



National Committee on American Foreign Policy

Where Leaders Meet

Northeast Asia Projects

Summary of the Second Roundtable on U.S.-China Policy and Cross-Strait Relations

by Donald S. Zagoria

January 18-20, 1998

The January 1998 Roundtable on U. S.-China Policy and Cross-Strait Relations was the second in a projected series of five meetings sponsored by the National Committee on American Foreign Policy. The January meeting was attended by scholars from the United States, the People's Republic of China (PRC), and Taiwan. During the two-day Roundtable, the participants entered into candid talks about Cross-Strait issues. A summary of those discussions follows, according to the topics listed below.

- A. [Essential Background](#)
- B. [Prospects for Resuming the Cross-Strait Dialogue](#)
- C. [Major Obstacles to Improving Cross-Strait Relations](#)
- D. [The Role of the Democratic Progressive Party](#)
- E. [Mutual Lack of Trust](#)
- F. [Negotiations to End the State of Hostility](#)
- G. [Will the People's Republic of China Agree to a Confederation or Commonwealth Model for one China?](#)
- H. [The Issue of Taiwan's Independence](#)
- I. [The United States Role](#)
- J. [A Possible Long-range Solution](#)
- K. [The Impact of the Asian Economic Crisis](#)

A. Essential Background

There have been several important new developments in Cross-Strait relations since the Roundtable met first in June 1997.

- The Democratic Progressive party (DPP) won the majority of the local elections in November 1997 and may take control of Taiwan's central government from the Kuomintang (KMT) in the presidential elections scheduled for the year 2000.
- The DPP is redefining its platform and taking a more moderate line on the question of independence. The chairman of the DPP, Hsu Hsin-liang, advocates negotiations with mainland China on trade, postal, and transportation ties, which are now commonly known as the three links, and he says that there is no need to declare independence from the PRC government on the mainland because Taiwan is already independent.



- In sharp contrast to the past, the PRC is reaching out to the DPP. A recent article in Beijing's *Cross-Strait Relations* magazine expressed Beijing's hopes that the 23 newly elected local officials will visit the Chinese mainland.
- The DPP is divided on the question of the appropriate strategy for dealing with the PRC. Although the party chairman, Hsu Hsin-liang, favors negotiations with the mainland on the three links, the DPP mayor of Taipei, Chen Shui-bien, says that the time for such negotiations is not yet ripe. Moreover, the DPP is split between a minority who support a policy of engagement with the mainland and the mainstream which promotes a strategy similar to KMT President Lee Teng-hui's "no haste, be patient" program.
- On the PRC side, there are signs of some flexibility in interpreting the key issue of "one China." In a recent interview with Taiwanese politicians, Wang Daohan, chairman of Beijing's semiofficial Association for Relations Across the Taiwan Strait, said that the "one China" that Beijing had in mind was neither the PRC nor Taiwan but a future entity to be created by the two sides of the Strait. This was an important concession to Taipei, which has complained that Beijing's definition of "one China" was much too rigid. A Chinese Foreign Ministry spokesman subsequently denied, however, that there had been any change in the PRC approach.
- The American government seems to be cautiously optimistic about the prospects for a renewal of the semiofficial Cross-Strait dialogue because it sees signs of movement on both sides. Washington sees Taiwan as the more reluctant party in resuming the dialogue.

In sum, since the first meeting of the Roundtable in June 1997, there has been movement on the Cross-Strait issue both in Taiwan and the PRC. It is still not clear, however, when or even if the semiofficial Cross-Strait dialogue will be resumed in the near future.

B. Prospects for Resuming the Cross-Strait Dialogue

The Roundtable participants were cautious in evaluating the prospects for resuming the Cross-Strait dialogue. A PRC participant said that the glass was both "half full and half empty." On the one hand, there were encouraging signs. The mainland is devoting more attention to the Taiwan issue. In Taiwan, there is more talk about "one China." Taiwan now apparently favors a meeting to prepare for the resumption of talks between Koo Chen-fu and Wang Daohan, chairmen of the semiofficial organizations separately convened by Taipei and Beijing in 1992 to handle Cross-Strait relations. The international community is encouraging a resumption of the dialogue. Strengthened U.S.-China and China-Japan ties create a conducive atmosphere. So does the fact that the United States is reiterating its "one-China" policy.

On the other hand, there are the "six lacks." There is no consensus on the "one-China" principle. The reluctance of Taiwan to be integrated into China is obvious. Second, there is a lack of mutual trust. Taiwan resists establishing direct airlinks and recently refused to attend a PRC conference on economic relations. Third, whereas the PRC seeks to embark on a substantive political discussion with Taiwan, the Taiwan government seeks to confine the discussion to procedural, commercial, and routine matters. Fourth, there is a lack of internal consensus. The Taiwan political situation is evolving, while in the PRC, domestic pressure is mounting to quicken the process of reunification. Fifth, there is lack of agreement on the "one-country, two-systems." formula advanced by Beijing. Moreover, the Taiwan government has taken a series of measures since 1995 to slow down Cross-Strait relations. Finally, there is no agreement on the concept of "international space" for Taiwan.



Another PRC participant described the positions of each side on resuming the dialogue as follows. The PRC says it is prepared to resume the dialogue as soon as possible as long as both sides honor the principle of "one China." And the PRC proposes to begin the dialogue with talks on ending hostility between the two sides of the Strait. Taiwan says that it is prepared to accept "one China" provided that each side is free to give its own interpretation of "one China" and provided that the PRC recognizes that "one China" means two equal political entities. Taiwan's position is that the dialogue should be resumed where it stopped, that is, in negotiations between Koo Chen-fu and Wang Dao-han. Taiwan also wants the negotiations to concern themselves initially with minor "functional" issues rather than with big political issues.

The same PRC participant said that there did not seem to be any insurmountable issues. The PRC is prepared to talk about both "functional" and "political" issues. On the matter of how to define "one China," it is possible to talk about this issue.

A Taiwanese participant was more cautious in assessing the prospects for resuming the dialogue. First, the "core of the problem," he said, lies in Beijing's insistence on making its definition of "one China" a precondition for the resumption of talks. Beijing, said the Taiwanese participant, has to face the reality that China is now divided and there are two separate political entities on the two sides of the Strait. As long as the Beijing regime is unwilling to face the reality that China is now divided, it is doubtful that the Taiwan government, headed by either the KMT or the DPP, could come to the negotiating table.

The second problem, said the Taiwanese participant, is that both sides are far apart on the agenda for any anticipated dialogue. It is difficult at this point to imagine any agreement even on medium-range issues. Finally, given Taiwan's political setup and the fact that the KMT is losing its firm grip on power and that the DPP is ascending to power, it is very difficult for the Taiwan government to enter into serious negotiation with the mainland without some sort of multiple party consultation, if not formal authorization from the legislative branch. Moreover, it is impossible for any negotiation to be binding without some process of ratification. The bilateral relationship between the two governments across the Strait had, he said, become a trilateral one, with the public in Taiwan as a permanent third player.

Another Taiwan participant said that Taiwan's Mainland Affairs Council had agreed to five points in its December 1997 discussion of when and how to resume the Cross-Strait dialogue. First, the dialogue should begin where it left off: with a meeting at the Tang Shubei-Chiao Jen-ho level to prepare for the next round of the Wang-Koo talks. Second, it is possible to discuss political issues as long the dialogue takes place within the framework of "one China, two entities." Third, the PRC needs to be more generous in giving Taiwan international space. Fourth, the PRC needs to understand that the Taiwan government alone cannot decide everything. It has to take into account the political opposition. Fifth, nongovernmental interaction will also play an important role.

One American participant, after listening to the discussion on the first day between the Chinese and Taiwanese participants, concluded that the negotiations could be resumed if each side were free to make its own interpretation of the "one-China" principle. Under such circumstances, the negotiations could pick up where they left off several years ago and start with more routine issues such as fishing, commerce, and so on. The more troubling issue, he stated, was the need for a domestic consensus in both China and Taiwan to set aside "deal breakers" such as independence, the use of force, and particular interpretations of "one China." It was necessary, instead, to place a bet on gradual evolution.

C. Major Obstacles to Improving Cross-Strait Relations



As one Taiwan participant pointed out, basic differences on sovereignty and sovereignty-related issues continue to be at the heart of the controversy between the PRC and Taiwan. The PRC is anxious about Taipei's possible moves toward independence and continues to reiterate its position that there is only "one China" and that Taiwan is part of China. Indeed, for the PRC, the "one-China" principle is the overall precondition and foundation for its policy toward Taiwan.

Taipei, on the other hand, has in recent years been readjusting and moving away from the "one-China" policy. Taipei authorities have coined new terms such as the "Republic of China on Taiwan" and "a staged two-China policy under the eventual goal of national reunification." More recently some Taipei officials have stated that "one-China" refers to a future state of affairs, not the present situation, which, according to them, is a "divided China with separate jurisdictions."

Another continuing major area of conflict between Taiwan and the PRC is the competition for international position. In recent years, Taipei has pursued a "high profile" diplomacy in which the key ingredients have been efforts to rejoin the United Nations, visits by President Lee Teng-hui to countries with which Taiwan has no formal diplomatic ties, and establishing new ties with countries in the third world. This policy, especially, President Lee's high profile visit to Cornell University in 1995, has heightened tension in the Taiwan Strait.

In addition to the issue of "one China," the related problem of sovereignty, and diplomatic warfare, another obstacle to Cross-Strait relations has been domestic politics both in Taiwan and in the PRC. In Taipei, both the ruling KMT and the leading opposition party, the DPP, have been resistant to increasing ties with the mainland. Although the issue of policy toward the PRC is under debate in both the KMT and the DPP, the mainstream in both parties favors caution and restraint in policy toward the mainland.

On the mainland too domestic politics seems to be an important factor in Cross-Strait relations. There are signs that debate is taking place over the proper policy toward Taiwan. Some Chinese leaders have reportedly criticized the more flexible line toward Taipei recently enunciated by Wang Dao-han.

D. The Role of the Democratic Progressive Party

One of the most important new developments in Taiwanese politics is the ascendancy of the DPP as a viable opposition to the ruling KMT party. The DPP won a substantial victory in the November local elections and now controls 72 percent of the population compared to the KMT's 22 percent. A Roundtable participant from the DPP made the following points during the course of the meeting. First, the DPP is redefining its position on Taiwan's sovereignty and independence and is becoming more pragmatic. The DPP position now is that it will not and need not declare independence because Taiwan is already independent. There is no need to declare *de jure* independence. Second, the DPP is trying to redefine the sovereignty issue in terms of the status quo--the protection of Taiwan's autonomy. Third, more and more of the DPP elites can accept the idea of a "Chinese Commonwealth" if it means the recognition of two political entities. But the DPP will not say so in public because this would mean political suicide and play into the hands of the new independence party. Fourth, Taiwan is not a part of the PRC; Taiwan was never ruled by the PRC. Consequently, there must be negotiations between the PRC and Taiwan. Fifth, the DPP still says there should be a referendum after it comes to power, but the referendum will not ask whether Taiwan should be independent. Instead, it will ask whether Taiwan is a part of the PRC. The answer obviously will be no. And the results of the referendum will not be used unless Taiwan is "pushed against the wall." Finally, the DPP representative said that he personally supported the "three links" with the PRC as a way of institutionalizing the status quo.



E. Mutual Lack of Trust

The mutual lack of trust between the two sides was apparent once again on a number of occasions. For example, one Taiwanese participant explained that the Taiwan government refused to allow Taiwanese businessmen to attend an economic conference on the mainland because they suspected that the PRC was going to use the businessmen to attack the Taiwan government's position of going slow on Cross-Strait economic relations. He also said that there was suspicion in Taiwan that China was now discounting President Lee Teng-hui as a suitable partner for negotiation because of his past statements and actions. Moreover, said the Taiwan participant, the PRC's violent attacks against Lee Teng-hui have created much personal animosity toward the PRC on Lee's part.

F. Negotiations to End the State of Hostility

The PRC government has proposed that one important issue to be negotiated between the PRC and Taiwan is a way to end the state of hostility between the two sides of the Strait. But, said one Taiwan participant, it is not clear how to go about doing this. The DPP says that an end to the state of hostility would have to be negotiated through a treaty between the two entities and such a treaty would have to be subject to legislative approval. Therefore, the question of ending the state of hostilities was not so simple given the state of Taiwan's politics.

G. Will the People's Republic of China Agree to a "Confederation" or "Commonwealth" Model for "One China"?

According to the Taiwanese participant, relations between Taiwan and the PRC could be improved greatly if the PRC agreed to the idea of "confederation" or "commonwealth" as the formula for "one China." He wanted to know whether the PRC could agree to such a formula. It was his understanding that some Chinese are now discussing this possibility.

H. The Issue of Taiwan's Independence

A Taiwanese participant said that as long as the KMT was in power in Taiwan, there would be no declaration of *de jure* independence because of the very nature of the KMT as a Chinese Nationalist party. The DPP also was undergoing a major transformation, and its leader recently went to Washington and Tokyo to assure the two powers that the DPP was no longer a single issue party. Nevertheless, there were influential people in the DPP who were against the DPP chairman's more pragmatic position. This participant's conclusion was that both the Americans and the PRC have to talk more to the DPP leaders, especially the mayor of Taipei, and help to educate them about the realities of the situation. The mayor of Taipei, he said, was a pragmatist.

I. The United States Role

One American participant said that there is reason for optimism that the talks between the PRC and Taiwan will be resumed in the spring and that the United States hopes the dialogue will be restored because the current situation is fraught with risks. Only through dialogue can the two sides move toward a new, stable *modus vivendi*.

Another reason for optimism is that both sides are making adjustments, and there is flexibility on both sides. One example of this is the PRC attitude toward the DPP. A few years ago, the DPP was anathema to the PRC because of its proindependence position. But the PRC has recently invited newly elected DPP leaders to visit the PRC.



The American participant also said that the United States does not support Taiwanese independence and that it insists on a peaceful solution of the issue. The same individual also expressed concern that many Taiwanese politicians may think they have *carte blanche* from the United States but that such a perception is dangerous and inaccurate.

A former U.S. official said that U.S. policy was to let the two sides talk directly to each other and to provide a conducive atmosphere for dialogue but not to mediate or to suggest any concrete formulas. The United States, he said, can accept whatever solution to the problem both sides work out.

He said that during the crisis of 1995-1996, when the United States sent two aircraft carriers to the Taiwan Strait, the United States worked hard on both sides. To the PRC, the United States advised against the use of force while asking Taipei not to be provocative. The United States also told Taipei to deal with the executive branch and not to try to bypass that branch by dealing with the U.S. Congress. He said that it was his view that since the 1995-1996 crisis, the United States had maintained good relations with Taiwan and had broken the impasse in relations with China. Meanwhile, Congress had been somewhat sobered by the crisis.

Another former U.S. official made six points about the U.S. role. First, it was extremely important to pursue a peaceful approach to the issue. Any outcome agreed to by the parties would be satisfactory to the United States. Any ultimate solution would come from changes in both the PRC and Taiwan. Second, there should be no unilateral change in Taiwan's status. Any such change had to be agreed to by the PRC. Third, it would be a mistake to link changes in Taiwan's status and the use of force. The United States should leave no doubt in Taiwan that a unilateral change in Taiwan is unacceptable. Also, there should be no use of force by the PRC. Military force cannot be justified under any circumstance. Fourth, Taiwan should be secure enough to negotiate with the PRC and confident that its fundamental security is not in jeopardy. Fifth, the United States has an enormous amount to gain from a peaceful reunification but should not intervene in the process. Finally, Taiwan should understand that its best hope of gaining greater international status is through negotiations with China, not through lobbying with the U.S. Congress. The agreement on joint Taiwanese and PRC membership in both the ADB and APEC, which was the product of negotiations in which both Beijing and Taipei were involved, was a model in this regard.

In the course of discussion, the same former official made two other points. First, it would not be simple to explain to Congress why if Taiwan wants independence, the United States should not support it. Second, on the whole, Congress is now acting in a more restrained manner on the Taiwan issue. House Speaker Newt Gingrich is a case in point. He started with inflammatory talk about Taiwanese independence but soon was convinced to change his mind. No one in Congress, he stated, wants to see the United States get into a war over a "symbolic change in Taiwan's status."

In the discussion that followed, one Taiwanese participant said that the United States should make clear that it would not accept a Taiwanese declaration of independence. Otherwise, the United States would end up encouraging the independence forces on the island. One former U.S. official responded that although the United States has not explicitly said that it will not accept Taiwan's independence, it has said that the United States does not support it. To rule out self-determination, he added, would be dangerous politically and unnecessary at this point. But he said, at some point, the United States may flatly say that it will not support Taiwan's independence. Another former official said that the U.S. government should make clear to Taiwan that if it declares independence, it would be on its own.

J. A Possible Long-range Solution



One American participant outlined the elements of a long-range solution to the Cross-Strait conflict. He began with five assumptions: (1) There is no realistic possibility that the PRC will achieve control over Taiwan in the foreseeable future; the best Beijing can hope for is to eliminate the chance that Taiwan will assert *de jure* independence; (2) there is no realistic chance that Taiwan can assert *de jure* independence without provoking a PRC military response; (3) there is a significant possibility that miscalculation of one sort or another will produce fateful steps toward tragedy; (4) it is important, therefore, not simply to drift along with the status quo; and (5) the United States recognizes the underlying dangers in the current situation and affirms that its national interest will be served by their removal.

There are seven elements in a solution: (1) There should be an agreement to establish an interim arrangement to govern the Cross-Strait situation for a period of decades. At the end of that time, formal talks toward political unification would begin; this interim period could last about 50 years; (2) for this interim period, both Taiwan and the PRC should exist within "one China"; (3) there should be explicit agreement by Taiwan that it is a part of China and will not claim *de jure* independence; (4) there should be explicit agreement by the PRC not to use force against Taiwan; (5) for the interim period, each side will be in charge of its own domestic affairs and foreign policy; (6) there would be agreement to undertake regular talks at a high level to reduce areas of conflict and enhance mutual confidence; (7) the two sides should discuss the possibility of changing the name of both the PRC and the ROC to some name that would refer to the two parts of China together.

Reactions to the American participant's long-range solution were mixed. Several participants said they agreed with many of the points in the paper, but there were a number of caveats. One PRC participant said he agreed with the proposition that it was important not to drift with the status quo because the status quo holds danger. And this is why the PRC is eager to resume the dialogue. But he said that opposition to the use of force by the PRC is also dangerous because there is no doubt that the PRC would use force to stop the separation of Taiwan from the mainland. Another PRC participant said he agreed with the framework and the conclusions, but he introduced several caveats. First, it is necessary to take into consideration domestic political developments in both China and Taiwan. In Taiwan, for example, the struggle between the KMT and the DPP complicates Cross-Strait relations. And on the mainland domestic factors will play an increasing role in the years ahead. Second, the PRC participant did not believe that the Taiwan government would agree to a formulation that there is only one China and that Taiwan is part of it. Both Lee Teng-hui and the DPP now say that Taiwan is already independent.

The DPP representative from Taiwan said that the paper was reasonable but that a solution would need a great deal of political preparation. No one on Taiwan would be able to sign such an agreement at the present time.

An American participant wondered whether Jiang Zemin could afford to talk about a solution to the Taiwan issue in 50 years.

Finally, another PRC participant said that it is his view that we have not yet reached the stage in which the two sides could talk about fundamentals. Instead, the process is now at the formative stage in which both sides are laying out their ideas "while the Americans are watching."

K. The Impact of the Asian Economic Crisis

The impact on Cross-Strait relations of the Asian economic crisis was discussed. The PRC impression is that Taiwan is exploiting the crisis in order to gain more international space for itself. The Taiwanese say that they are willing to cooperate with the PRC in aiding the Asian economies



through some multilateral organizations such as the IMF or the Asian Development Bank. It was agreed to discuss these issues more fully at the next Roundtable.

February 9, 1998

