlying problem, he said, is mutual mistrust. The PRC insists on the one-China principle because it sees a trend toward separation on the part of the Taiwan leaders. Taiwan, on the other hand, sees the PRC's use of the "one-China" principle as a means to undercut Taiwan's status. Neither side trusts what the other side says. Therefore, it is necessary for both sides to engage in a process of "confidence building" in order to regain trust.
4. **One China, Two Systems:** Is it possible that the PRC can interpret this formula in a more flexible way in order to accommodate Taiwan? Or does the PRC need to come up with a new formula that is more satisfactory to Taiwan? One PRC scholar said that "we can discuss" both the question of what is one China and the question of how to define "two systems." The Taiwanese scholars suggested that the PRC needs to demonstrate greater flexibility both on how it defines one China and on how it defines two systems. The former needs to be defined more in historical and cultural terms; the latter needs to include scope for separate political entities or jurisdictions.
5. **Economic interdependence and political accommodation:** The recent growth of Taiwan's trade, investment, and other economic ties with the PRC may in the long run strengthen pressures for mutual accommodation, but the Taiwan government fears a "Finlandization" of the Taiwanese economy, that is, overdependence on the mainland. This has resulted in a "go-slow" policy that puts a cap on certain Taiwanese investments on the mainland. Taiwan also continues to prohibit PRC investment in Taiwan. Nevertheless, there is \$16 billion in trade, \$30 billion in investment, and 26,000 Taiwanese investment projects on the mainland. There was some disagreement among the Taiwanese scholars about whether Taiwan's concerns about overdependence on the mainland are justified. The PRC scholars argued that increasing economic ties will help to prevent hostility.
6. **Obstacles to renewing the official Cross-Strait dialogue:** There was much discussion about what needs to be done by each side to facilitate a resumption of the official dialogue that was aborted in 1995. The PRC bottom line seems to be that Taiwan must "return" to the one-China principle. One Taiwanese scholar suggested that there needs to be a rebuilding of trust, but it is unclear whether this is a precondition for resuming the official dialogue.
7. **The Impact of domestic politics:** There was a general agreement that domestic politics in Taiwan, China, and the United States plays an important role in influencing foreign policy. One PRC scholar speculated that after the PRC's 15 Party Congress later this year, the new Chinese leadership would be "more concentrated" on the Taiwan issue and most likely would come up with "new ideas." Some of the Taiwanese and some of the American scholars worried, however, that President Jiang Zemin would still not be strong enough to be sufficiently flexible, for example, by holding out the possibility of a "confederation" formula. There was also speculation about the impact the growing strength of the Democratic Progressive party (DPP) in Taiwan would have on Cross-Strait relations. The DPP is the major opposition party to the Kuomintang (KMT). In the past the DPP has stood for independence, but it has moderated its stance on this issue in recent years. One Taiwanese scholar suggested that we invite representatives of the DPP to future roundtables. One of Beijing's most serious concerns is that the DPP may win the next presidential



election. Another Beijing concern is that the KMT has been moving closer to the traditional position of the DPP.

8. **U.S. China policy and Cross-Strait relations:** PRC scholars said that in order to promote a PRC-Taiwan accommodation, the United States should be careful about visits to the United States by top Taiwan leaders and about arms sales to Taiwan. The United States should also continue to oppose Taiwan independence and Taiwan's entry to the UN. An American scholar said that the United States needs to be more active in promoting a dialogue, but a Taiwanese scholar warned that greater United States activism could be misread in Taiwan as an indication that the United States is forcing Taiwan to deal with the PRC on PRC terms. The American responded by saying that the United States has interests in avoiding another military confrontation and that Taiwan needs to show some restraint.
9. **Political change on the mainland:** Several PRC scholars warned that Taiwan may be saying that there can be no unification until there is democracy on the mainland. According to the PRC, this is a dangerous argument. Moreover, the PRC has already undergone tremendous changes. Several Taiwanese scholars, on the other hand, did suggest that unification would be accelerated if there were positive moves toward democratization on the mainland, for example, if village level elections were extended.
10. **The U.S.-Japan alliance and Taiwan:** PRC scholars sought reassurance that the recent reaffirmation of the U.S.-Japan alliance does not mean an expansion of the alliance and particularly an expansion of its geographic scope to include Taiwan. One PRC scholar said that the Chinese Foreign Ministry was pleased at the recent briefing it received from the Americans and that the PRC's reaction to the U.S.-Japan alliance was still "restrained." But the PRC was concerned about any expansion. An American scholar who had participated in the "Nye initiative" said that the United States and Japan were not expanding the alliance but clarifying what to do in an emergency. There was also some discussion about whether the Chinese were now objecting to the United States alliance with Japan and the United States forward deployment in Asia as a matter of principle. One Chinese scholar said that "in practice" the Chinese recognized that the United States has interests all over the world and that before April 1996 (the date of the Clinton-Hashimoto summit), this had not been a big problem. He seemed to imply that the PRC could accommodate the U.S. military presence in Asia.
11. **Hong Kong reversion and Taiwan-Hong Kong-PRC relations:** There was much discussion about the impact of Hong Kong's July 1 reversion to Chinese sovereignty. One American suggested that since Hong Kong would continue its more than 30 international agreements and organizational memberships after coming under Chinese sovereignty, perhaps some of these arrangements might be relevant to Taiwan and to future Taiwan-PRC relations.
12. **Future Meetings of the Roundtable:** There was a general agreement among all participants that the first roundtable had been extremely useful in clarifying the positions of all three sides and in suggesting areas for future discussion. It was agreed that the official name of the Roundtable would be "U.S.-China Policy and Cross-Strait Relations." We agreed that the next roundtable should focus on the major obstacles to the resumption of the Cross-Strait dialogue and on possible ways to surmount them. We now have a much better idea of what these obstacles are, and we will commission brief papers on this subject.

## Methods



The National Committee on American Foreign Policy is seeking financial support for a two-year project that would bring together, twice a year, 15 prominent academics from the United States, the PRC, and Taiwan to discuss U.S.-China relations and the future of Cross-Strait relations. The project is being coordinated by Professor Donald S. Zagoria of Hunter College and Columbia University with the assistance of Professor A. Doak Barnett of Johns Hopkins University, both East Asian specialists.

The NCAFP plans to hold five meetings. The first meeting was held in New York City on June 16-17, 1997. The participants included

United States: Professor Donald S. Zagoria, Hunter College and Columbia University  
Professor A. Doak Barnett, Johns Hopkins University  
Professor Ezra Vogel, Harvard University  
Professor Ralph Clough, Johns Hopkins University  
Dr. David M. Lampton, president, National Committee on U.S.-China Relations

Taiwan: Dr. Yung Wei, president, Vanguard Institute for Policy Studies  
Dr. T. J. Cheng, executive director, Institute for National Policy Research  
Professor Hungdah Chiu, School of Law, University of Maryland

PRC: Mr. Guo Changlin, counselor, PRC Mission to the UN  
Mr. Jiemian Yang, vice president, Shanghai Institute for International Studies, Shanghai  
Mr. Ni Shixiong, deputy director, Center for American Studies, Fudan University, Shanghai  
Professor Su Ge, Department of International Relations, Foreign Affairs College, Beijing

In addition to those individuals listed above, the first Roundtable on Cross-Strait Relations was attended by William J. Flynn, chairman of the National Committee on American Foreign Policy, and the officers of the NCAFP who traveled to Beijing, Shanghai, and Taipei in June 1996. They are Dr. George D. Schwab, president; William M. Rudolf, executive vice president; and Donald S. Rice, senior vice president.

We intend to hold four more meetings, all in New York City. We will commission discussion papers to be circulated prior to each meeting. At the end of each meeting, we will prepare a conference report. Sometime in 1999 the U. S. participants will travel to the PRC and Taiwan to discuss Cross-Strait relations with the appropriate officials. The final meeting will produce a formal document to be delivered to the key policymakers in the United States, the PRC, and Taiwan. The final report will also be issued as a National Committee on American Foreign Policy report and sent to key members of Congress, the American government, the PRC government, and the Taiwan government. We will also consider the possibility of holding a press conference at our final meeting.

